

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 2, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I have a ministerial statement, Mr. Speaker.

Last night I had the pleasure of presenting Manitoba Export Awards to five outstanding Manitoba firms who have exhibited the initiative, perseverance, and entrepreneurial flair, which are essential in the international marketplace.

Well over 200 senior Manitoba business executives were in attendance to help honour and recognize these companies for their efforts. Consistent with Manitoba's broad industrial make-up, the award winners included a high fashion sportswear designer and manufacturer called Trace Design; a manufacturer of ready-to-assemble furniture, Fournier Stands; a small manufacturer of a unique floor covering cutting machinery, E-Z Cut/Vidir Machine Works; a poultry processing co-operative, Granny's Poultry; and a consulting engineering company, Wardrop Engineering. These five diverse companies have one thing in common, a belief that exports are crucial to the survival and growth of their firm.

My department chooses to publicly recognize such firms through the Manitoba Export Awards Program believing it will be inspirational to other Manitoba industrial interests who may be considering expansion into new markets. The program has been in operation for six years now and, from a modest beginning, the awards have become a much sought after reflection of a company's export initiative.

Previous winners have used the award logo in their literature, sales presentations, and as a promotional tool in entering new markets. Eighteen companies applied for the five award categories this year which made the job of selecting recipients a very difficult task. The selection committee is composed of prominent Manitoba businessmen who devote their time freely to assess the applications received.

The Manitoba Export Awards Program reflects the Government's conviction that trade opportunities are crucial to Manitoba, and we must expand our trade and investment promotion efforts to ensure Manitoba takes full advantage of these opportunities. The recently announced enhanced trade initiatives of my department reaffirm this conviction.

I wish to congratulate the award winners again, and all those other Manitoba companies involved in exporting. Thank you.

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, I would like to join with the Minister in

congratulating the firms who were the recipients and indeed to all those firms who made application for these awards, which have been functioning now for some six years in recognition of the need for Manitoba companies to provide incentives to those who would export our goods outside of the Province of Manitoba, that each and every one of these firms, judging by the notes that I received earlier today from the Minister, are indeed worthy of being so designated by this Export Award Program.

I hope it will encourage others to broaden their program in export initiative and that the logo, which many have used in the past, will continue to be used in order to continue the growth and diversity in our economic community.

Mr. Leonard Evans (Brandon East): I would join with the Leader of the Opposition (Mrs. Carstairs) and the Minister of Industry (Mr. Ernst) in congratulating these firms who have received these awards and indeed others who are trying their best to increase exports out of the Province of Manitoba.

* (1335)

The fact is of course, Mr. Speaker, that awards have been presented for many years to Manitoba companies for various kinds of performance, including export awards. I have had the pleasure of doing that myself many years ago as Minister of Industry. Unfortunately, there is no data which shows whether we are increasing exports out of the Province of Manitoba. As a matter of fact, I am concerned that the exports out of Manitoba are going to decline particularly from the manufacturing sector. I say that because we have had a consistent industrial erosion the past year and a half or ever since the Free Trade Agreement was signed.

The fact is, we have lost Toro engines from Steinbach, Marr's Leisure Products from Brandon, Campbell Soup is going to Ontario, Molson's is folding, and so forth. So there is industrial erosion and there will be fewer companies to export. This is regrettable, and I am sad to see this industrial erosion that is occurring.

An Honourable Member: You are a sad case, Brandon East.

Mr. Leonard Evans: Well, the Premier is a sad case too. He, from his seat, said I am a sad case. Well, if he want to insult me I can insult him back as well, Mr. Speaker. I think that is totally inappropriate. The Premier of this province should be setting an example not making demeaning remarks from his seat.

So as I said I would congratulate these companies. We are pleased that they have won these awards. We wish them well, but we are a bit concerned about the future.

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INTRODUCTION OF BILLS

BILL NO. 81—THE ENVIRONMENT AMENDMENT ACT

Hon. Glen Cummings (Minister of Environment) introduced, by leave, Bill No. 81, The Environment Amendment Act; Loi modifiant la Loi sur l'environnement.

BILL NO. 82—THE DANGEROUS GOODS HANDLING AND TRANSPORTATION AMENDMENT ACT

Hon. Glen Cummings (Minister of Environment) introduced, by leave, Bill No. 82, The Dangerous Goods Handling and Transportation Amendment Act; Loi modifiant la Loi sur la manutention et le transport des marchandises dangereuses.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct Honourable Members' attention to the Speaker's Gallery where we have with us this afternoon His Excellency Mr. James Humphreys, who is the High Commissioner of Australia.

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

Also with us this afternoon we have, from the Ethelbert School, twenty-three Grade 11 students, and they are under the direction of Mr. Kushner. This school is located in the constituency of the Honourable Member for Dauphin (Mr. Plohman).

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

ORAL QUESTION PERIOD

Grace Hospital Asbestos Levels

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Minister of Health, and it concerns the health and safety of patients and staff at the Grace Hospital.

During construction at the Grace Hospital, Mr. Speaker, asbestos was used as it was in that era of construction on the ceilings, ductwork, beams and was used to insulate pipes. Recently, we have had reports that insulation has been found on the floor of the third floor as well as on countertops in the lab. I know the Minister is well aware of the health link between asbestos fibres and cancer. Can the Minister tell the House today what action is being taken to ensure the health and safety of patients and staff at the Grace Hospital?

* (1340)

Hon. Donald Orchard (Minister of Health): Well, Mr. Speaker, when issues like that come before

Government, they are dealt with in the short term to provide whatever short term remedy, and if removal is easily achievable that is the option taken.

The second option taken is, if those areas of the facilities are outdated in terms of the modern health care system and are scheduled for capital reconstruction, the complete revamping of the facility is then scheduled.

I will have to beg the indulgence of my honourable friend and her patience, and her Party's patience, as we approach the tabling of the Capital Estimates to determine whether in fact the latter will be the preferred mode.

Mrs. Carstairs: Mr. Speaker, this morning we received a laboratory report on a sample of asbestos from the hospital that we submitted for analysis. This report states that the sample contains 15 percent to 20 percent serpentine asbestos, which puts it in a range where much further evaluation of the situation is appropriate. Can the Minister tell us if he and the Minister responsible for Workplace Safety and Health (Mrs. Hammond) have had consultations with respect to the safety conditions and health conditions, in that the Minister has in fact had samples sent to her some months ago?

Mr. Orchard: Mr. Speaker, I realize that my honourable friend is desperately trying to create alarm and fear in the health care system, as she did on Monday by maligning every single personal care home in the Province of Manitoba with unattributable remarks, et cetera, et cetera. Always, when we are faced with issues of safety in terms of patients and staff working in public facilities, we move as quickly as we can to remedy those situations. We do not shirk our duties in that regard.

I told my honourable friend I could not answer the specific remedial course of action today on that situation at Grace Hospital as to whether intermediate steps will be taken to remove the asbestos, which has been there for a number of years, because that was the mode of construction at one point in time, or whether in fact that is part of a hospital redevelopment scheme which Grace has had before Government for some years.

Asbestos Levels Investigation

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, the evidence is clear. There are unsafe conditions existing at that particular hospital which need further evaluation. Will this Minister take it upon himself today to ensure that further evaluation takes place beginning today, in that further and earlier samples given to this Government have resulted in no investigation?

Hon. Donald Orchard (Minister of Health): Naturally I am unable to confirm my honourable friend's allegations about no action being taken. My honourable friend consistently comes to this House with allegations not designed to raise anything but fears falsely before the people of Manitoba and their health care system. My honourable friend ought to be somewhat patient

because the capital budget in the Province of Manitoba from time-to-time addresses these issues in terms of a complete reconstruction of those areas.

Mr. Speaker, I cannot tell my honourable friend what the proposed remedial action to be taken at Grace Hospital is, but let not my honourable friend again try to raise unnecessary fears throughout the province with -(interjection)-

Mr. Speaker: Order, please. Order.

Asbestos Handling Training Program

Mrs. Sharon Carstairs (Leader of the Opposition): It is very difficult working with a Minister who does not trust his own inspector's reports achieved through access to information. He obviously does not test and believe in test results which come from an independent lab. It is very difficult to convince him that the health care needs of Manitobans are being ignored by his ministry. Can the Minister tell this House if he knows that staff at the hospital are being appropriately trained in using asbestos and dealing with asbestos in that a consultant hired by the hospital laid out a training program?

* (1345)

Hon. Donald Orchard (Minister of Health): Mr. Speaker, seeing as how my honourable friend laid out her usual unsubstantiated, unconfirmed accusations on the personal care homes, like she did on Monday, I want to deal with that issue first.

My honourable friend did not identify one facility in her attack on Monday. She did not ask and she knows those circumstances have been remedied. My honourable friend refused to put that information on the record because she wants to raise the fears of Manitobans in a very, very desperate fashion to save her flagging leadership as evidenced in the editorial page of the Winnipeg Sun today.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order.

Asbestos Removal Policy

Mrs. Sharon Carstairs (Leader of the Opposition): I have a supplementary question to the Minister. Can the Minister tell this House if there is a policy initiated by his Government to deal with asbestos in health care institutions in the province, and when will those fibres be removed from health care institutions?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, repetition is the epitome of the learning process, and I would like to tell my honourable friend that there will be one of two courses of action taken. There can be a remedial removal of asbestos when it is causing a problem in a facility, or the facility. If its time has expired and is in need of full capital replacement, that is done.

I cannot tell my honourable friend which process will be done at Grace Hospital. I asked my honourable friend for her patience in that we could have that given to her in the Capital Estimates of the Manitoba Health Services Commission, which we may well debate in the near future.

Asbestos Levels

Mrs. Sharon Carstairs (Leader of the Opposition): Effective learning only takes place when you get an effective response to a question. Can the Minister tell this House if we can expect the same prompt action as we received from the questions we raised with the Concordia lab, if we will get the same prompt reaction with regard to the health and safety conditions caused by this asbestos blowing in the air at the Grace Hospital?

Hon. Donald Orchard (Minister of Health): I cannot confirm again my honourable friend's allegations and the statements she has just made. I am quite willing and wish the opportunity to tell my honourable friend that her press release was absolutely false wherein she said she raised the question one day, and it was dealt with before Question Period the next day.

That issue has been before the commission at Concordia Hospital for a number of months. A regularly scheduled meeting scheduled for some several weeks prior to my honourable friend learning of the issue. The meeting was scheduled in Health, at which time the whole issue of the redevelopment of the lab was decided upon. It was not because of my honourable friend's raising the issue in the House; the issue was before Government for at least three to four months and in the planning stages for a resolution.

Hydro Development Ontario Sale

Mr. Jerry Storie (Flin Flon): In October of 1987 the previous Government signed a 200 megawatt power sale deal with Ontario Hydro. Part of the terms of that agreement were extended discussions and negotiations with respect to a further 1,000 megawatt sale.

* (1350)

I have learned that Ontario Hydro has approved the purchase of 1,000 megawatts over a 20-year period with Manitoba Hydro, and I wonder whether the Minister of Energy and Mines (Mr. Neufeld), the Minister responsible for Manitoba Hydro, can indicate today whether the Government has formally changed its power with respect to hydro development more in line with the New Democratic Party policy, and whether the Minister can indicate to the House and the people of Manitoba when this important hydro development project will be formally announced by the Government?

Hon. Harold Neufeld (Minister of Energy and Mines): I would like to inform the Member for Flin Flon (Mr. Storie) that we have one basic difference with the former NDP Government with respect to hydro sale. We will not enter into a construction program for a new hydro-

electric dam until such a time as we have made this sale, not build the dam and then go and look for customers to make a sale.

Mr. Storie: Well, Mr. Speaker, the Minister did not answer the question, and he does not have his history right. The Northern States Power deal was signed before construction began, and that is the reason construction at Limestone began. I do not understand the reluctance of the Minister to go ahead with this other than the general reluctance to develop our hydro resources. I asked the Minister whether he could indicate to the people of Manitoba when we might expect an announcement of the beginning of construction of Conawapa.

Nelson-Burntwood Agreement Northern Manitoba Employment

Mr. Jerry Storie (Flin Flon): My second question to the Minister is: can the Minister indicate why this Government has proceeded to re-sign the Nelson-Burntwood Agreement which provided for preferences to northern Natives, to northern residents, why he has gone ahead and signed a new agreement which does not improve the access of Northerners to jobs and employment and training in northern Manitoba? Why has that been done prior to the signing of the formal announcement that the Minister is withholding against the interests of northern Manitobans?

Hon. Harold Neufeld (Minister of Energy and Mines): When we have signed an agreement with Ontario Hydro for the sale of 1,000 megawatts worth of electricity, as indicated by the Member for Flin Flon (Mr. Storie), for a 20-year period we will make that announcement in the House. We have not signed any agreement at this point in time, and we will not make an announcement on the construction of the Conawapa project on the Nelson River.

Mr. Storie: I want to know, and I believe other Members of the House want to know, whether this Government is serious on ensuring that any new construction on the Nelson River system will benefit Northerners, will benefit Natives in northern Manitoba, will provide training and employment opportunities. I want this Government and I want this Minister today to indicate whether he is prepared to commit to making improvements and ensuring that Northerners have the predominance of employment opportunities at the Nelson site, any Nelson site, the next generating station.

Mr. Neufeld: We have always been committed to the North. This Government has always said that when the time comes that we will build another power project on the Nelson River, and the time will come when we will have to because there will be need in Manitoba, we will continue to employ the people from the North as has been done in the past, and we hope to improve the conditions of those people and the employment conditions of the people that have been employed in the past.

Manitoba Hydro French Services

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, while I am on my feet, may I bring the House an answer to a question I took as notice from the Honourable Member for St. Boniface (Mr. Gaudry) regarding an energy conservation promotion program by Manitoba Hydro.

The promotional pamphlet in question and the specific sentence in question deals with the promotion of automatic timers for interior and exterior car warmers. There are four of these timers that are available in the city today. Of the four, three of them had the instructions in French on one side and English on the other side, the fourth had the instructions in English first and French below it on one side and French first and English below it on the other side.

Contrary to company policy the coupon was printed and the people were asked to take the side with English only. That was an error for which we apologize. The pamphlets have been withdrawn. They were only sent to the employees of the company and to some dealers in the city. It was done in order to—it was well intended. The person who sent them out thought if they sent them out and did not make specific instructions, people could send in both sides and get double the refund of \$5 each.

* (1355)

I have been assured that controls have been put into place making the recurrence of such an error unlikely. Additionally, the president of Manitoba Hydro and the chairman of Manitoba Hydro deeply regret any inconvenience and apologize for it and ask the Member for St. Boniface (Mr. Gaudry) to take that apology into his constituency.

Limestone Employment Training Centre Re-implementation

Mr. Jerry Storie (Flin Flon): Mr. Speaker, my final question is to the Minister of Energy and Mines (Mr. Neufeld). Given the fact that the Nelson-Burntwood collective agreement has already been re-signed with no improvements, furthermore with no consultation with any Native group—not the Native groups that participated in the Limestone hydro-electric project, not with any northern group—given that the Minister and his colleague, the Minister of Education and Training (Mr. Derkach), have closed the Limestone Training and Employment Agency, will the Minister of Energy and Mines, the Minister responsible for Manitoba Hydro, now ensure that the Limestone Training and Employment Agency will be reinstated, that the consultation that is due to the Native groups across northern Manitoba, with respect to training, will take place? Can he assure us—

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An Honourable Member: Mr. Speaker, point of order.

Mr. Speaker: Order, please. The Honourable Minister of Education, on a point of order?

Hon. Leonard Derkach (Minister of Education and Training): Yes, on a point of order, Mr. Speaker. The Member for Flin Flon (Storie) has just put on the record that this Government has closed the Northern Training Employment Agency. That is false information that the Member for Flin Flon is bringing to the House this afternoon.- (interjection)-

Mr. Speaker: Order, please; order, please. The Honourable Member does not have a point of order. It is a dispute over the facts.

Mr. Neufeld: Mr. Speaker, as I have already indicated to this House, there is nothing we will do that will change the advantages that the northern people now hold in obtaining jobs at any new project on the Nelson River.

Grace Hospital Asbestos Levels

Mr. Paul Edwards (St. James): Mr. Speaker, - (interjection)-

Mr. Speaker: Order, please. Order. The Honourable Member for St. James.- (interjection)- Order, please. The Honourable Member for Flin Flon has had an opportunity to get his questions on.- (interjection)- Order, please. The Honourable Member for St. James.

Mr. Edwards: Mr. Speaker, we know that the Minister of Workplace Safety and Health (Mrs. Hammond) did receive a sample of asbestos material from Grace Hospital many months ago. We also know that this morning she received a report confirming the level of asbestos in the materials and that it was loosely bound asbestos materials which were in fact ending up in the air circulation at Grace Hospital.

I wonder if the Minister of Workplace Safety and Health might explain to this House just exactly what she did with the sample she received many months ago, and why we were able to get a confirmed report from an independent lab within two days? She does not appear to have done that with her sample and indeed not done anything to deter the health hazard at Grace Hospital.- (interjection)-

Mr. Speaker: Order. Order, please. The question has been put. The Honourable Minister of Workplace Safety and Health.

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): I have been in touch with staff today, and I am expecting a report and I will bring it to the House.

Mr. Edwards: Could the Minister please explain what in fact happened with the sample that was given to her many months ago, and why it has taken an independent sample, gotten by the Opposition Party, to get this Minister to do something about this very, very serious problem?

Mrs. Hammond: Mr. Speaker, I doubt that the Member for St. James would want me to be the one to handle the sample. So, if the sample is in the department as they said, they will be the ones, the experts in the field, to handle it as one would expect and hope.

* (1400)

Mr. Edwards: That is a bizarre answer. Of course this Minister is responsible for a department. She is in this House to take responsibility for her department.

Workplace Safety and Health Standard Reduction

Mr. Paul Edwards (St. James): Mr. Speaker, my final question is to the Minister. When will this Minister be bringing into legislation the higher standards which were in place prior to her becoming Minister, and which she has committed to restoring with respect to carcinogens in the workplace, given the unanimous report of the advisory committee which unanimously recommended that this Minister had made a mistake when she lowered the standards? It took her a month to lower the standards, and it has now taken her over two months, and she has not raised them yet.

Mr. Speaker: Order, please. Order. The question has been put. The Honourable Minister of Workplace Safety and Health.

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, I am not going to stand here and defend the actions to the Honourable Member across. We have accepted the unanimous recommendations which were not there before. We have accepted that from the Advisory Council. The new regulations are being worked on, but we are waiting for the further report to come out at the end of November so that we can do all the regulations at once.

Repap Manitoba Inc. Sale Agreement Security

Mr. John Angus (St. Norbert): Mr. Speaker, I understand that, and I am sure that the Minister is aware of the very startling and revealing declaration by Repap Corporation to really evaluate with the possible intentions of renegotiating the opportunities with The Pas Forestry Complex.

The question to the Minister of Finance is: can you share with us any discussions that you have had with the Repap Corporation in relation to this pronouncement they are making, and is the Minister prepared to sacrifice Manitoba's environmental concerns to this type of corporate blackmail before the environmental report is released?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I could spend a half an hour on rejecting most of the preamble to the question. It is obvious that the Liberals have always been against Repap coming into Manitoba. So no doubt if they sensed the project was going to fail, they would be standing and applauding today.

Let me say, Mr. Speaker, in response to the question, and it came to light this morning when I understand there was an article in the Financial Post which sort of embellished quite strongly some of the sentiments of Repap at this time. I have an opportunity to be in discussion with senior executives of that company, and they assure me that the agreement that we have entered into is sound and it will be proceeded with.

Repap Manitoba Inc. American Environmental Study

Mr. John Angus (St. Norbert): Mr. Speaker, to the Minister of the Environment: why is it necessary to utilize an American agency to evaluate the effluent standards of the project in The Pas, which is even a more startling revelation from the same newspaper article?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. The Honourable Minister of the Environment.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I have a fair bit of personal regard for the Member opposite, but I have to tell you that this is one of the most bizarre lines of questioning that I could have imagined that would have come forward today.

On the specifics of his question, the Department of Environment has always said that the work in which they do within environmental licensing requires that they have access to the best possible information and the state of the art knowledge when providing the backup to the licences which they issue. They issue a number of them, literally hundreds of them, through the department during the course of a year.

For him to somehow suggest that we are relying in some way on some foreign agency to do the work for which we are responsible not only indicates that he does not understand the technical expertise that is required. He does not understand the ability of the department and their willingness to make sure they have all the information.

Mr. Angus: Mr. Speaker, the unmitigated arrogance of this Government is overwhelming. This is a Swedish process. It is not utilized in the United States anywhere, it is utilized in Canada. There are no universities; there is no sustainable development institution; no paper and pulp institute in Canada has done it.

Is the Minister now denying that he is using the United States environmental agencies to examine and evaluate the effluent discharge at The Pas?

Mr. Cummings: It is obvious that the Members opposite wish that somehow they could stand up and

say this Government has abandoned the environment or it has abandoned Repap. Unfortunately, they cannot say either one, so they are threatening up here creating the illusion that somehow we are doing something improper in obtaining world class information for the eventual issuing of a licence to this corporation. It is absolutely indicative of the nay sayers and the desperate politics on that side to try and get something out of this issue.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please.

LynnGold Resources Inc. Negotiations

Mr. Jay Cowan (Churchill): My question is to the Premier, Mr. Speaker. In yesterday's letter, November 2, from the Deputy Minister of Energy Mines to Mr. Gordon Bub, vice-president of DCC Equities, the Deputy Minister quoted, and I quote from the letter: our position has not changed in the past several weeks. It was reiterated in our discussion with Peter Goodwin on October 30, 1989, and in our letter of the same date, and it will not change in the future. You may wish to reconsider your position and advise.

That rather chilling letter was in response to a counter proposal by LynnGold to help keep their mine and mill operation in the community alive. Can the Premier indicate that his Government would be prepared to be a bit more flexible in the negotiations than is stated in that particular letter so that we could see the continuation of the community through the continuation of the mining and milling operations there, and is he prepared to get all of the parties together to sit down face to face in the same room to reach a successful conclusion to these negotiations?

Hon. Gary Filmon (Premier): Mr. Speaker, I will give the same response that I gave to the same question to Mr. Don White, the head of the steelworkers in Lynn Lake, who asked the question on behalf of the Member for Churchill (Mr. Cowan) when he phoned me. I am certain because I know that this is the kind of political gamesmanship that the Member for Churchill wants to play with people's lives.

* (1410)

I will repeat what I said. We have gone to the extent that no other Government in this country would go to try and achieve an agreement with LynnGold to keep the mining operation alive. What we want is long-term assurance that those jobs will be protected for the benefit of the workers in LynnGold. We do not want a short-term quick fix. We do not want to simply be pouring tens of millions of dollars into corporate pockets because of the difficult situation. There has to be a long-term assurance that that mine will keep operating and that those people in Lynn Lake will have their jobs.

Mr. Speaker, we are talking about a package in the range of over \$20 million. The New Democrats put \$2 million on the table in 1985. That was the extent of

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their commitment. We are now talking 10 times that figure. We have said that this is as far as we can go. Regrettably we would like to do, but we cannot prop up the world price of gold with Manitoba's treasury. We can only go so far as is economically sound to try and save those jobs. We have gone as far as we can go, Mr. Speaker, and that is the bottom line.

Premier's Intervention

Mr. Jay Cowan (Churchill): Mr. Speaker, Mr. Don White, the President of Local Steelworkers 5757 in Lynn Lake was speaking on behalf of the residents of the community and the members he represents. I have a petition from over 450 Lynn Lakers addressed to the Premier (Mr. Filmon), which I will forward to him, asking him to become personally involved in the negotiations and to call the Parties together.

I would ask the First Minister: will he at least make that one final effort to get the parties in the same room so they can explore all avenues to see if there is not some way that this can be resolved, if he will use his good office, his ability as a statesperson and as a negotiator, to bring the parties together to try to find out if we cannot resolve this issue successfully, rather than rely upon some very chilling and I think - (interjection)- well, some say arrogant—

Mr. Speaker: Order. Order, please. The Honourable Member's question has been put. The Honourable First Minister.

Hon. Gary Filmon (Premier): Mr. Speaker, the Member in his facile way makes the assertion, or the assumption, that I have not been involved, that my Cabinet has not been involved, and that this issue just happened over the last three or four days. This matter has developed over three or four months.

My Minister of Energy and Mines (Mr. Neufeld) has spent months and months, and a great proportion of his time, over the past number of months on this. I have been there at Lynn Lake meeting with the people. I have been on the phone talking with senior officials including Mr. Buchan, and we have gone and gone and gone and gone along the way until we reached a point, which I communicated directly to Mr. Buchan about two weeks ago, that this was as far as we can go. Now he stands up trying to milk the taxpayers of Manitoba for more money on behalf of a major corporation based in eastern Canada. That is who he is arguing for, Mr. Speaker, to get more money out of the taxpayer of Manitoba for a major eastern corporation—

Mr. Speaker: Order. Order, please. The Honourable Member for Churchill.

Mr. Cowan: Mr. Speaker, the New Democratic Party, and myself as MLA, is where we have always been in this province and that is fighting for workers and their families, fighting for northern communities, fighting for the development of our North, and fighting for a more equitable society that does not treat workers like pawns—

Mr. Speaker: Order. Order, please. Does the Honourable Member have a question? The Honourable Member for Churchill (Mr. Cowan) will assume his chair.

I would like to remind the Honourable Member for Churchill that I had asked the Honourable Member to assume his seat because his remarks were not getting on the record. The Honourable Member has not put his question yet. Would the Honourable Member for Churchill kindly put his question now, please?

Mr. Cowan: Given that no matter how long the Government has been involved in this, it is not over until it is over, and it is not over until November 6. Will the First Minister just do a very simple thing and call the parties together so that they can meet face to face? I can assure him they are prepared to do that in order to try to resolve their differences in an amicable way and in the way in which classic negotiations are undertaken in this province.

Mr. Filmon: This is the record of what the NDP did when they were in Government. NDP refuses to fund Sherritt jobs grant. That was for Lynn Lake, for this particular mine, the province may kill—

Mr. Speaker: Order. Order, please. I would like to remind the Honourable First Minister of Beauséjour's 501, where Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber. The Honourable First Minister.- (interjection)-

Order. Order, please. I would like to remind the Honourable First Minister to put your answers through the Chair. The Honourable First Minister.

Mr. Filmon: Mr. Speaker, the fact of the matter is that this Government has gone further than any Government anywhere in the country would to save the jobs for the people of Lynn Lake. We are not into this for political expediency as the Member for Churchill (Mr. Cowan) is. We are not into this to play games with the lives of people. We are trying to make a legitimate agreement.

POINT OF ORDER

Mr. Speaker: Order, please. The Honourable Member for Churchill, on a point of order. Order.

Mr. Jay Cowan (Churchill): If it makes the First Minister feel better to suggest that people are involved in this for political expediency, let him at least recognize that as unparliamentary. He should withdraw, if he is an Honourable Member of this House. It is in violation of Citation 481 of Beauséjour's, and I would ask your assistance in having him withdraw the—

Mr. Speaker: Order, please. Order. I regret the remarks of the Honourable First Minister. It does absolutely nothing for the decorum of the Chamber, and I would ask the Honourable First Minister to withdraw those remarks.

The Honourable First Minister.

Hon. Gary Filmon (Premier): Mr. Speaker, I apologize to the Member for Churchill (Mr. Cowan) for questioning

his motivation in this. I do not appreciate the kinds of comments that he continues to make about the sincerity of this Government with respect to resolving the Lynn Lake issue.

Mr. Speaker: Order, please. We would like to thank the Honourable First Minister. Order. Now, order, please.

The Pines Project Minister's Consultations

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, the controversial Pines Development has been given the nod by the outgoing City Council. In fact, only hours after the vote was recorded on October 19, a huge sign was erected advertising the particular project. Developers Bob Akman and Roy Lev indicated at a community committee meeting earlier this year that the Minister of Housing (Mr. Ducharme) looked favourably at providing \$5 million towards the development.

Now we hear that his colleague, the Minister of Highways and Transportation (Mr. Albert Driedger), has asked his federal counterpart to help block the project.

My question to the Minister of Highways and Transportation is this: can he tell the House what communication he has had previously with his colleague the Minister of Housing regarding this particular project in light of the strange change of events?

* (1420)

Hon. Albert Driedger (Minister of Highways and Transportation): First of all, when I took the step that I did in writing to the federal Minister asking him to use the powers that he has in terms of stopping the Pines project, at that time I have to say I had not discussed it with my colleague, the Minister of Urban Affairs (Mr. Ducharme). However, I have since that time. However, the Minister has also indicated that there is no funding coming from his department for that project.

Mr. Speaker, in defense of my position that I took, my interest was based on protecting the Winnipeg International Airport here and the kind of economic spinoff that we have from there. We have developed a committee that is going to be looking at the protection of development in the area so that we can protect the economic interests of the people of Winnipeg, Manitoba, and the Winnipeg International Airport.

Mrs. Yeo: I am delighted that he is agreeing with us that the airport noise is a potential for problem with this particular development.

Federal Intervention

Mrs. Iva Yeo (Sturgeon Creek): Will the Minister of Highways and Transportation share with us the steps that the federal Minister of Transportation will use in this request for intervention?

Hon. Albert Driedger (Minister of Highways and Transportation): Well, first of all, I do not have a commitment from the federal Minister of Transportation

that he will be taking any steps. I had asked in writing to look at the possibility of doing it. I have no assurance that this will happen.

However, I want to repeat again that we have a committee that we are establishing that will be looking at working jointly together with the Winnipeg Chamber, the St. James Chamber of Commerce, the City of Winnipeg, and all the groups involved in terms of seeing whether we can develop a strategy so that we can protect development in the area of the Winnipeg Airport for the future so we do not run into these kind of problems.

Provincial/Municipal Consultations

Mrs. Iva Yeo (Sturgeon Creek): Mr. Speaker, will the Minister of Highways and Transportation (Mr. Albert Driedger) tell us if he and his colleague, the Minister for Housing (Mr. Ducharme), have had negotiations recently with the City of Winnipeg, and if not when can we expect them to resume, or will he be waiting for direction from Benoit Bouchard?

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, first of all I would like to indicate that I have discussions with the Minister of Urban Affairs (Mr. Ducharme), along with the Minister of Labour (Mrs. Hammond), on an ongoing daily basis regarding this issue as well as many other issues.

Mr. Speaker, we have just had a civic election, and I have not had the opportunity to speak with the mayor about this issue. I have spoken with him about the VIA Rail issues but not this issue. We are prepared to dialogue with them to see what kind of a position that they would take.

Day Care Funding Parental Fee Schedule

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, middle-income parents who now pay 70 percent of child care costs, which by the way is a higher proportion than parents who send their children to private schools like St. John's-Ravenscourt, are very worried that this Government will follow the advice of the Liberal Leader (Mrs. Carstairs) who says she wants families making \$36,000 a year, which is less than the average income in Manitoba, to pay more than \$100 more per month per child.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order.

Ms. Wasylycia-Leis: Perhaps I should clarify, Mr. Speaker.

Mr. Speaker: No, the Honourable Member for St. Johns, put her question.

Ms. Wasylycia-Leis: Thirty-six thousand dollars is less than the average family income in Manitoba.

I want to ask the Minister of Family Services (Mrs. Oleson) if it is her Government's policy that parents

must pay a higher proportion of child care costs than parents of students at St. John's-Ravenscourt School?

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, I should remind the Member that there is a working committee which will be getting to work immediately on funding issues with regard to child care, and they will be looking at all the various methods. They will be looking at all the funding ramifications of child care, and that will be what is taking place immediately.

Ms. Wasylycia-Leis: Mr. Speaker, it is obvious the Minister has not ruled out this regressive proposal, and the Liberal Leader (Mrs. Carstairs) is right in there with her. They are like two peas in a pod.

Mr. Speaker: Is there a question here?

Ms. Wasylycia-Leis: My question is: why is this Government even considering the Liberal policy of Americanization of our day care system, which will result in a two-tier day care system, one for the rich, one for the poor, and once again hit middle-income families the hardest because since families who earn say on average \$36,000 and have two children would end up having to pay—

Mr. Speaker: Order please; order please. The Honourable Minister of Family Services.

Mrs. Oleson: Mr. Speaker, I think the Member should be aware that when you are going to discuss any particular problem, and we do say that this day care funding is a problem, we all I am sure in this House agree with that. That when you do set out to solve a problem, you look at every single way in which that problem might be solved.

Mr. Speaker: Time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, would you be so kind as to call Bill Nos. 34, 27, 31, 6, and the remainder as listed on the Order Paper?

SPEAKER'S STATEMENT

Mr. Speaker: Order, please. Before recognizing the Honourable Member for Interlake (Mr. Uruski) to speak on Bill No. 34, I have a brief statement for the House.

When this Bill was last before the House, I had some difficulty with the comments of some Honourable Members in terms of relevance to the subject matter of the Bill. Therefore, I will take this opportunity to remind all Honourable Members of our Rule No. 30 which reads: "Speeches shall be directly relevant to the question under consideration or to a motion or amendment that the Member speaking intends to move, or to a point of order."

At second reading, it is a principle of the Bill before the House which is debatable. On this particular Bill,

it is the amounts set out in the schedule to the Bill, the purposes for which those amounts are being sought, the projects they will fund, and other facts relating to the projects affected by the Bill which are appropriate matters for debate.

I would appreciate the co-operation of all Honourable Members in complying with these principles of our Rule.

BILL NO. 34—THE LOAN ACT, 1989

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 34, The Loan Act, 1989; Loi d'emprunt de 1989, standing in the name of the Honourable Member for Interlake, who has 19 minutes remaining.

The Honourable Member for Interlake.

Mr. Bill Uruski (Interlake): Mr. Speaker, maybe some Members, on the Government side as usual, do not want to listen to me. That is their problem as to how they wish to conduct themselves.

I wish to continue in my remarks with respect to Bill No. 34, and I see a great deal of sensitivity, on behalf of the Government, on one of the issues that I have touched upon, Mr. Speaker. That is dealing with the difficulty that many communities in this province face with respect to water supply.

I recognize that there is some sensitivity in that whole area, especially coming from the Deputy Premier and the Minister of Rural Development (Mr. Penner), the former Minister of Natural Resources and others. I say that because this issue that I have raised is essentially an issue of justice or lack of justice on behalf of a Government to its citizenry.

Here we have had the case of a Minister of the Crown, bound under The Water Rights Act, issuing licences to draw water from an aquifer in this province, a major aquifer, that covers some 1,500 square miles in the west central part of this province, on one hand while he was Minister of Natural Resources and on the other hand siding with the Minister of Environment to withhold a licence to withdraw water from the same aquifer for a community that has been facing severe water shortages for many years and particularly so in the last two.

(Mr. William Chornopyski, Deputy Speaker, in the Chair)

Mr. Deputy Speaker, when one examines The Water Rights Act, where the Act itself points out to what is the prime source of water or the priorities in which we as a society have set up that being human consumption, when we see that more than half of the withdrawal of the present commitment out of that aquifer is for food production, the growing of potatoes in the Carberry area, Mr. Deputy Speaker, there is no way that the Government can convince myself or members of those communities who wish to receive water so desperately needed from this aquifer—for them to say, oh, yes, we are giving you priorities, but yet we are issuing licences for withdrawal of the water, but for you we are holding things up.

* (1430)

We have now had the Government say that they are going to conduct a study. A study on what? They are going to call in new experts. New experts to do what?

The data that is in place now has been data collected by the Department of Natural Resources, the Water Resources Branch, which has records dating back to probably several decades on this aquifer.

Whatever experts that they call over the next number of months, all they can do is in fact examine the data that his own staff have put together. They can I guess examine the costing of the alternatives in terms of pumping water back from Lake Manitoba. The Minister of Environment (Mr. Cummings) himself indicated to me that he thought those figures were exaggerated, were too high.

So those two areas they can in fact examine, but quite frankly, Mr. Deputy Speaker, there is no information that they will be able to determine over the next short period of time that in fact will be able to provide them with new information to continue to issue the licence. It may reconfirm, which has already been confirmed and reconfirmed by a number of other authorities, or it may somehow put into greater perspective the question of the costing of the Lake Manitoba alternative, which to me appears to be the Minister of Environment's I guess not priority, but his preference.

If that is the preference of the Minister of Environment, why does he not come out publicly and say, yes I want a rethinking, a recosting of the Lake Manitoba alternative, which quite frankly is staggering. Here is where it comes down. The preferred least cost option was capitalized at \$8.3 million, whereas the Lake Manitoba alternative was capitalized at \$12.4 million—more than a 50 percent increase in cost one over the other.

If those communities are forced to attempt to come to the Municipal Board and borrow these funds, I doubt whether the Municipal Board will even allow them to borrow that money, first. Second, Mr. Deputy Speaker, the community has told me that when they raised the question of who is going to pay for those additional costs, there were no statements from the Government that they would in fact cover those additional costs over and above the least cost option. Those appeared to be for me, not having heard from the Government, the only two considerations now on the table. I refrain from that a bit, Mr. Deputy Speaker, because the Minister of Environment (Mr. Cummings) the other day said he had some letters and he said there were concerns about the question of wells in the vicinity of Hummerston, and that there may be a drawing out of the water in those areas.

Those questions were covered by the Department of Water Resources, PFRA, and the Water Services Board. Here are some of the questions that were in fact dealt with. I want to deal with the question of deteriorating water supplies.

Mr. Deputy Speaker, I am just going over the document. I had it outlined. It is a fairly lengthy public

document that was presented about, here we go—if less than 20 percent of the aquifer is now being utilized, why are some wells going dry? That was the question that was raised by residents and is covered in the document that I am quoting from, the Westlake Proposal, Questions and Answers, and I quote: The sustainable yield of the aquifer was determined to be 72,000 acre-feet annually from September '87 to September '88. Human withdrawals, including irrigation, accounted for the use of 9,200 acre-feet, considerably less than the 13,000 acre-feet licensed for human use. Human withdrawals were therefore only a very small portion of the total discharge from the aquifer of 1,354,000 acre-feet. By far the largest discharges from the aquifer were for evapotranspiration at 1.28 million acre-feet between September '87 and September '88.

Wells go dry for various reasons, including the condition of the well, fluctuations in the water table, and no water being available in the aquifer. Of the approximately 100 monitoring wells located strategically to monitor water level changes in the Assiniboine Delta Aquifer, seven have been in place for a period of 15 to 23 years. Mr. Deputy Speaker, not overnight—between 15 and 23 years.

Since these seven wells were in place prior to the major irrigation development, they provide useful information for comparing post-irrigation water levels with water levels prior to irrigation development. Of these seven original monitoring wells, one well shows a water level at that specific location in the aquifer to be at an all-time low, some .10 metres lower than the previously recorded low, that is approximately four inches lower. The other six wells all record higher water levels than the recorded low in previous years by an amount varying from .2 metres to 0 metres to 1.4 metres. Given these facts, it is fair to say that wells in the main portion of the aquifer may be giving problems because of the condition of the well or fluctuations of the water table, but not because water is not available in the aquifer.

* (1440)

Mr. Deputy Speaker, for the Members of Government, I plead with them to reconsider their position in denying a community in this province, and residents, some 700 farm families in this province, natural justice. I say to the Minister of Environment (Mr. Cummings), the Minister of Rural Development (Mr. Penner), the Minister of Natural Resources (Mr. Enns), to all three of them, please reconsider your position. Please call in the officials if need be again to reconfirm the data that has been put out by two provincial agencies and one federal agency. Has in fact, Mr. Chairman, that data been questioned by an engineer at the Clean Environment Commission and basically confirmed their findings?

So call them in if you have to, but do not hold up. Do not hold up this project. Do not place the lives of several thousand people -(interjection)- I say to the Minister of Northern Affairs (Mr. Downey), I am not sure what he said, he said they have had the problem for years. They have had the problem for years, but there was money put forward for this project federally. No

other projects have received federal consideration up to this day. You have not been able to negotiate a federal-provincial agreement for water. Yet you hold back putting forward a project in which there is federal cost sharing and you tell other people in the province, the Teulons, the Arborgs, the other communities in the province that want to get cost sharing into sewer and water agreements, you tell them to wait.

So, Mr. Deputy Speaker, this Government really owes the people of this area an explanation, more than an explanation. They owe them the least of which is having this project approved and instructing the Manitoba Water Services Board and asking PFRA to put forward the funding that originally was in place and allowing this project to go ahead.

There is one other area that I want to raise today with respect to agriculture. That relates to today's ruling in the courts about overcharging of interest.

Mr. Deputy Speaker, I ask the Government to review provincial options and legislation that would allow for farmers or any Manitoban who may be denied information from any financial institution about the nature of promissory notes or short-term loans in which interest may have been changed. I say that not to paint any institution with a black brush as being negative, but in any case where an institution refuses to provide information to any of its clients on background of loans, they should be required.

If those laws do not exist in this province, because most of the cases that are now before the courts are only there because of the tenaciousness of the clients of those institutions to find out how those interest rates fluctuated when in fact an interest rate was set at the time of borrowing, and then it was increased unilaterally by the financial institution. Those laws should be re-examined. If they are not, an injustice again will take place for the farm community, who are in this case fighting on their behalf and on others who may be in that same position. Thank you, Mr. Deputy Speaker, for an opportunity to speak to this Bill.

Mr. Richard Kozak (Transcona): Mr. Deputy Speaker, I am pleased to stand today in this debate on Bill 34, The Loan Act, 1989. The official Opposition does not dispute the periodic need for the Government of Manitoba to raise monies by way of loan, but we do dispute the fiscal policies associated with this borrowing. Of central concern to us is the absence of the federal-provincial co-ordination of fiscal policy that is required to maintain a healthy Manitoba economy.

This is no small point, Mr. Deputy Speaker, because the operations of the Government of Canada are of such size and impact that they can dwarf and smother the strategies of the Government of Manitoba. This concern is not unique to my Party. On Monday the Minister of Finance (Mr. Manness) rose in this very House and pointed out that there is a desperation within the federal House of Finance that we have to take very seriously.

Mr. Deputy Speaker, the accumulated debt of the Government of Canada has surpassed \$320 billion, half of it piled on by the present Mulroney Government

while it persisted in musing about purchasing a fleet of nuclear submarines. I am not by nature a pessimist, but when I consider the federal debt, the debt of the provinces, corporate debt, and consumer debt, I am forced to conclude that we have run out of leeway to make mistakes. All three Parties represented in this House, regardless of differing philosophies, have an obligation to put on the table their best ideas for avoiding unacceptable economic outcomes in the near future. On Thursday, October 19, I stood in debate to grieve the inconsistency of federal and provincial fiscal policies and especially the federal Government's adherence to two diametrically opposing theories, namely free trade and mercantilism.

Today I would like to detail the problem with specific reference to the federal Government's latest mercantilist initiative, the goods and services tax. My comments, Mr. Deputy Speaker, are directly related to the Bill before us today in that this problem has grave implications for the fiscal position of the Province of Manitoba and for the security of its debt obligations in terms of Bill 34.

I will not review at length, Mr. Deputy Speaker, my remarks of October 19 in the grievance that I brought before this House. I would simply in general remind Honourable Members that 18 months ago this Government came to office and the Premier promised us a great new era of federal-provincial co-operation, but today we are caught in a chaotic state of conflicting economic policies. Our provincial Government's fiscal policy, whatever our legitimate criticisms, is at least rooted in the 20th Century, but as I believe the Minister of Finance of our province acknowledged in his remarks on Monday of this week, the province's economic co-ordination with the federal Government has hit a new low.

So much, Mr. Deputy Speaker, for the Premier's (Mr. Filmon) assurances of a great new era of economic co-operation in fiscal policy matters between this province and the Government of Canada. Instead of co-operating and reinforcing the generally mainstream Keynesian approach adopted by all three Parties in this House, the federal Government has, as I mentioned on October 19, departed into experiments with theories that are essentially from the 17th Century and the 19th Century that did not work terribly well even back then.

I am of course referring to my remarks regarding the theories of free trade and mercantilism, both respectable theories in their time until the first was rejected and until the second was more violently rejected by the French Revolution in the late 18th Century. Not only are these theories discredited theories from the past, but also they conflict directly with one another.

* (1450)

Free trade is what it states to be. It is aimed at prompting open borders for the free exchange of imports and exports. On the other hand, mercantilism requires a bit more explanation. It is aimed at begging our neighbour, shutting our doors to imports while we promote our exports. Mr. Deputy Speaker, it does not

take advance degrees in economics to see the inherent contradiction in these two theories being followed by our federal Government. It does not take an advanced degree in economics to understand the conflict of both theories with the fiscal policies of our own Government of Manitoba.

Mr. Deputy Speaker, I remind the House of my remarks stated just a few moments ago. The economic clout of the federal Government is quite sufficient to smother the activities of Honourable Members of this House as expressed by the Government of the Day in their fiscal policies. The contradiction between federal policy and provincial policy is at unprecedented levels. The internal contradictions in federal policy are also at unprecedented levels.

With respect specifically to the goods and services tax, Mr. Deputy Speaker, I would like to refresh the memory of my colleagues in this House, my 56 colleagues. The goods and services tax will expect consumers to pay a 9 percent federal sales tax on everything from haircuts to new houses, in addition to the provincial 7 percent sales tax. A two-income family of four earning \$45,000 will pay \$629 more in tax. The goods and services tax will cost \$200 million annually to administer.

The complexities of the tax have prompted many to call it a nightmare for small business. Federal Finance Minister Michael Wilson himself predicts the new tax will increase inflation by at least 2.25 percent. The goods and services tax will bring the federal Government \$24 billion per year, Mr. Deputy Speaker, making it the largest tax grab arguably in Canadian history. We in the Province of Manitoba recognize that the GST will hurt our tourism industry. It will discourage American tourists from visiting Manitoba, and it will encourage Manitobans to direct themselves toward American destinations.

In addition, Mr. Deputy Speaker, an extremely reputable financial house, Wood Gundy, estimates that the goods and services tax will wipe out 75,000 jobs the length and breadth of our great country. This is a tax proposal that the federal Government is spending \$800,000 of the taxpayers' money to promote even before it has become law, even before it has been approved by the House of Commons and the Crown.

I am of course, Mr. Deputy Speaker, concerned that Manitoba's Finance Minister (Mr. Manness) early on in his musings on the subject of the goods and services tax stated: "I agree with it wholeheartedly. There is the potential for inflation, but I feel that could be quite minimal and short term."

I recognize, of course, that the Minister of Finance of this province has made a most welcome flip-flop on this issue. I somewhat regret, however, that his initial remarks were not somewhat more to the point.

We are bound to be frustrated in this debate on the goods and services debate, Mr. Deputy Speaker. The more arguments that Members of three Parties put up against this tax, the more arguments the federal Government advances for us to shoot down. The goods and services tax is something like the hydra of Greek

mythology—cut off one head and two more re-emerge to take its place. I will not extend, unduly, these introductory remarks to my later comments, except to point out a few of the new arguments that come forward that we are today obliged to shoot down.

The federal Government now argues, Mr. Deputy Speaker, that the goods and services tax will lead to less relative price distortion, and therefore can lead to more efficient resource allocation. Nonsense. The goods and services tax operates within the environment of the Canada-U.S. Free Trade Agreement. The Free Trade Agreement is not a true free trade agreement but a simple customs union between Canada and the United States. All of the distortions that existed prior to the Free Trade Agreement and that now exist prior to the goods and services tax continue in force and will continue in force because every country with which Canada trades, with the exception of the United States, is not covered by the Free Trade Agreement. Shoes from Portugal, goods from other countries, continue to be productive of distortion to our markets, because all of them are subject to different customs rates at our borders. The federal Government's argument on this matter can very simply therefore be refuted.

* (1500)

Second, Mr. Deputy Speaker, we now hear the federal Government arguing that the removal of taxes on capital goods can reduce the cost of capital and contribute to an increase in capital stock and productivity gains. Once again, nonsense. I recently had the pleasure of an extremely enlightening conversation with a friend of Canada, Dr. Gerhard Feyferlik, the Deputy Trade Commissioner of the Republic of Austria. Dr. Feyferlik acknowledged that we as Canadians must envy the investment ratios that apply in western Europe and the Far East. In western Europe and the Far East the citizenry benefit from investment ratios in the neighbourhood of 30 percent, while Canadians and Americans grind along, our economy grinds along, with an investment ratio of less than 20 percent.

Obviously, Mr. Deputy Speaker, the investment that drives any healthy economy is occurring at a much less rapid rate in North America than it is in western Europe and the Far East. However, Dr. Feyferlik, in our conversations, pointed out to me that the investment ratio of his country and of the other countries of western Europe and the Far East did not change upward following introduction of a goods and services tax. They in fact had been every bit as high prior to the tax.

Dr. Feyferlik asserted, and we must agree with him, that the investment ratio of a country is culturally based and that the economic culture of Canada is such as to produce an investment ratio below 20 percent, that we in fact cannot expect a much increased level of investment in our economy following introduction of the goods and services tax.

This is particularly the case, Mr. Deputy Speaker, because there are demand constraints in any particular economy. There is only so much demand within our domestic market for goods and services and investors respond to that level of demand. The goods and services

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tax in itself is not sufficient cause for a great boon in investment in our country even though we would dearly love to be wrong in our assessment of the tax impact in this regard.

Where am I leading, Mr. Deputy Speaker? I am leading to the fact that this very month Canada and the United States will be embarking on the first round of trade subsidy discussions within the framework of the Canada-U.S. Free Trade Agreement. This is a very important round of talks.

I was recently provided with information from a Member of the U.S. House of Representatives which indicated to me that if these talks are not successfully concluded by June 1991, Congress would be very hard pressed to pursue at full speed with the implementation of the Canada-U.S. Free Trade Agreement as it is expected to evolve between our two countries.

Furthermore, Mr. Deputy Speaker, we are on the verge of the commencement of trade panels which will consider the matter of fair and unfair trade subsidies between the two countries. Chapter 19 of the Free Trade Agreement, as we all recall, provides for review by binational panels of national countervailing and anti-dumping final determinations in place of review by national courts. Chapter 18 provides for binational panel review of disputes arising under provisions of the FTA other than reviews under chapter 19 or reviews relating to financial services.

The period of reckoning is arriving with regard to the success of the Canada-U.S. Free Trade Agreement and I assert today, Mr. Deputy Speaker, that the federal proposal to introduce a goods and services tax will greatly disrupt the success of the crucial negotiations now taking place with regard to the Canada-U.S. Free Trade Agreement and that the goods and services tax will indeed bring upon us the spectre of much less harmonious trade relations with our major trading partner than we have had in the past.

I assert that our country's major trading partner will at least consider the view that the goods and services tax represents an unfair trade subsidy and therefore is inconsistent from the letter of the Canada-U.S. Free Trade Agreement. Why would this occur to the Americans, Mr. Deputy Speaker? I suggest it would occur to them because every year since 1982, Canada has run a merchandise trade surplus with the United States in excess of \$10 billion in any given year.

In 1982 this surplus was \$11.025 billion, in 1985 the surplus peaked at \$20.386 billion, in 1988 the surplus was still \$13.635 billion. I assert that the Americans are not unconscious of these numbers. I assert that they are deeply concerned about these numbers and I assert that they are intelligent enough to wish to protect their economy. I further assert that protecting their economy, given the terms of the goods and services tax, may mean the identification of unfair trade subsidies on the part of Canada and may mean countervailing duties levied against Canada.

Obviously this is highly relevant to The Loan Act, Bill 34, which stands before us today, in that the prosperity of our nation, the prosperity of our province, and our

ability to service the debt obligations of this province is indeed dependent on harmonious and mutually profitable trade relations with our largest trading partner.

The goods and services tax in itself, by the act of eliminating all federal Canadian taxation on the productive processes of our exporters, probably would not be sufficient cause to cry unfair trade subsidy. However, in conjunction with certain other facts which I will put on the record this afternoon, the taxes stripping of all tax burden at the federal level from our exports does create grave cause for concern. I suggest to the Chair that the Americans are certainly intelligent enough to identify, as I identify, the kind of trade practice that the GST implies.

The first point I would like to raise in conjunction with this argument, Mr. Deputy Speaker, is an argument that was recently advanced by the Fraser Institute. My friends opposite on the Government benches will recognize the Fraser Institute. The Institute is a highly credible research organization which generally adopts views somewhat more in line with the thinking of the Conservative Party than with the thinking of the Liberal Party.

At the same time as Canada is stripping all taxes off of the productive processes of our exporters, we continue, in the terms of the Fraser Institute, to subsidize our exports. The Fraser Institute contends, and they cite as support Dr. Murray Smith of the Institute for Research on Public Policy, that total subsidies to exports amount to about 1 percent of export sales—not a large number in itself but these subsidies are not distributed evenly among our exports. In the case of some of our exporters these subsidies are much higher. Of course in the case of other exporters the subsidies are much lower. I assert, Mr. Deputy Speaker, that given the fact that all federal taxes are now being stripped from the productive processes of our exporters at a time when we continue to subsidize business in Canada, and specifically our exporters, is grave grounds for concern on the part of our American trading partners.

To cite another source in support of the Fraser Institute I would refer Honourable Members to the April-May 1989 issue of International Economic Issues, a publication of the Institute for Research on Public Policy which makes it amply clear that Canada's trade subsidies which are not duplicated by any form of policy in the United States will remain in force despite the introduction of goods and services tax.

I fear that the Americans, who we value as trading partners, will approach us with their grave concern about the fact that we continue to subsidize our exports through direct subsidies to business, through our Regional Economic Expansion Programs, through equalization payments to have-not provinces, indeed by what they could argue is a depressed value for the Canadian dollar. I believe that they would be foolish not to do so, although as a patriotic Canadian, if they do so I would fight them to my last breath.

* (1510)

This concern about subsidies in light of the goods and services tax is not limited to me. I would cite a

speech delivered on October 19, 1989, the same day as my grievance put forward by John Fraser, the president and chief executive officer of Federal Industries Ltd.

Mr. Deputy Speaker: Order. I have listened very carefully to the Honourable Member's speech. I find it very difficult to find any relevance of his remarks on the proposed federal goods and services tax. I would remind the Honourable Member of the Speaker's sentiments on this very Bill before he left the Chair.

I would ask all Honourable Members that they try to speak to the matter under consideration. Thank you.

Mr. Kozak: Thank you, Mr. Deputy Speaker, for your helpful comments. I am certainly cognizant of your concerns and those of His Honour the Speaker of this House. I do assert though, however, that my comments are directly related to the Bill before us in that the problems I am addressing have grave implications for the fiscal position of the Province of Manitoba and for the security of its debt obligations which we are considering today within the framework of The Loan Act, 1989.

To continue with my remarks, Sir, I will continue to cite certain comments made on Thursday, October 19, by John Fraser, the president and chief executive officer of Federal Industries Ltd., as he was addressing the Conference Board of Canada in its 17th Annual Business Outlook Conference. Mr. Fraser warned with regard to the subsidies which will continue after introduction of the goods and services tax: "Industrial subsidies and grants are ripe for review and on this point I have strong views. All subsidies and grants to business should be phased out. I mean all of them, no exceptions. As long as they are available we have to try and take advantage of them. If we don't and our competitors do, our shareholders are penalized. So the only answer is to cancel all of them. Then we can turn our full attention to reducing our costs, increasing productivity, and strengthening our marketing skills to improve our world-wide competitive positions rather than spending our time grovelling in front of some Cabinet Minister for a handout."

I rather like Mr. Fraser's turn of phrase, Mr. Deputy Speaker. I am pleased to acknowledge that the concerns that I have raised with regard to business subsidies in our country as we approach the era of a goods and services tax are echoed, although in greatly different form, by one of the foremost business leaders of this city and of this province.

I understand that time is a matter that is not in ample supply in this House. I will put only one more comment on the record.

Here the federal Government is, Mr. Deputy Speaker, eliminating all taxation from the productive processes of our exporters at the same time as it continues to maintain business subsidies that Manitobans value dearly. We are highly supportive of regional economic expansion programs and other programs that help the economy of our province thrive, but also Canadian business benefits in another way that can be identified as of concern by our major trading partner.

In terms expressed by Patrick Grady of Global Economics Limited, a reputable Ottawa firm, both Canada and the United States have recently undertaken comprehensive reforms of their tax system. In the case of the corporate tax, the main thrust of the reforms has been to lower tax rates, broaden the tax base, and curtail or eliminate incentives such as investment tax credits.

Mr. Grady asserts that the overall effect of tax reform in the two countries, given the real effective tax rates appropriately weighted for both investment in machinery and equipment, and investment in non-residential construction has been to slightly reduce Canada's tax advantage in the manufacturing sector.

Mr. Deputy Speaker, Canada is running up massive trade surpluses with the United States. We are removing all federal taxation from the productive processes of our exporters. We continue in a way that is part of this country's culture and this province's culture to subsidize our exports. We tax our manufacturers through the corporate tax system at a substantially lower rate than the United States.

The question I put on the table today is: how can our major trading partner, the United States, not be deeply offended and consider an unfair trade subsidy the goods and services tax, which will remove all federal Canadian taxation from exports out of this country at a time when we are running up a massive trade surplus with the United States?

To my way of thinking, we are looking at the very definition today of an unfair trade subsidy, and I urge Members of this Government, including the Premier (Mr. Filmon), including the Minister of Finance (Mr. Manness), to approach the federal Government—both the Prime Minister and the federal Minister of Finance—to bring to their attention the disaster that is being courted and to suggest to them in the strongest possible terms that the federal Government of Canada should abandon its extremely dangerous project to introduce a mercantilist goods and services tax into this country.

I am a loyal Manitoban. I do not want the Province of Manitoba to be unable to honour its obligation under The Loan Act 1989, Bill 34, which is before us today. I perceive a threat. I ask this Government to deal with it, with their federal colleagues. Thank you, Mr. Deputy Speaker, for your indulgence.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Deputy Speaker, I wonder if the Member would submit to a question.

Mr. Kozak: Gladly. Mr. Deputy Speaker, if I have time remaining, I will always do anything that I can to accommodate the need for information of my friend the Member for Arthur.

Mr. Deputy Speaker: The Honourable Member has four minutes remaining. The Honourable Minister of Northern Affairs.

* (1520)

Mr. Downey: Mr. Deputy Speaker, I was following with interest the comments of the Member for Transcona

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(Mr. Kozak) and having a difficult time coming to a conclusion as to whether or not he is fully supportive of the Free Trade Agreement and fully opposed to the goods and services tax, and I would wonder if he would answer that. The most specific question is, is he supportive of U.S.-Canada Free Trade Agreement? Is that what he is so worried about on the introduction of the goods and services tax?

Mr. Deputy Speaker: The Honourable Member for Transcona.

Mr. Kozak: Thank you, Mr. Deputy Speaker, and my sincere thanks to my friend, the Member for Arthur (Mr. Downey), for the opportunity to state for the record exactly what my position is on the Canada-U.S. Free Trade Agreement.

I oppose the Canada-U.S. Free Trade Agreement, as does my Party. I oppose the proposed federal goods and services tax, as does my Party. However, I assure the Member for Arthur that as a loyal Canadian I recognize that our country and our province is, at this point in time, bound by the provisions of the Canada-U.S. Free Trade Agreement which has been duly ratified by the House of Commons, the Senate and the Crown. I assert that we are under some obligation to honour the word, which has been given on behalf of the people of Canada and the Crown of Canada to our trading partner the United States, and indeed to honour, while it remains in force, the Canada-U.S. Free Trade Agreement.

My thanks, once again, to the Member for Arthur for allowing me to make that statement on the record.

Mr. Steve Ashton (Thompson): I appreciate the appreciation of the Members for what I am sure they realize is going to be a major contribution on this debate.

I notice that the Government House Leader is listening carefully to my remarks. So he should, Mr. Deputy Speaker, because this is an important Bill. It deals with a considerable amount of money, it deals with loans that have been authorized or would be authorized with the passage of this Bill for a number of important areas, and I suspect that since we are in second reading that other Members may not have taken the time to look at the details of the Bill. I suspect that by some of the contributions they may have perhaps been somewhat confused about what exactly we are debating at the present time.

I want to deal with that, not in specifics, because we are in the situation where we are dealing with second reading, which is the principle. A lot of people often neglect to look at some of the specifics of the Bill and I appreciate the Member for Transcona's attempt to try and bring it all together after 30 minutes. I was very pleased to hear the reference to the Bill after a 30-minute speech because, quite frankly, at times I was wondering if I had missed my position, in terms of speaking on this Bill, that we perhaps had slipped into, for example, the Fiscal Stabilization Fund or some other debate. I was very pleased to hear him, after the 30 minutes, indicate that he was speaking to this Bill,

because I was rather concerned at that point in time and I -(interjection)-

Mr. Kozak: I wonder if my good friend, the Member for Thompson (Mr. Ashton), would permit me a brief question.

An Honourable Member: Of course he would.

Mr. Ashton: I would certainly welcome any clarification of my remarks, although I fully intend to make my remarks as clear as possible for the Member for Transcona (Mr. Kozak), so perhaps he will not even need to ask that question. I would hope he would perhaps bear with me as I do refer to Bill No. 34, The Loan Act, 1989. Let us look at what we are dealing with in this particular Bill.

We are dealing with some very important issues and I am glad the Minister of Northern Affairs (Mr. Downey) is listening intently because some of the portions of this loan Bill deal directly with areas he has responsibility for. I am very pleased to see that interest, and pleased to see the Minister responsible for Hydro here because this Bill deals, in very direct form, with—and in fact there are a number of things which I think need to be identified.

Let us look at this, Mr. Deputy Speaker. Essentially, as outlined in Schedule A, we are dealing with the Manitoba Hydro-Electric Board; the Manitoba Housing and Renewal Corporation; the Manitoba Telephone System; the Manitoba Agricultural Credit Corporation; the University of Manitoba; the Manitoba Hazardous Waste Management Corporation; the Vision Capital Fund; Industrial Opportunities Program; and Manufacturing Adaptation Program, but that is listed as part of the business support that is dealt with in this Bill.

In fact, Schedule B also refers to expenditure that was authorized as at April 1, 1989, but not yet expended or abated, and refers to some of the more specific items that have been involved in the terms of loan Bills. Limestone is listed, for example. There is the Federal-Provincial Water and Sewer Agreement. I note, for example, that the Member for the Interlake (Mr. Uruski) did make a number of references in that area as he did in terms of the Manitoba Water Services Board. Also we are dealing with the loans towards the Manitoba Data Services, the Tourism Agreement, the Energy Conservation Loan Fund, and Venture Manitoba Tours, as well as the Co-operative Loans and Loans Guarantee Board. So I think it is important that we begin this debate on this Bill by making sure that we have a clear idea of exactly what we are dealing with, and that is loans in those very specific areas.

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

I think it is important in the debate to make sure that we do follow the ruling of Mr. Speaker earlier, and Mr. Acting Speaker did a fine job in making sure that Members were obeying the ruling of the Speaker, and I commend him for that, making sure that the previous speaker did in fact talk to the Bill. I think that was very much appreciated by Members of this House, and I

think it is important as we get into this debate to look at some of the more specific issues that we are dealing with.

I would like to begin with a very important area that was discussed today by our critic for Hydro, and that is in terms of hydro development. As I said, this Bill makes direct reference to the loan authority that had been authorized for the Limestone Hydro Dam and also the current, under Schedule A, authorization for the Manitoba Hydro-Electric Board.

The Member for Flin Flon (Mr. Storie), our critic for Hydro today, pointed to the fact that the Ontario Hydro Board is currently dealing with a proposed sale to Manitoba, and that certainly is something that is not of any surprise to anybody who has been following the developments in terms of hydro sales in Manitoba over the last number of years. As was indicated in 1987, late 1987, there was authorization of a 200 megawatt sale to Ontario. I happened to be on the board at the time. I know the details of that very well. I know also that one of the provisions of that was negotiations for a longer term sale that were in place in 1987 and, with the change in Government, have been continued. I welcome that. I welcome the fact that the Conservative Government is perhaps putting aside some of its previous policies in regard to Hydro, and is actively looking at a sale to Ontario Hydro that could, in fact, would trigger the construction of Conawapa, the next dam or certainly what would be the next dam in sequence after Limestone, with a sale of the magnitude that we are talking about. That is 1,000 megawatts.

The Minister for Northern Affairs (Mr. Downey) says, am I opposed to the construction of Conawapa? Absolutely not. In fact, I am hoping that the Government will finalize the negotiations and actually announce the construction of Conawapa as soon as possible. I think he is perhaps referring his comments to the wrong person. If anybody should be asking whether a Party is in favour of hydro development or not, it should be to the Liberal Party.

* (1530)

Of any Party in this Legislature, the Liberal Party has perhaps the clearest anti-development stand on Manitoba Hydro. They opposed Limestone categorically. The Leader of the Liberal Party went throughout northern Manitoba and called Limestone "Lemonstone." She suggested, Mr. Acting Speaker, that Limestone would cost upwards of \$5 billion to construct. The original budget was \$3 billion. Now, did the Limestone Dam come in with a price tag of \$5 billion as the Leader of the Liberal Party suggested? No, it did not. It came in with a cost that was well under \$2 billion. In fact, I believe the latest figures are around the \$1.7 billion range. So the Leader of the Liberal Party, while her stand is quite clear, as it tends to be on issues—I give her credit in that sense, she is fairly clear where stands—but she was also clearly wrong on Limestone.

I will be interested to see whether there is a flip-flop on the Canawapa Dam, because she is also on record as saying she does not feel the Canawapa Dam should

be developed for decades, and that is a quote, that Canawapa should not be developed for decades. I do not know if there are other Members, perhaps the Member for St. Norbert (Mr. Angus), the Member for Transcona (Mr. Kozak), perhaps they have questioned this policy in their caucus. I hope they have.

I realize it may not affect their constituencies as directly as this will affect certainly those in my area, but I would like them to explain to Northerners and to Manitobans in general why, given the success of the Limestone Dam, they are opposed to not only the Limestone Dam that took place previously but also the Canawapa Dam. I cannot understand anyone who has any knowledge of the facts and figures and the current situation with hydro development opposing out of hand, as the Liberals have, both the Limestone Dam and the Canawapa Dam.

Now, I do not want to suggest for a moment that the Liberal Party was the only Party that opposed the NDP Government in its initiative in terms of Limestone. The Conservatives did as well. It was interesting to note what their policies were a number of years ago, and it will be interesting to compare as we deal with hydro development what their policies will be in this year, 1989, and the upcoming year, 1990.

A number of years ago not only did the Conservative Party criticize the New Democratic Party for moving ahead in terms of the NSP power sale and also with the Limestone development, but they also suggested an alternative, and this came from the Member for Lakeside and from the then Leader of the Opposition, the current Premier, the Member for Tuxedo.

It was suggested that instead of developing our own potential for hydro development right here in Manitoba, instead of looking at export sales, it was suggested—you may not be aware of this—but they suggested we buy power from other jurisdictions, that instead of developing our own hydro potential, we buy power. I suppose that would be like people in Alberta suggesting they buy oil to deal with their energy needs. It had about as much logic as that, Mr. Acting Speaker. I am not saying it is not an alternative. Surely it perhaps could be listed as an alternative, but the bottom line was the Conservative Party not only did not support the construction of Limestone, it had suggested—and I can show those comments right on the record—that we buy power from other jurisdictions.

So we are in the interesting situation now, here in 1989, with a minority Government. We have a Conservative Government that I believe should be closing this deal with Ontario Hydro, between Manitoba Hydro and Ontario Hydro. I do not see any reason why that will not take place, despite their previous criticisms of what took place with Limestone. There is no logical reason why we cannot have that sale completed on good terms for Manitoba and good terms for Ontario Hydro. As I said, it is before the Ontario Hydro Board. I see no reason for that not to lead to the next step, which is the announcement of Canawapa. I feel that would be a very positive step for northern Manitoba.

You know, it is interesting because in this minority situation, as a New Democrat, a question I am often

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asked is my view on how the minority situation is working out, what the prospects are. I will say that it is a change in roles. When I was first elected in 1981 obviously I was elected to the Government side. It is unusual in Manitoba to have a minority Government situation.

The bottom line, though, is on one issue. It is quite clear that there is a clearer situation developing, and that is in terms of the Conawapa Dam. I really believe, for example, that if we had let the Liberals have their way when they voted against the budget in spring, first of all I do not know why they voted against a budget that includes some significant tax breaks for working men and women, but apart from that, if we had had that right now we would be in an election. We would be in an election or perhaps we would have been through the election and be in another political scenario, probably some greater uncertainty once again, but I know one thing. That would have put the negotiations in terms of the hydro sale and Conawapa on the back burner. In fact if the Liberals were to have formed Government, that would have killed the prospects for Conawapa and hydro development in northern Manitoba.

There is no doubt in my mind based on their own policies, their own stated policies of a year ago, of two years ago, and three years ago, and four years ago. When I say, Mr. Acting Speaker, as a Member of the New Democratic Party, and I tell my constituents this, I have been doing my best to try and make the minority Governments situation work in Manitoba. I think one thing I can point to and -(interjection)- I hope that the Minister of Agriculture (Mr. Findlay) will listen on this, because I think it is important that he consider the situation.

The bottom line, Mr. Acting Speaker, is I will point to the fact that there is some hope for example in terms of Conawapa, and that is a very significant, tangible benefit that will take place to Northerners if it continues. I will fully support the Conservative Government if it wants to tear up its previous policies and move towards what we had been doing in northern Manitoba as a Government.

Mr. Acting Speaker, I make no hesitation in saying that I am pleased to be fighting in this Legislature, fighting against the Liberals on this particular issue, well in fact on many other issues actually, but fighting against the Liberals and their anti-hydro development and perhaps watching and lobbying. The Conservatives perhaps do not have the history of supporting this type of policy, but have I think come around 180 degrees since they have become Government and seen the potential in terms of Conawapa.

I can tell you my constituents were very concerned. One of the first things they were concerned about after the election, Mr. Acting Speaker, was the fact that the Conservatives not only shut down Limestone but not continue with further hydro development, because let us not forget that much of the hydro development that took place in the North took place under the Schreyer years and then later under the Pawley years. I think that was an important consideration.

There were also concerns I might say not only about whether there would be development but who would

benefit from that. I am quite concerned on this score that the Conservative Government, even if they have come around in terms of policy on Conawapa, have not come around in terms of understanding the needs of Northerners in terms of hydro development.

Mr. Acting Speaker, I listen with interest to the questions from the Member for Flin Flon (Mr. Storie) in terms of the Nelson-Burntwood Agreement. I did not detect from the Minister's answer a clear indication of whether it had been signed or was in the process of being signed, and perhaps the Minister was trying to deal with other aspects of the Member's questions. I realize it was a multifaceted question, but if it has been signed or if it is anywhere close to being signed, I would urge the Minister to make sure that there is a consultation process with Northerners. In each and every one of the agreements in the last number of years there have been significant improvements in terms of northern and Native hiring preference in particular. What we saw take place was a significant improvement under the current agreement over previous agreements. We saw the largest number of Northerners in history working on hydro construction, but I would be the first to say that even though there were significant improvements, there could be even more improvement.

I think one of the things that this Government should be doing is it should be out there, as Conawapa appears to be imminent, in a consultation process with Northerners assuring that the concerns are met, that the concerns that were expressed I know when we went around into virtually every northern community in 1985 as part of the working group in terms of Limestone, that those concerns are met now. In the same vein I am very concerned about what has happened on the training side. I have raised this in Question Period in the Manitoba Legislature. Quite frankly, I do not agree whatsoever with the moves that the Minister of Education (Mr. Derkach) has made in dismantling the Northern Training Authority, because what has happened is, as much as the Minister can talk that he has done, he has closed down the office in Thompson. What has happened is -(interjection)-

Well, Mr. Acting Speaker, the Minister says that is a lie, and I wish he would put that on the record because first of all that is totally inappropriate. It is also not true, Mr. Acting Speaker, because if he goes to Thompson he will find that the office has been closed down. What they have done is they have eliminated the office in Winnipeg. There is only one of the staff that has quit in Thompson. He has demoted virtually every other one of the staff from the Northern Training Authority. People are being put back 10 and 15 years ago in terms of where they were at and this Minister has done it without any consultation whatsoever with Northerners.

The Limestone Training and Employment Agency was the result of extensive consultations by the working group in 1985. I was part of a lot of those meetings. People said, give us an autonomous training agency based in northern Manitoba that delivers training in communities, that delivers training that is going to be relevant to both Limestone and the community needs.

The Minister may laugh, Mr. Acting Speaker, but he should come up to Thompson and talk to people there.

A lot of people in my constituency who were involved in those programs have remarked that this Minister does not seem to have the interest to come and follow up on the consultation both with the staff involved and the community. This Minister has made no moves whatsoever to consult with the communities affected. He has not made any moves. He has moved unilaterally. What he has done is he has put back the prospects for having proper training for Conawapa I think back five and 10 years, five and 10 years, Mr. Acting Speaker.

* (1540)

All the statements of the Minister and the Member for Flin Flon (Mr. Storie) knows this because he has been talking to people in the programs as Education Critic for the New Democratic Party.

What this Government is doing is dismantling what is becoming a model for other provinces. The Minister may not be aware of this. He is not aware of a lot of things to do with these programs, but Quebec Hydro has sent people, just this past several weeks they have scheduled people to come and see the Limestone training authority, the Northern Training Authority, to use it as a model for other provinces. We have had people from all over the North, from the Northwest Territories, from the Yukon.- (interjection)-

The Member for Flin Flon (Mr. Storie) points out that another objective observer, Fred Cleverley, who writes for the Free Press, was very impressed when he came up to see the facility. What this Government has done is without any consultation whatsoever, it has closed the office, it has basically absorbed everything under KCC. What they have done, Mr. Acting Speaker, is put at jeopardy a lot of the progress that has taken place with the Northern Training Authority. They have demoted or forced out many staff, many Native staff in particular who are very concerned.

Perhaps the Minister of Northern Affairs (Mr. Downey) is not aware of this. He at least has been in Thompson, has been around the North on some occasions. I wish he would talk to the people though. I wish he would talk to the people affected. They are very upset with this Minister of Education (Mr. Derkach) and the unilateral way without consultation that he has moved in and started making major changes to educational programs, not just this one but other programs as well. What has happened is that the educational programs in northern Manitoba are in a state of disarray because of the way this Minister has dealt with a number of issues.

I mentioned the Northern Training Authority. Mr. Acting Speaker, we also have the Civil Technology Program which has had great difficulties in attracting staff because of the uncertainties of what is happening. They are unable to operate a full program.

We see the same situation with a complete lack of information that has been given to other programs that are dependent on various different federal-provincial agreements. The bottom line is that this Government has not dealt with these concerns. They have allowed the situation to go on unattended and they have not moved ahead with what was the major consensus in

terms of northern education, the Northern Polytechnic. Sure it was proposed I know by a number of us in the Legislature from the New Democratic Party, and was supported, was agreed to by the previous Government, but you know there are a lot of people who are not New Democrats in northern Manitoba who have been saying the same thing. The Minister for Education (Mr. Derkach), responsible for education, should be listening to those people and should be dealing with their concerns.

As I said, Mr. Acting Speaker, as we approach Conawapa I am very concerned that we are not going to have the appropriate Nelson-Burntwood Agreement in place and we are not going to have the appropriate training. We are not only not going to move ahead from Limestone which I would say was a major development for Northerners, we are going to be moving back five and 10 and 15 and 20 years in terms of Limestone, the various things that were done, and if the Member for Portage (Mr. Connery) would care to take the time and come to northern Manitoba on a more frequent basis, he would find that people are very concerned about the clear lack of direction of this Government.

(Mr. Speaker in the Chair)

As I say, Mr. Speaker, I am pleased to see some hope in terms of Conawapa, but I am afraid that the Conservatives are going to bungle the whole question in terms of training and job opportunities. Unless they consult with Northerners that is what will happen. They have refused to consult with Northerners, they have refused to deal with the training concerns that have been expressed, and they have refused to deal with the pressing need that we are dealing with one of the major developments here, Conawapa, that could be imminent, that should be imminent. Where are the training plans dealing with that now?

It is a situation that I think is, as I said, encouraging on one side, but we have seen in the past how basically job opportunities can be lost to Northerners. It is ironic, for example, Mr. Speaker, that the evidence is clear in terms of what has worked in recent years and what has not worked. As I said, things could be improved, but instead of moving ahead the Government has torn up the book of the last number of years and is moving backwards in a number of key areas. That is going to have a very significant impact in terms of Northerners. I think it is important.

Mr. Speaker, The Minister of Education (Mr. Derkach) is very sensitive on this issue and so he should because the Minister of Education has not consulted with Northerners on this issue. The Minister says he has a letter from someone in Thompson. The Minister should be out there dealing with the public in general and the people in those programs, both the trainees and the students and the instructors. He is not doing that. In fact I have heard that as a comment.

They have seen the Minister of Northern Affairs (Mr. Downey). They have not had much chance to talk to him necessarily, but they have seen him at least. They are asking the question, the bottom line question is: will the Minister of Education make the commitment to come and consult with people before he makes

decisions that affect their lives and affect the future of the programs?

I would point to the record in terms of decisions that have been made thus far. They have not had any consultation of any magnitude whatsoever. I do not know who the Minister talks to, Mr. Speaker, but he is clearly not talking to the people in the programs, he is clearly not talking to the people in the trainees, and he clearly has not been talking to people in the community.

Well, Mr. Speaker - (interjection) - Well, he says he has not been talking to me. That is quite clear, he has had a general problem in talking to people from Thompson on these issues. It is easy to sit in Winnipeg and make decisions that affect peoples lives. It is easy to make those decisions. The Minister knows, he says we had the northern training right here in Winnipeg.

The Minister knows the main office for northern training was right in Thompson, the vast majority of the staff. He knows that there were three people in the administrative section of the program here, but what he has done, Mr. Speaker, he has gone and not only forced those people out of positions, he has been offering jobs to people, very generous of him, he has been offering jobs that are a clear demotion to many of the staff affected by the changeover. He is wondering why they are upset.

The Minister says, give examples. Just a minute ago he said he would not talk to me as the Member of the Legislature for Thompson, something I think is highly ridiculous for a Minister to state. Mr. Speaker, if the Minister would take the time to talk to the staff himself he would know who is getting the demotions and he would not be asking me to provide him with that information. If the Minister does not know that information now then he has clearly bungled this situation. It is a clear case of incompetence and he should not expect me to bail him out right now and give him that type of information.

I will give him a number of the training authority. All he has to do is talk to the staff and he will find out what the concerns are. It may be a first. They may actually get a chance to have consultation with the Minister, but I will say, Mr. Speaker, that this Minister of Education who talks about not knowing what is going on, and yet has not even talked to people to find out their concerns. I have talked to the people. They are constituents of mine, they are friends of mine, they are neighbours of mine. I know their concerns. This Minister may laugh, and he is laughing once again, he finds it a matter of some amusement. When peoples lives are affected and decisions are being made that affect them without any proper consultation whatsoever, I think there is something seriously wrong with this Government.

Mr. Speaker, this is symptomatic of the problems the Conservatives have. They have always had these problems in dealing with Northerners. They have always had this insensitivity, this wall of arrogance that we see. We are seeing it today.

An Honourable Member: The university students right today are debating whether to censure this—

Mr. Ashton: Well, the Member says that the Minister of Education (Mr. Derkach) is going to be censured probably by university students. I would not doubt it, but I am talking right now in terms of Northerners. Look at even what happened today. It relates to the North in terms of Lynn Lake. We saw the incredible spectacle of the Premier (Mr. Filmon) of this province getting up and blaming the Member for Churchill (Mr. Cowan) for the bungling and incompetence of this Government in dealing with the situation in Lynn Lake. The Premier made the incredible statement that every time the Member for Churchill gets involved in the negotiations, the price goes up.

* (1550)

Well, Mr. Speaker, if this Government had not bungled the negotiations we would not be in this situation today. I find it quite frankly offensive when the Premier as he did today was suggesting that the Member for Churchill was getting people to ask questions or was asking questions without anything other than what is the bottom line motive of the Member for Churchill and that is to save the community of Lynn Lake. In fact, if anybody should be beyond reproach on this issue it is clearly the Member for Churchill.

In case the First Minister has not realized what has happened in northern Manitoba, the Electoral Boundaries Commission has basically put us in the situation where the Churchill riding will disappear and the Member for Churchill will no longer be a Member of this Legislature. He will not be running in the election. So if anybody has motives beyond reproach, it is the Member for Churchill.

What he is trying to do is save the community. What we have said repeatedly these last few days is that we are not going to stand idly by while this Government and this Premier turn Lynn Lake into another Schefferville. That is what will happen unless they start listening to people and start recognizing who they are dealing with and what they are dealing with.

They are dealing with the residents of Lynn Lake, a community that has been with us for many years, since the 1940s. They are talking about people's lives, the 200 and in fact more than 200 workers who are affected and their families. They are talking about a whole community. I know someone today suggested in question period to the Minister of Finance (Mr. Manness) that perhaps he might take it differently if it was Morris that was at stake.

Well, I hope it has not come to that. I hope it has not come to the point where the current Government will take the concerns of one community more seriously than another. I am not suggesting they are doing it in this case. What I am suggesting is that wall of arrogance that we have seen, that insensitivity is once again showing itself.

The First Minister I think was classic today. Instead of dealing with the questions raised, instead of dealing with the concerns of the residents from Lynn Lake he launched into a personal attack on the Member for Churchill, I thought a rather unfortunate attack. Perhaps I will just leave it at that. I could say something else, Mr. Speaker, but I think it is best left that way.

The real issue is the survival of that community and the real problem is the attitude of this Government in terms of the fact that they refused to recognize what is happening in that community. That is what I want to stress because as I said at the beginning of my remarks, in terms of Conawapa as we deal with this under The Loan Act in terms of the hydro-electric work, I believe there are some real prospects for some major developments in northern Manitoba. What we need, however, is a great deal more sensitivity to northern concerns on the part of this Government.

I suppose in one sense I should not be unhappy about that, that they are insensitive to the North. I suppose in a sheer political sense one of the reasons why the North has been represented and is represented today by the New Democratic Party, five seats out of five seats, is partly because we have spoken up for Northerners, but also because of the clear record of insensitivity of this Party, the Conservative Party, on northern issues.

I suppose I could take some political pleasure in that, but I do not, Mr. Speaker, because I would hope that we would get beyond the point where even if the Conservatives are generally insensitive to a lot of concerns that Northerners would feel the brunt of them. The unfortunate situation is time after time after time after time the bottom line is that when it comes to northern issues the Conservative Party just does not understand.

They do not understand, whether it be their federal counterparts with the northern tax allowance, whether it be the 9 percent sales tax that will hit Northerners harder than any other group of people in society or whether it be the provincial Government that right now has sat idly by as several mines are either closed or are in the process of closing. They have been totally insensitive in terms of training and education. They have been totally insensitive in terms of any kind of consultation in regard to the Conawapa dam.

Even when they do something that is right, in this case I would say the construction of Conawapa is right or at least I hope they are in the process of doing it. They still manage to do it in such a way that it is insensitive to the needs of Northerners. I want to stress that as we debate this, because yes we will be approving loans to Manitoba Hydro to deal with development of its resources and capabilities, but I want to make sure that it is clear on the record that we do so without any great enthusiasm for the policies of the current Government.

Yes, we have been trying to make minority Government work, yes, to the extent that we do get to Conawapa. I will be the first one to say there will be clear evidence if they do bring it in that minority Government has worked, but I want to say to this Government that they are growing increasingly insensitive to a lot of the concerns of Northerners, and I know the Member for Flin Flon (Mr. Storie) can corroborate that from his own extensive meetings with his constituents.

Mr. Speaker, people are growing increasingly frustrated with the insensitivity of the Government on

some very basic issues, such as training and education in terms of economic development.- (interjection)- The Minister of Health likes, as he always does, to interject. Perhaps he should spend a little bit more time when he does come up north, I do give him credit for coming up, but if he could spend a little bit more time up north and actually talk to the grass roots, the people in my constituency and other constituencies throughout the North, he would know exactly what the problem is. It is with this insensitivity. I think that is the absolute key problem on the part of this Government. It is echoed and we see it day-in day-out by the insensitive and arrogant responses of people in terms of that. That is very unfortunate.

Now the bottom line with this Bill once again as it deals with a number of other areas, and one if I had time I would get into, Mr. Speaker, but I know my - (interjection)- Well, the Minister of Northern Affairs (Mr. Downey) must know that I was going to refer to the situation with the Community Economic Development Fund, which is also referenced in this particular Bill. I just want to say to the Minister, and I do not want to pursue it much more than we did in committee when it was documented reluctantly—the Minister did not want to reveal this at first—that the loans dropped in the first year of the Conservative Government by 40 percent.

I want to say to the Minister that I would hope that there would be a compensation this year. There should be an increase not only of the normal sort of magnitude, but I would expect to see 140 percent in terms of loans this year. I would hope the Minister is out there because the number of people looking for loans, that are in the market for loans, will not change, Mr. Speaker. Over a period of time what has happened is because of the bad publicity that surrounded the announcement of the audit and a number of other factors.- (interjection)-

Mr. Speaker, the Minister said, who created the problem? The person that created the problem is sitting right here in this Chamber, sitting in the front benches on the Conservative side. The Minister who created a completely erroneous sense that there were major problems with CDF when CDF has had a clear record—80 percent success rate in terms of loans—this Minister created a cloud of suspicion that hung over CDF that ended up in a reduction in loans of 40 percent last year, 40 percent, and this Minister has only one person that he can try and attach responsibility to that for, and it is the Minister responsible, and who was the Minister responsible? It is the Minister for Northern Affairs.

He was responsible for the operations of CDF from 1988 to '89, Mr. Speaker, and he knows that one of the bottom line problems is that all throughout the time which the Auditor's Report was being released and was being conducted, one of the problems was instead of this Minister saying, yes we can deal with the recommendations of the Auditor and any problems they might have, he was going around slamming the operation of CDF when the facts were clear, 80 percent success rate under the New Democratic Party.

We increased loans up to a factor of 250 percent, Mr. Speaker, 250 percent, from an average of \$1 million

up to \$2.5 million. That was in a period of only seven years, that is an average. That is not the final total. That is the average amount. The bottom line is that is a record of success. The Minister should be out there saying to the people of northern Manitoba, he should be apologizing for his irresponsible statements that suggested that CDF was not being operated successfully. An 80 percent loan rate is the case. If the Minister would tell the truth when he is in the North he would tell people, he would say to them that he apologizes for having left CDF in the situation it is in today, with that 40 percent reduction in loans in the first year of its operation under a Conservative Government, a 40 percent reduction. That is a clear indication of failure on the part of this Minister.

* (1600)

He likes to go at great length in terms of his rhetoric but he cannot escape from that fact. In fact, what I found particularly entertaining in committee was when he went through the figures. He took the report and he was going through and he was saying, well, this was a Conservative year, then he got to 1981 and then 1982, and he said, well, 1982, oh, that was actually really a carryover from the Conservative years. Now why did he say that? Because there was a huge jump in that year in terms of loans, in the first year the New Democratic Party was in office. The Minister tried to slip that in on the record, suggesting that 1982 was a Conservative year.

Mr. Speaker, November 17, 1981, the New Democratic Party was elected in this province. They took office in December. Nineteen eighty two was a year in which the New Democratic Party was in power in Manitoba, and for the Minister to try and take credit—it is interesting, he tries to take credit for 1982, a New Democratic Party year—but when it comes to 1988 and 1989, the fiscal year for which this Minister was responsible for CEDF, he tries to pass that off to the previous Government. It is incredible, the logic or lack thereof of this Minister. I think anybody who has been in this Chamber is not surprised. I do not think anybody takes the Minister seriously when he gets into those flights of rhetorical fantasy that we see him take off. He likes flying, Mr. Speaker, and particularly flying into a rhetorical fantasy. He does that regularly in this Legislature.

Mr. Speaker, his flights into rhetoric fantasy match only his flights on the Citation Jet in terms of the ability to go straight into the stratosphere at a record speed. Those of us who know the Minister well know that no one is going to be fooled by the statements of this Minister. In fact all he does is detract from any credibility he might have. As I said, he has basically lost the respect of a lot of people in the North by going into those sorts of things.

Well, Mr. Speaker, the bottom line, and the reason I want to speak on the capital loan Bill today, and why I talked about a couple of the provisions of this Bill, specifically in terms of Manitoba Hydro and CEDF, that is to once again point to the fact that, yes, we will be supporting this and we will continue to make the minority Government situation work, but it is growing increasingly frustrating.

It is growing increasingly frustrating to see the attitude of the Conservatives on some pretty basic issues. I have outlined them today in terms of training and education, in particular in terms of the potential benefits of economic development from Conawapa. The bottom line is, yes, we are trying to make the minority Government situation work, but we are not seeing anything from the Conservative Government that is making that effort worthwhile. Thank you, Mr. Speaker.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I move, seconded by the Member for Thompson (Mr. Ashton), that debate be adjourned.

MOTION presented and carried.

BILL NO. 27—THE FISCAL STABILIZATION FUND ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 27, The Fiscal Stabilization Fund Act; Loi sur le Fonds de stabilisation des recettes, standing in the name of the Honourable Member for Osborne (Mr. Alcock). The Honourable Member for Osborne.

Mr. Reg Alcock (Osborne): Thank you, Mr. Speaker, and I thank the Member for Arthur (Mr. Downey) for his uproarious applause as I begin to address this Bill at long last. I would like, Mr. Speaker, to thank the Member for Thompson for his instruction in relevance in debate and his assistance in my understanding of your earlier instructions. I certainly do feel I have gained a better understanding of The Loan Act.

Mr. Speaker, today I rise to enter the debate on Bill 27. For Member's on this side of the House, or at least from our Party, to close debate on this, we would like to see this Bill pass to committee. We would like to get into some discussion with the Minister on particular clauses of this Bill, for as we have stated in the budget debate, we have some serious concerns about this Bill.

I think it is an important Bill, despite its relatively small size, in fact so important that the Minister of Finance (Mr. Manness) has indicated the Government would fall if this Bill were not passed. One of the reasons I feel it is so important is that more than any other single Bill this Bill captures what is wrong with this Government right now. It encapsulates the essential flaw that will eventually lead to the demise of this Government, for it exposes the narrow political agenda which guides decision-making in this Government at the expense of responsible management.

Mr. Speaker, this Bill places political expediency ahead of good management. It proposes through some accounting fiction to create an image of solid financial management. It speaks of responsibility and good management and provides neither. Rather it continues what has become a hallmark of this administration, an 18-month history of jumping on every political trendy bandwagon that goes by regardless of the consequences to this province.

Mr. Speaker, the condemnation of this approach to management in Government comes out of the mouths

of the Members opposite. It was not that long ago when Brian Ransom, when he sat in this House, called a similar fund by the earlier Government: "The initiative was a bogus, public relations play." That is what one their Members felt about the previous Government's attempt to do this.

Mr. Mercier, the Opposition House Leader, said: "This fund was merely a public relations job, a blatant attempt to persuade the public that the Government was doing something new. It is deception of the grossest kind."

That is out of the mouths of the colleagues of the current Government. A Member of the current Government, the Member for Lakeside (Mr. Enns) said: "we wanted a more straightforward approach instead of attempts to hoodwink the public."

Well, Mr. Speaker, these Members must be feeling very uncomfortable now, because that is exactly what this Government is proposing to do with this Bill.

I will come to the Minister of Highways (Mr. Albert Driedger) soon enough, but I do want to speak about the Minister of Finance (Mr. Manness) for a moment, for I have developed a fair bit of respect for the Minister of Finance. I think he is a Conservative, yes. I think he is a very, very straightforward, very strict, yet very honest Conservative, who I think has said often in this House that he is putting forward a different vision of how this province should be managed; that he has a different set of beliefs from that of the previous Government, and I think that is fair enough.

I am surprised though when the Minister continually does things that are so much at odds with his vision of how that province should be managed, and I am increasingly disturbed when his vision becomes somewhat twisted, and distorted, and becomes indistinguishable from the vision of the previous Government.

I am surprised, for example, Mr. Speaker, when the Minister of Finance, after talking about the need for fiscal responsibility and control, brings in a budget with a higher increase than the previous government.

I am surprised when the Minister of Finance in his second budget, talking about the need to contain Government expenditure, brings in a budget that according to one set of figures is within 4.5 percent, and in accordance with the real figures is considerably higher than that; and it is his attempts to hide that and to fool the public into thinking he is doing something different that I find so disturbing.

Mr. Speaker, on Bill 27, when the Minister of Finance (Mr. Manness) introduced this Bill, he spoke at some length about the volatility of revenues and expenditures. He described this as a "growing trend" such that it is becoming impossible to within all of a sudden hundreds of millions of dollars in some respects to forecast the year-end deficit, and unlike the Minister of Energy (Mr. Neufeld), what is a million, is now what is \$100 million?

When the Minister spoke, he spoke of saving for a rainy day, of fiscal responsibility, but the problem is that this Bill delivers neither, and that is what is so unsettling about this piece of legislation. The Minister

would have us believe that this is a new direction, a tool which will cushion this terrible volatility, a fiscal shock absorber helping the province to avoid disruption to programs or major tax increases.

The Bill will do nothing to change the financial position of this province. Despite all of the protestations of the Minister to the contrary, all that is being changed is the accounting and reporting of revenue and expenditure.

The Provincial Auditor, in his last report to the Legislature, describes a key issue in public accountability as: "What information do the readers of Government financial statements require to understand more fully the magnitude of Government operations, the impact of Government operations on the economy and the fiscal stewardship exercised by the Government."

Mr. Speaker, the Auditor is speaking of the need for more openness, greater clarity in the reporting of the operations of Government. The problem is that this Bill obscures the real financial picture of the Government. It adds nothing to the test of openness, and provides a convenient smoke screen behind which the Finance Minister can hide.

When the Finance Minister speaks about this, he evokes images of savings accounts, of fiscal prudence, of putting money away for a rainy day. He talks of putting money aside and using it later. The flaw in this Minister's attempts to ride this trend—and it is becoming a trend throughout state and local Governments in the United States, and more recently, here in Canada. The problem with the attempt here in Manitoba is best summed up by Michael Wolko from the University of Rochester, who having studied the American experience, says that a precondition to establishing a savings account is having something to say.

In all of the examples that exist, the monies put into trust for use in stabilization are only done so when a surplus exists in the immediate operating needs of Government. In B.C., for example, they started their fund with \$538 million of excess revenue. I would have less concern with this fund if what we were talking about here was moving forward a budget surplus, much less concern. I will make that adjustment to accommodate you, Mr. Speaker.

The problem is that is not what they are doing. They are not simply taking the \$48 million that they declared as a surplus and putting it away for the next year or moving it forward into next year's revenues. There is some question, Mr. Speaker, about whether that \$48 million is indeed a surplus. When you look at some of the auditor's comments about unfunded pension liabilities and the need to start recognizing them, it could be argued that we have no surplus in last year, a surplus which comes about as a result of exorbitant tax increases by the previous Government, which this Minister chooses to take credit for now.

* (1610)

Having said that, if all he was doing was identifying an operating surplus and moving that forward to the

future year in anticipation of a contraction of revenues, I would not have so much concern about this particular proposal. What he is doing is, in addition to that \$48 million, he is borrowing \$152 million.

Now there are a couple of fairly straightforward questions here and these are questions we will get into as we debate the Bill clause by clause. If what he was doing was creating a separate account, that he was putting this money into—and if he was going to allow it to be invested into accrue some interest and that he was going to deposit in it other funds, in the image that he creates when he talks about a savings fund. He talks about putting things away into a sock for a different day. Actually that is the Leader of the third Party's (Mr. Doer) image.

This sense of individual personal savings would be acceptable if he was dealing with true surpluses. Nobody suggests in prudent fiscal management that you borrow against the future, that you borrow money to put it away for the future. In fact, the first rule of prudent fiscal management is to reduce debt.

We know though, from having spent some time looking at The Financial Administration Act and discussing what is intended in this Bill and from the remarks the Minister has made to date, that he is not talking about establishing a completely separate account, that these monies will sit in the consolidated fund and that in fact there will not be some of the borrowing costs incurred.

The problem that arises then, Mr. Speaker, is if the true financial accounts of the province are being maintained in such a way that this money is active in the consolidated fund, all we are talking about is the change in the way in which the accounting for that fund is conducted. We are talking about essentially a paper exercise to change the nature of the public understanding about what is truly occurring in this province, so that the Minister can produce documents that show some—as he has done, as he has done in his most recent budget highlights where he produces a nice little draft that shows a gradual decline in the deficit of this province, when in fact anyone who reads the statements that he produces knows that what has happened is we have had a \$48 million surplus this year and we will have a much greater deficit than is shown on this little chart next year.

The problem, Mr. Speaker, is that what he is doing is fundamentally dishonest, that it does not meet the Auditor's test of providing more information and allowing people more accurate information to judge the actions of Government. In fact it does quite the reverse. It gives people a sense that is not accurate. It gives people a feeling of prudent management of a feeling of better fiscal health than the province will be experiencing at the time that this little scenario is played out. At the point that we get to the low point on the Minister's graph, we are in fact worse off, not better off, year over year.

I think the Minister needs to be called to task and I think we have got to in this House express our concerns about what is essentially an attempt to defraud the public.

Mr. Speaker, I would like to just stop for a second and address some of the concerns raised by the third Party because they have spoken at some length about this particular Bill and they have announced their support for it. They have announced their support for it for all sorts of reasons, Mr. Speaker.

The Member for Flin Flon (Mr. Storie), in stating his support for the Bill says, for example, I oppose this legislation that the Minister can take \$10 million and put it into an employment training program two months before an election, then I oppose this legislation. That is his statement. This Bill allows the Minister of Finance (Mr. Manness) to do this and yet thus far his Party supports this Bill.

The Member for Brandon East (Mr. Leonard Evans) says, we think that it is really a gimmick on the part of the Minister of Finance (Mr. Manness) but nevertheless it is there and seems the lesser of the alternatives for us so we are going to vote for it, the alternative being an election, something which they fear desperately.

The Member for Churchill (Mr. Cowan) says, we quite frankly do not like it. We think it is more subterfuge than substance. We believe that it really is a slush fund that has been designed more out of political necessity of the Government than out of good financial management or out of appropriate accounting procedures, or out of an appropriate way to conduct the business of the Legislature and the Government. That is what they are saying about this Bill. I think they are speaking sincerely when they say that. I think what they are attempting to do from their experience in Government is identify a very serious problem with this Bill, a serious problem that will haunt all of us into the future.

I think, Mr. Speaker, we cannot allow our Government to begin to misrepresent to the people, to step back from the clear and open and honest accounting policies of the Government that are in place today and to step back into a position that fundamentally removes from the public their ability to quickly and easily understand the bottom-line financial position of the Government. That is what this Minister is proposing to do.

Mr. Speaker, the Minister spoke quite hotly in the House about how this was not a slush fund because money would only be moved once a year and it would be fully recorded in the budget and besides we would have information from the Auditor when it came time to review the actions of this fund.

This fund is being created under the control of the Minister, transfers out of the fund may be done with the approval of the Lieutenant-Governor-in-Council and transfers into the fund may be done with the approval of the Lieutenant-Governor-in-Council, and the Lieutenant-Governor-in-Council may make any regulations that the Lieutenant-Governor-in-Council considers necessary respecting administration of the fund. All of the control, all of the management of this fund rests with the Minister of Finance (Mr. Manness).

His protestations about this not being a slush fund ring extremely hollow. There is nothing in his actions

or in the way he has drafted this Bill that suggest that he stands behind those assertions and for that reason we will be unable to support this Bill. We have said that from the beginning. Our review of it suggests no change in that position and I think now it is time to move this to committee so we can begin to discuss it in more detail. Thank you, Mr. Speaker.

Mr. Steve Ashton (Thompson): I move, seconded by the Member for The Pas (Mr. Harapiak), that debate be adjourned.

MOTION presented and carried.

BILL NO 31—THE LABOUR RELATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Labour (Mrs. Hammond), Bill No. 31, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, the Honourable Member for Concordia has nine minutes remaining. Stand? Is there leave that this matter remain standing? (Agreed) Is it agreed that it will also remain standing in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis)? (Agreed)

BILL NO. 6—THE LAW REFORM COMMISSION ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 6, The Law Reform Commission Act; Loi sur la Commission de réforme du droit, standing in the name of the Honourable Member for Flin Flon, the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I am pleased to be able to join the debate at this point. Having heard from a number of my colleagues, most particularly perhaps having enjoyed the comments of the Member for St. James (Mr. Edwards) who spoke at length to this particular piece of legislation.

* (1620)

I think we all understand from whence this piece of legislation comes. It comes as a result of a political commitment that was made by the current Government, a commitment which I do not believe was considered particularly thoroughly but was nonetheless a commitment. We see the legislation before us which purports to reinstate the Law Reform Commission and which purports to improve the independence of that body and purports to make that body more representative.

I have a number of concerns with the specifics of the legislation and I will be addressing those as I speak. However, I want to touch on the more general topic of the principle to Bill to begin with. We all know in this Legislature that the intent of legislation is often honourable, the intention is often good. However, the implementation and the practical implementation of some pieces of legislation leave something to be desired.

The comments that I have heard so far on this legislation lead me to believe that there is a grave misunderstanding about the work of the Law Reform Commission and its importance generally to the reform of law, not only in Manitoba but the equivalent bodies that act in other jurisdictions. There is some belief that somehow these bodies represent a substantial area for the examination of laws throughout the country.

Mr. Speaker, the fact is that the Law Reform Commission does not on a regular basis review even a small fraction of the pieces of legislation that are generated in Legislatures across this country. I think while there is no doubt that lawyers and the Law Reform Commission, whatever its form, does review legislation from time to time, much of that legislative review is after the fact, and in fact most Governments do not review extensively or in any formal way legislation prior to its introduction in this Chamber with the Law Reform Commission.

We have in Manitoba passed literally hundreds of pieces of legislation in any given Session with virtually none of them or none of them having been reviewed formally by the Law Reform Commission. So the commission performs a function which is in some respects retroactive. Now, I am not going to pretend for a minute that the Law Reform Commission and its various formations and materializations in other jurisdictions has not performed a valuable function but the question should be raised about how important generally those reviews have been to Legislatures and to provincial statutes, because while the reviews have been thorough when they have been conducted, they are only conducted on a minority of pieces of legislation.

So we should not overemphasize the contribution that this legislation is going to make in terms of the legislation we review, in terms of the legislation we consider and the legislation that we eventually pass in this Legislature.

(Mr. Deputy Speaker in the Chair)

In general terms, I believe that the way that this Legislature in particular creates its laws is among the most progressive and most representative of any in the country. Mr. Deputy Speaker, the Law Reform Commission is only one body and their endeavours pale in comparison to the endeavours of the many thousands of Manitobans who read legislation, who are affected by legislation and who make contributions, either by contacting individual MLAs, contacting the Member for Dauphin (Mr. Plohma) or the Member for Emerson (Mr. Albert Driedger) and giving input to the democratic process in the production of legislation in that way, or the thousands of Manitobans who have over the past few years presented briefs and provided comments to standing committees who review in our process, legislation in committee.

Most Members of the Chamber may not be aware that Manitoba is quite unique in the way that it deals with the legislative process. In Manitoba, after we have completed second reading, which is a debate of principle, and that is what we are doing today with the Law Reform Commission legislation, it goes to committee. The committee process in Manitoba, unlike

in other jurisdictions, is a very formal and a public process. In fact amendments to legislation in the Province of Manitoba quite often comes from input directly presented by individuals at the committee stage.

One of the most, I think I was going to say heartwarming, but perhaps one of the most positive recollections I have of my first while in Government was the introduction of legislation which subsequently went to committee and received input from the public. I am thinking in particular of a piece of legislation that was an amendment to The Landlord and Tenant Act and, Mr. Deputy Speaker, with all due respect I guess to the many individuals who were involved in the preparation of that piece of legislation going from individuals in the Department of Housing, individuals directly involved in the Rentalsman's Office, legislative draftsman, legal counsel in the Attorney General's Office, its review by landlord and tenant groups, tenant groups, property managers' association, et cetera, et cetera, despite that rather thorough review by this broad range of individuals, when the individual Bill got to committee, there were presentations which made it obvious that amendments to that legislation were necessary. In fact, legislation was introduced, amendments were introduced at the committee stage to improve the legislative package.

Mr. Deputy Speaker, the point I am making in all of this is that we should not rely, and if anybody in the public believes that by passing The Law Reform Commission Act and reinstating the Law Reform Commission in some definitive way is going to guarantee somehow that legislation is more thoughtful than on the whole, that the legislative process is more efficient, they are going to be somewhat disappointed.

When the Law Reform Commission changes took place and the review, it was determined that the functions of the commission could be done internally, it was to be an administrative change and there was to be some saving as a result of that change. We certainly recognize the Government's right to introduce amendments and to reintroduce the Law Reform Commission, and if it is the Government's wish to make the Law Reform Commission more independent, the Government's wish, as is stated in the Bill to make it more difficult to wind up the operation of the Law Reform Commission, then, Mr. Deputy Speaker, we have no quarrel with that per se. I think that the Bill can be supported from that perspective.

Clearly, a Government, including our Government, could have wound up the business of the Law Reform Commission, it would have required however discussion in the Chamber and perhaps that would have been fair because we would have had a chance to vet the arguments pro and con with respect to the activities of the commission. Perhaps that should have been done. When I look at Bill 6, the proposed Law Reform Commission Act, I have to say that the provisions in this Act which make it more difficult to wind it up which state that in no case shall the affairs or the duties of the commission be wound up or altered unless the Legislature provides so is a fit and an appropriate addition to the previous Law Reform Commission Act.

* (1630)

I wanted to say in principle while we support the Law Reform Commission and its duties that we should not be overly simplistic or overly optimistic about what it can accomplish in terms of protecting Manitobans from the imposition of Government through statute, because again the majority of legislation goes through this Chamber without a thorough review, a thorough vetting from bodies such as Law Reform Commissions. We know that the retroactive reviews have been very useful to Governments because the Law Reform Commission goes through legislation, goes through and makes recommendations about consolidation of statutes, about very, very important recommendations with respect to gender and the use of language in the preparation of statutes.

We know that amendments have come forward from Governments previously recommending changes that were advised by the review of legislation by the Law Reform Commission. On balance, the majority of legislation is produced through the hard work of departmental staff, through the input of individuals with a particular interest in an area of law and through legislative debate and it has proved most satisfactory.

I am not sure that the hue and cry that we heard from Members opposite was justified by a review of the facts. However, Mr. Deputy Speaker, the Government has the right to introduce legislation as it sees fit and as I said there are some aspects of this legislation I think that will certainly make the work of the commission, as it will now be constituted, more effective, and it certainly will require more deliberation, if that is a desirable thing and I guess most of us would agree that it is, more deliberation on the question of how the commission should be dealt with in the future.-(interjection)-

Mr. Deputy Speaker, my colleague says six of one and a half a dozen of the other and that is probably an appropriate assessment of the balance that is being achieved in this legislation. It is six of one and half a dozen of another.

There are several other provisions in the legislation that would cause one to pause and I would like to spend some time discussing those. The first one I guess is the term of the first commissioners. It is a rather interesting choice by the Government in terms of how they are going to be appointed and what period they shall hold office. I want to say that one of the benefits I see from this legislation is the whole question of continuity because there is no doubt that if you are going to appoint a group to review legislation, the statutes, then having some continuity on the commission is very important.

The reason it is important—there are several reasons why it is important. The most obvious of course is that the changes that are introduced and the amendments that are introduced to legislation sometimes reflect a contradictory purpose to the original intent of the legislation.

We sometimes forget that circumstances and times change and that legislation that was introduced with a particular intent in 1950 may become redundant and subverted in a way by subsequent amendments and

by subsequent exemptions and by subsequent legislative changes, all that begin are the impetus for which come from good intentions. So the continuity that can exist and should exist on the Law Reform Commission can provide perhaps a better cleansing of legislation in their recommendations for change. No one would argue that is not a good idea.

Mr. Deputy Speaker, one of the concerns I have with respect to the recommendations in this legislation is the number of people and the designation of people who shall be appointed to the Law Reform Commission.

Mr. Deputy Speaker, the fact of the matter is that Section 4 says: the Lieutenant-Governor-in-Council shall appoint one of the members of the commission, who shall be a lawyer, as president of the commission, and then goes on to say what other members shall be appointed.

It raises the issue that I raised when I first opened my remarks, with respect to how adequately the Law Reform Commission can represent the broader societal view of a particular piece of legislation. There is always the danger that a commission of this sort becomes very introspective so to speak when it comes to legislation. I have always argued that any body appointed by Government should have an appropriate balance of professionals and lay people. When I say professionals I do not necessarily mean, I hope most Members of this Chamber do not believe, that the Law Reform Commission should necessarily be composed of primarily lawyers or necessarily composed of people with a legal background whether they are practising lawyers or not.

The fact is that laws are introduced, and presented into this Legislature, for the benefit of all Manitobans. There is no reason to believe that because one has a legal background that one has more common sense or a better view of what would be in the collective good. So I think that the balance of people appointed to the Law Reform Commission should not be professionals -(interjection)-

Mr. Deputy Speaker, the Member for Riel (Mr. Ducharme) said he would like to read this speech, and I can certainly tell him that when Hansard is produced the Member -(interjection)- I am not sure if he said he cannot read, but he is mumbling from his seat. The Member may not appreciate my remarks, but my remarks are offered in all seriousness to a question that is important. The Member may want to deny that the only reason this particular piece of legislation is here is for political purposes.

There is no substantive reason to believe that the Law Reform Commission could do a better, more thorough, job of reforming legislation and evaluating, assessing, legislation than some other body, be that internal to the Government, or be that the law society, or virtually any other group that has an interest in the particular piece of legislation. That is the point I am trying to make, when it comes to the question of appointments to the commission itself.

My experience dealing with boards and commissions, from a variety of ministries, tells me that quite often

the most successful boards, the most successful commissions, have a preponderance of people from outside a given profession or a given interest area; that sometimes when particularly professionals from a particular field are appointed to these boards and commissions, or given a specific task by Government, they come with baggage, ideological baggage, professional baggage that narrows their view, with respect to the task at hand. Sometimes lay people, or people from outside the profession, can bring a new perspective to an old question, and that is very desirable.

I am interested because the First Minister (Mr. Filmon), when debating a resolution earlier in this Session with respect to the appointment of boards and commissions, said essentially the same thing.

* (1640)

It is interesting now that the Member for Riel (Mr. Ducharme) is getting exercised because I am making these kinds of recommendations. The Premier (Mr. Filmon) said exactly the same thing, when he spoke to the resolution dealing with political appointments or the appointments by Government to boards and commissions. He said that people bring expertise for a variety of reasons to a particular task, and it does not necessarily have anything to do with their professional obligations that sometimes bringing a different perspective to a problem is the best way to solve the problem and not attempt to tie down so-called experts or so-called professionals into every task.

Mr. Deputy Speaker, if experts were required to solve every problem, democracy would not work nearly as well. The fact is that there are very few experts sitting in the benches opposite. There were very few experts involved in the last Government, but because they apply hopefully common sense as we did problems get solved.

The Minister of Energy and Mines (Mr. Neufeld) is neither a geologist nor a miner, but I am hoping he can apply some common sense with his other background to the problems that he addresses. It does not take a geologist to make a good Minister of Energy and Mines and I see the Minister of Energy and Mines nodding.

We should have somebody that knows something about housing to be Minister of Housing, but that is a separate question. The Minister of Energy and Mines knows what I am speaking of, that common sense is a commodity that is part of many, many peoples understanding and that it does not take an expert.

The Law Reform Commission has a function to do and this Government seems intent on offering them a more definitive platform, from which to review legislation, and there is no reason why they should not do that. Perhaps I will be joined in that by a number of others on this side of the Legislature in calling for a re-examination of the appointment of commissioners and the background of commissioners, the qualifications that need to apply before these people can be appointed.

Mr. Deputy Speaker, if I could review just for a minute the duties of this commission as proposed in the

legislation, the duties include the removal of provisions of law that are outdated or inconsistent. I guess I raise the question again about the necessity of having a body set up for the specific purpose of doing this because that is also part of the legislative mandate of the Government.

Every year including this year, if you look at the legislative agenda of this Government, you will see amendments to many, many pieces of legislation. Some of them are technical amendments, some of them are administrative amendments, but they are designed to do what basically the commission is being asked to do, and that is remove provisions of the existing laws that are outdated or inconsistent.

Maintenance and improvement of administration of justice. Well, Mr. Deputy Speaker, if that is not what we are here to do, then what are we here to do? That is the sole purpose of this Legislative Chamber. The purpose of the Chamber is to pass laws which are designed to provide good Government. We have not seen much of that of late, but that is what we are designed to do. The reconstitution of this commission is a political decision and does not reflect any deep ingrained necessity, in my opinion.

The review of judicial and quasi-judicial procedures under any Act. Everyone in this Chamber knows that the Government from time to time has set up, completely independent outside of The Law Reform Commission or any other body, groups within departments, independent groups, to assess the same question.

Finally, Mr. Deputy Speaker, development of new approaches and new concepts of law, in keeping with the response of changing needs of society of individual members of society. The final part of the mandate of the new commission is to do again what we do all the time in this Chamber. I was just reviewing a list of the legislative package that this Government has introduced. We are now up to some 80 pieces of legislation, 80 Bills, most of which are amendments to existing legislation.

If the Government is bringing these pieces forward simply to keep us busy, then, yes, maybe we should have the Law Reform Commission do this. The commission is never going to be given the mandate or the resources, they are not going to have the mandate nor the resources to do what departments and ministries do on a regular basis, and that is bring forward amendments which develop new approaches and keep the province and our statutes in line with existing conditions.

We are just seeing amendments to The Municipal Assessment Act. The Minister responsible for Rural Development (Mr. Penner) is introducing them and what does he say in his introduction? Changes to the municipal assessment have not been put forward since—I forget what the year is but it is many decades ago.

We as a Legislature are dealing with those needs as well. All this really, Mr. Deputy Speaker, leads me to conclude that my initial assessment of the decision by

the previous Government to consider other ways to fulfill these functions was the appropriate one. If this Government is determined to spend money that is unnecessary to spend, if they cannot use their imagination and find some other ways to do what is proposed in this legislation, I suppose that is their right.

If the Government believes that this is the only way to accomplish this then I think they are wrong. However, we all know that if this Bill receives the approval of the Legislature, we will have a commission. I know that from time to time the Legislature, at some point in the future, will have an opportunity to review the results of this commission's activities. We will find out in due course whether the insights of this commission are of sufficient value to warrant this legislation.

Again, Mr. Deputy Speaker, the sad fact is that we will be reviewing retroactively the results of this legislation and because the legislation requires that the Legislature review this whole question again before any changes are made to the Law Reform Commission, we will again be spending considerable time debating the question.

Mr. Deputy Speaker, the Bill in itself I think admirably invokes I guess the wishes of the Government, and there is no doubt that the commission will be more independent. Again, we will be raising questions (a) about the constitution of the commission. We will be raising questions about the appointments to that commission and the current proportion of professionals versus non-professionals. We will be arguing I think that the commission's appointees should be more broadly representative of the community. We should move away from the view that lawyers and judges are in the best position to determine whether the laws are fitting the needs of a society.

I think that people of good will and common sense can come to the same determinations without some of the biases that professionals sometimes bring to their activities. I do not mean to single out lawyers with respect to biases, any profession, any profession, whether it is the medical profession or the accounting profession becomes hidebound, becomes tied in a somewhat rigid way to the precepts of that profession and that is not helping, particularly if we believe that the Law Reform Commission's job is to make sure that laws (a) are workable, and (b) represent the real interests of people in general and not specifically one group or another.

Mr. Deputy Speaker, there has not really been any substantive change in the duties that the commission was assigned. I believe when the previous Government announced the changes to the Law Reform Commission it recognized these duties and assigned them in its wisdom appropriately within what is now the Department of Justice.

* (1650)

I do not see anything particularly new in the duties that are assigned to commission. I believe that the Department of Justice, individual departments, and individual Ministers on some occasion do much of this in the course of fulfilling their responsibilities and their

obligations. Certainly if you go through the duties of the commission, as described in this legislation, I do not see anything so outstanding that it would require the activities of the commission per se. That is not to say they cannot do the job, certainly they can, but, Mr. Deputy Speaker, let no one in the Chamber believe for a minute that if they are going to carry out these duties in some new more expansive way that it is not going to require additional resources, because clearly, very clearly, it is going to require additional resources.

Mr. Deputy Speaker, most of the other provisions I think are fairly standard. We note that the commission is also going to be obligated, as was the previous commission, to table a report and that will be the measuring stick I guess for this Legislative Assembly when it comes to the duties of the commission. We will know by the commission's report which pieces of legislation have been considered. We will know by the Government's subsequent legislative agenda whether the commission's activity was really viewed as absolutely necessary, because my experience also tells me that Law Reform Commissions have recommended many, many, many, many changes over the years.

In truth the Law Reform Commission's recommendations are not always acted upon; that their Law Reform Commission reports recommendations, with respect to legislation, have not always received the immediate consent and the immediate action the commission believed was necessary from the Government of the Day. What we have is not only a commission that may be duplicating the work of departments, Ministers and people in the Department of Justice, but we have work that is being done for which there is no final reward, and that is that there are no final amendments or consequent amendments that come forward as a result of these reviews.

Some would say that is because perhaps the reviews are done from a somewhat ivory-tower perspective. They are done by the people on the commission and lawyers without regard to the political circumstances of the Government, without regard perhaps to the impacts of the proposed changes.

Again, Mr. Deputy Speaker, when I referenced the fact that Ministers also have that responsibility in their departments to bring forward legislative changes, updates and amendments, we know that when that happens the Ministers involved, and the Government of the Day, have to accept the consequences of any changes that are recommended. The Government takes the heat, if the recommendations are not acceptable.

We know that the Law Reform Commission can make recommendations that are wildly out of sync, if you will, with the wishes of the Government or the community at large. I think that one of the arguments that was made when the commission was changed, when the duties of the commission were moved to internal departmental duties, it was recognized that the legislation, even if it is recommended by the Law Reform Commission, is filtered through a Government department or Government departments.

If the Law Reform Commission—and the Law Reform Commission did recommend changes to The Human

Rights Act. We should not believe for a minute that the changes that were finally introduced by the Government did not reflect the views of the Government. So the work of the commission is duplicated again. It is duplicated in the first instance by the departments in many cases, and is duplicated again in the political process, and is duplicated a third time when it goes through this Chamber, because once it is introduced then all Members of the Legislature have a chance to debate it.

Mr. Deputy Speaker, it is interesting that the Bill is here. In terms of being a specific piece of legislation, I have no quarrel with the design. As I said we have some questions about the appointments, but by and large if the Government feels that this is the only way that it can assure itself that our legislative agenda, our statutes, are up-to-date, this is the only way to do it, then perhaps it is something worth supporting.

I am not of the opinion that this is the necessary way to go. I think people should know that it will cost the taxpayers of Manitoba money to duplicate things that I believe are ministerial responsibilities or departmental responsibilities and are legislative responsibilities, but there is no doubt that it is a second look. It is an independent body that looks at what we have done retroactively in most cases and comments on it, and one should never be afraid to I guess withstand scrutiny from an independent body and a body with, certainly we will all acknowledge, some degree of expertise.

So, Mr. Deputy Speaker, we will await other comments from other Members on this legislation. We will be introducing or asking for some amendments to the legislation, and of course assuming that the legislation finally receives the approval of this Chamber, we will be looking at the end result of this particular measure of the Government.

We will be looking to see whether the Law Reform Commission's recommendations are ever listened to by this Government. We will be waiting to see whether the Law Reform Commission's efforts are demonstrated by the volume of legislative change they recommend and we will be looking to see whether their recommendations are at all consistent with the needs of Manitobans or whether their efforts are indeed being duplicated by many sources within the Government itself, and duplicated by the efforts perhaps of its Minister.

I have no more further comments. If someone else wishes to speak then we can be more than happy to listen. If not there are perhaps other Members who would like to also address this important legislation. Thank you.

Mr. Steve Ashton (Thompson): Mr. Deputy Speaker, I move, seconded by the Member for Dauphin (Mr. Plohman), that the debate be adjourned.

MOTION presented and carried.

Thursday, November 2, 1989

BILL NO. 7—THE INTERNATIONAL SALE OF GOODS ACT

Mr. Deputy Speaker: On the proposed motion of the Attorney General (Mr. McCrae), Bill No. 7, The International Sale of Goods Act (Loi sur la vente internationale de marchandises), standing in the name of the Honourable Member for Inkster (Mr. Lamoureux). (Stand)

BILL NO. 8—THE ENDANGERED SPECIES ACT

Mr. Deputy Speaker: On a proposed motion of the Honourable Minister of Natural Resources (Mr. Enns), The Endangered Species Act (Loi sur les espèces en voie de disparition), standing in the name of the Honourable Member for The Pas (Mr. Harapiak). (Stand)

BILL NO. 9—THE FOREST AMENDMENT ACT

Mr. Deputy Speaker: On a proposed motion of the Honourable Minister of Natural Resources (Mr. Enns), Bill No. 9, The Forest Amendment Act (Loi modifiant la Loi sur les forêts).

The Honourable Member for Brandon East.

Mr. Leonard Evans (Brandon East): Mr. Deputy Speaker, I am very pleased to rise to speak on this particular piece of legislation. Unfortunately it looks as though we have only three minutes remaining before the Private Members' Hour begins. However, as the Minister of Highways (Mr. Albert Driedger) suggests, let us give it a start. Three minutes here, three minutes there, they all add up.

I noted the remarks made by the Minister of Natural Resources (Mr. Enns) when he presented Bill No. 9, and that is that essentially what the Bill calls for is the establishment of a forest-renewal charge upon all those persons or corporations who harvest the timber resources of the province. Specifically, he suggests that this is in addition to normal stumpage charges. The department has always had fees built into reforestation, but it was felt that there was a need to raise additional monies to aid the Government in providing funds for reforestation. As a result, the Government seems to be prepared to add \$1.80 per cubic metre for this purpose.

Well, Mr. Deputy Speaker, I guess all of us here will be very agreeable to initiatives taken by the Government on reforestation. We appreciate the fact that it is a renewable resource but, nevertheless there is a problem of the growing year. Fortunately a great number of our trees are in northern Manitoba and the time that it takes to replace a tree is a great deal of time. It takes probably—someone said at some point to replace one tree you probably should be planting three, or four, or more perhaps.

Really no one is against reforestation, but really what the Government has come up with here is a revenue-raising technique, because there is nothing preventing

the Government from engaging in reforestation, or forestry management, at a higher level than has been in the past. We have been engaged in reforestation for some years, and we have been engaged in forestry management. So this is nothing, it does not seem to me that it is any new initiative. In terms of forest management, really what it is, is an initiative to raise money for the Minister of Finance (Mr. Manness) to help the Government balance its books.

* (1700)

(Mr. Speaker in the Chair)

As I said, I guess we cannot object to any initiatives being taken, but I think we should recognize that it is a small initiative, but it is part and parcel—

Mr. Speaker: Order, please. When this matter is again before the House, the Honourable Member will have 37 minutes remaining.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., it is time for Private Members' Hour.

DEBATE ON SECOND READINGS PUBLIC BILLS

BILL NO. 2—THE LANDLORD AND TENANT AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Inkster (Mr. Lamoureux), Bill No. 2, The Landlord and Tenant Amendment Act; Loi modifiant la Loi sur le louage d'immeubles, standing in the name of the Honourable Minister of Natural Resources (Mr. Enns) who has two minutes remaining.

Is there leave that the matter remain standing? (Agreed)

BILL NO. 4—THE HIGHWAY TRAFFIC AMENDMENT ACT (2)

Mr. Speaker: On the proposed motion of the Honourable Member for Assiniboia (Mr. Mandrake), Bill No. 4, The Highway Traffic Amendment Act(2); Loi no 2 modifiant le Code de la route, standing in the name of the Honourable Minister of Health (Mr. Orchard).

Is there leave that this matter remain standing? (Agreed)

BILL NO. 10—THE BEVERAGE CONTAINER ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Springfield (Mr. Roch), Bill No. 10, The Beverage Container Act; Loi sur les contenants de boissons, standing in the name of the Honourable Minister of Health (Mr. Orchard).

Is there leave that this matter remain standing in the name of the Honourable Minister of Health? (Agreed)

**BILL NO. 13—THE MANITOBA
INTERCULTURAL COUNCIL
AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Selkirk (Mrs. Charles), Bill No. 13, The Manitoba Intercultural Council Amendment Act; Loi modifiant la Loi sur le Conseil interculturel du Manitoba, and the motion of the Honourable Member for Thompson (Mr. Ashton) that the question be now put, standing in the name of the Honourable Minister of Health (Mr. Orchard).

Is there leave that this matter remain standing?
(Agreed)

**BILL NO. 17—THE EMPLOYMENT
STANDARDS AMENDMENT ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for Thompson (Mr. Ashton), Bill No. 17, The Employment Standards Amendment Act; Loi modifiant la Loi sur les normes d'emploi, standing in the name of the Honourable Member for Inkster (Mr. Lamoureux).

Is there leave that this matter remain standing?
(Agreed)

**BILL NO. 18—THE OZONE
LAYER PROTECTION ACT**

Mr. Speaker: On the proposed motion of the Honourable Member for The Pas (Mr. Harapiak), Bill No. 18, The Ozone Layer Protection Act; Loi sur la protection de la couche d'ozone, standing in the name of the Honourable Member for The Pas who has 12 minutes remaining.

The Honourable Member for The Pas.

Mr. Harry Harapiak (The Pas): Mr. Speaker, I am pleased to stand and speak on one of the most important issues facing us as a society that there is today. There are many people who did not take seriously the concerns of the Environment Ministers a few years ago when they said that the ozone layer was depleting at a much faster rate than they had anticipated in previous years. I recently had an opportunity to attend the Commonwealth Parliamentary Conference, and one of the subjects that was up for discussion is the ozone depletion. I can tell you that the countries that are in a developing stage are very concerned about how they are being affected by the ozone depletion.

Because of the warming trend of the world, because of the depletion of the ozone layer, many of the coastal countries are being flooded at this time. It is very critical that we move towards some resolution to stop the ozone from being depleted at the rate it is being depleted now, because I can tell you that many of these countries will be underwater as Bangladesh was in the past year. They were underwater for three months this past year and for two months the year before. They are afraid that this may be a trend that is going to be an annual recurrence. So, if they are underwater, there are many other coastal countries that will also be underwater.

Quite often, Mr. Speaker, there are people who feel that this is so far away that it does not affect them. I can tell you that there are people who are to a greater degree being affected by skin cancer than ever before, because of the fact that the ozone layer is becoming depleted and the sun rays are coming through and affecting us at a much more rapid rate than they ever have in the past.

In the past chlorofluorocarbons and halogens were considered cheap, effective and non-toxic chemicals and had a variety of commercial uses. By the 1970s there were other substances. We finally got to see what kind of a role they played in the depletion of the ozone layer and the consumers led a reduction in the use of CFCs propelled spray cans. The resulting reduction in the consumer use was significant, but the world consumption rates are now higher than ever due to the rising industrial use of insulation of refrigerators and refrigerations in poor countries.

Ozone levels in the spring over Antarctica extending to about 45 degrees have decreased significantly since the mid-'70s. The rapid change in the atmosphere now occurring through ozone depletion in the stratosphere, and the greenhouse effect amount to an uncontrolled global experiment which is affecting the life of many people and threatening the lives of many others because the fact that the water levels are rising.

In the lower atmosphere CFCs act as a greenhouse gas. They are a rising concentration at this level, released through the human activities also act as a greenhouse gas. Chemical reactions in the atmosphere are extremely complicated and are only poorly understood. Reduced emissions of CFCs contribute to control of greenhouse gases in the lower atmosphere and reduced oxygen depletion in the upper atmosphere.

Mr. Speaker, when the Member for Radisson was the Minister of the Environment, they passed a resolution in Montreal—the Member for Radisson was the chairman of the National Council at that time for Environment Ministers and they passed a resolution which said that we should be reducing the amount of CFCs that are used by a great degree. I know that since that time there has been greater concern that shows that the hole over the Antarctica is expanding at a much faster rate than they had expected, and therefore the urgency is now much greater than what they had felt in the first place.

Mr. Speaker, CFCs are used in a wide variety of household uses and most people feel that this is something that is completely out of their control, the reduction of CFCs. I think that there is something that each one of us can do, as we, as a society, become more aware of how it is affecting the ozone layer. So I think that we as citizens have a responsibility to try and educate our neighbours on how they can also reduce the effects of the ozone layer. I think recovery and recycling of chemicals that reduce the ozone layer are one way that can currently be used to reduce the amount of ozone depletion rate. The CFCs 11 and 12 have increased by an annual rate of about 5 percent since 1978, and there are other chemicals of CFC 13 that has increased at a 10 percent rate since 1975. As I mentioned earlier, it is not the developing countries

that are utilizing this material, because they have not got the developed industry which is so responsible for putting those CFCs into the atmosphere. It is no wonder when they speak on it that they feel we, as a developed world, should be paying for the cost of research to see how we can be reducing the deteriorating effect of the ozone layer.

* (1710)

In 1982, the United Nations' environmental program sponsored a series of negotiations to develop an international agreement on how the ozone layer can be protected, and there was a series of recommendations made at that time, which was once again supported by the next conventions that were held in Montreal and later on in Vancouver. The convention passed an agreement that said it was necessary to reduce the ozone depleting chemicals by 50 percent by the year 1989. These regulations and agreements seek to find different substances that can be used to replace the CFCs. There are now chemicals that can be utilized for refrigeration. Previously, the only possible chemicals to be used for refrigeration were chlorofluorocarbons, but now there are some different chemicals that can be used, which should reduce the use of CFCs.

I know that there are some other areas, in household use, that we have reduced. The spray cans that were utilizing CFCs have been eliminated, so I think that most people, through education, have been able to eliminate the use of household sprays. That has been a big reduction, but if we can carry that on, the public education, to—one of the other areas that CFCs are created in is in the production of non-urethane foam, which is used in everyday packages, insulation and food service items. There are four types of non-urethane foam which have been used for crating and for fast food outlets. I think that there are products that can be used, and it is not necessary to use the styrofoam containers which cause CFCs in their production. I think there are plastic forms that can be used and also forms that are made out of paper which are a lot more friendly to the atmosphere and they are not damaging to the ozone layer.

As I mentioned earlier, in the refrigerators and freezers CFCs are used, but I think what has to happen is, when they are being discarded, there has to be some method of capturing the substance before it goes off into the atmosphere. I think there are methods in there which would help us save the refrigeration and cuts down substantially on the emissions that are going into the atmosphere.

One of the other areas that use CFCs is the air conditioning, and I know that there are also chillers that are used for hospital sterilants. I think there are chemicals that can be used to replace CFCs for hospital sterilants. There are different chemicals that are available, Mr. Speaker, so I think it is up to the citizens to become serious and become informed about this subject, and I think it is very threatening to us as a society and I think when you hear how the Third World countries are being affected that we need to take this Bill very seriously.

I know that jurisdictions of Ontario and British Columbia have also passed legislation similar to this, and I hope that we would look at the Bill very seriously and see that we can support it. I am sure that if all the Members look at it and how it will slow down the deterioration of the ozone layer that they will very seriously support this Bill so that we can get on with saving the ozone layer. So we can not only save our own society from being threatened by skin cancer to a much greater degree, but we can also save some of those coastal countries that are under threat of flood. I know that if we do not take seriously the ozone layer depletion that we will someday as a society be ashamed of what we did when we had the opportunity to fix the ozone layer. Thank you, Mr. Speaker.

Mr. Herold Driedger (Niakwa): I have listened to the comments made by the previous Member with respect to The Ozone Layer Protection Act, and I believe that we must give credit where credit is due. The aspect of needing to protect the ozone layer is laudable, not only is it laudable it is absolutely necessary, it is essential. Some of the comments made with respect to the precise aspect that this Bill is addressing, which is to control the production, or to control the release of ozone into the atmosphere, which is now considered to be one of the most serious threats to the ozone layer.

The ozone layer, for those Members here who are not aware, is the layer that filters out the harmful ultraviolet radiations. All that this really says to us who are here is that this will influence the genetic mutation of plants, genetic mutation of people and animals and actually will affect the way we live, the way life can exist as we know it.

The previous Member did reference when he spoke about the developing countries concerned for the ozone layer for the pollution of the developed countries for the pollution produced by the countries with technological prowess stated as a concern the rising sea levels, stated as a concern the rising temperatures, stated as a concern the effect for coastal countries. We have now here two totally different environmental effects. One which is a production of carbon dioxide, which leads to the greenhouse effect which leads to the heating of the atmosphere which is one environmental effect.

* (1720)

The other is the release of ozone into the atmosphere which affects the ozone layer which is another environmental effect. I think we have to be very clear when we speak to addressing how we are going to solve these problems that we clearly understand that the solution to one problem does not cause a problem for the other aspect.

In the case of this particular Bill itself, with the prohibitions that are listed, I think we are now beginning to see that maybe the solution for one problem may cause a problem in another area, and that is something we need to be very cognizant of because both issues need to be addressed. Both are extremely important, and I think the previous Member did reference the fact

that are environmental costs that we must be prepared to pay. I think he also referenced the fact that developing countries are looking to the developed countries to look to do the research necessary to start protecting the detrimental effects of what we have done. In that case he is absolutely correct. However, he did reference the use of alternate chemicals that can be used particularly in refrigeration, particularly in air conditioning that these now exist, and this is a true statement, they do. Before I address that aspect, I want to take a look at the one area of CFC production which is probably the one that has the most harmful effect in so far that is the most—

An Honourable Member: Most dangerous.

Mr. Herold Driedger: No, no, the Minister of Northern Affairs (Mr. Downey) says, "Most dangerous." All CFCs are equally dangerous. The comment I am trying to make is that some forms of release create more volume of this particular chemical, and that particular release comes from the air conditioning used in cars. We probably are not aware of the fact that the air conditioning that is used in cars is something that is based upon the use of CFCs, not the alternate chemicals. In fact, according to the Detroit releases, they will not be ready to use the alternate chemicals for another two or three years because it involves for them a redesign of the entire internal—under the hood—components of the car because the alternate chemicals are less efficient than the CFCs being used for refrigeration right now.

The alternate chemicals at this moment work at about a 40 percent efficiency. Now, anyone who has used air conditioning in a car for a long trip realizes that air conditioning which requires compressors to be used, which requires more energy to be used in the car, it actually uses more gasoline which pushes the other products: the CO₂s, the nitrous oxides, and the carbon monoxides out the exhaust which is the one that contributes to the greenhouse—called the greenhouse gases, which contributes to the warming of the atmosphere.

So if we just take a look at those two aspects to use an alternate chemical in the air conditioning of cars—which is one of the things that the North Americans at this moment have not yet committed themselves to giving up. We need heavier compressors, bigger engines, to get the same quality of cooling. However, Detroit is looking at this, and they say by 1992 or 1993 they will have cars on the market that use a different chemical rather than CFCs for the cooling of the drivers as they go through the long distances that we have to drive.

This is one thing that could be addressed by this Bill specifically because the North American market for air conditioning in automobiles is the one production area of CFCs that can probably be contained within the developing world, and that is something that this particular Bill does not address although it might. It might quite well do so by taking a look at some of the other aspects where you end up looking at air conditioning production. However, one of the problems with the production of CFCs through air conditioning

in cars is that this system is very leaky. The gases do not stay in the system very long, for one reason or another, largely due to the fact we are using flexible joints and deterioration of salt and things on the road, leading to release of CFCs into the atmosphere.

Let us take a look at some of the other aspects of the ozone production, which this Act chooses to address. It is laudable again that we here are going to take a look at alternate technologies, use of alternate chemicals, the use of replacement goods that all have one thing in common, which is the use of energy in their production. The energy in their production, again, leads to the release of greenhouse gases, greenhouse gases which cause the other environmental impact which we need to address. I have done some reading with respect to other developing nations who say that they cannot afford to not go through the process we have gone through—the process of using CFCs, the process of using styrofoam, the process of using polyurethane foam, the process of using the production of not necessarily imitation wood but the press boards that we tend to use now for much of our furniture industry for much of our interior wood products.

These products, when they are produced, use in the process much of the same chemical that produces CFCs. It is this aspect that the developing countries do not wish to give up. They do not wish to deny themselves the ability to achieve the same standard of living that we have acquired, and consequently those nations, which probably as they enter their own industrial phase—perhaps not so much industrial phase but perhaps we can extend it a little bit into the higher level of industrialization—where they achieve the quality of life that we now have, the production of plastics, the production of the throw-away society.

These places have, and their combined populations, two-thirds of the world population. Now when this two-thirds of the world population is trying to achieve the same standard of living that we have start producing these chemicals, it will be much more damaging to the environment, much more detrimental to the environment, not only in the production of ozone depleting gases but also in the production of the greenhouse gases. Both together we might be able to say no, no more, we can no longer afford to pay this price because the long-term benefits are not good for us, but on the other side of the ocean in a different hemisphere, we have Third World countries that are absolutely saying we need to go the same way, it is not fair for you to deny us this today. It is not fair for you to say to us, no, do not make the same mistakes we made. It is not fair for you to preach one thing and do another. We have to have the same opportunity.

In order to address the ozone depleting gases, in order to address the problem of the greenhouse gases, we have to do war and this is one of the things we may have to find in the developing countries that is going to drive up the costs of this environmental protection, and that is as the previous speaker mentioned in the research necessary to come up with the alternate chemicals, but the alternate chemicals must not just be alternate. They must not just be more environmentally benign. They must also address all of

the other problems. They must be able to be produced in a more energy friendly way. They should not be causing one problem while solving another, and furthermore they must also be able to be produced out of environmentally friendly products in such a way so that in their production they achieve the same thing without causing the problem. As an example, I will just refer to container packaging wrappers.

* (1730)

We are now part of the throw-away society. We pick up something, we would rather not wash a cup, we come in here even with now more environmentally friendly paper cups. We still take the paper cup and it is thrown away, it is garbaged. It is used once and discarded. Plastic wrappings—how many of us in our kitchens use plastic wrap. Saran Wrap is a popular product which is used once, then discarded. We go to fast food outlets and we find that much of what we purchase is packaged in products that are styrofoam where CFCs were produced in the making which are made out of finite resources such as petroleum and use energy in the production of the product. It is this area in which we have to focus our energies. It is into this area that we have to focus our research so that we can produce things that can be recycled, produce things that can be used more than once, which of course has been done in the past, we can do quite easily again so that, come some future time when we may have passed into the great beyond as a civilization and our kitchen middens, our sanitary landfills are excavated and are opened up for archeologists of the future, we will not be identified simply by the styrofoam container and the plastic cup.

In conclusion, Mr. Speaker, I wish just to reiterate a few things. When we start addressing the environmental problems of the future, the problems of today, we will have to start addressing the issue through common sense, being prepared to pay the environmental cost and furthermore doing things in such a way so that the solution to one problem does not cause a problem for the area as well.

That is the one thing that happens with anything when you start talking about ozone layer protection. Anything that is going to be used as an alternate ozone depleting gas requires much more energy in its production. We have to solve that problem before we actually address some of the specifics that we see in this particular Bill. Thank you very much, Mr. Speaker.

Mr. Speaker: Is the House ready for the question? The Honourable Minister of Northern and Native Affairs.

Hon. James Downey (Minister of Northern and Native Affairs): I move, seconded by the Minister of Energy and Mines (Mr. Neufeld), that debate be adjourned.

MOTION presented and carried.

BILL NO. 20—THE MUNICIPAL ASSESSMENT AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Sturgeon Creek (Mrs. Yeo), Bill

No. 20, The Municipal Assessment Amendment Act; Loi modifiant la Loi sur l'évaluation municipale, standing in the name of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger).

Some Honourable Members: Stand.

Mr. Speaker: Is there leave that this matter remain standing—the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Thank you, Mr. Speaker. Actually, the contents of this Bill, I believe, will be actually made redundant by the introduction of the municipal assessment reform that was tabled today by the Minister responsible for Rural Development (Mr. Penner), but I did want to comment on it in the event that we do proceed to consider this legislation further or in the unlikely event or perhaps that the Bill introduced by the Minister responsible for Rural Development did not proceed to completion. I wanted to put on the record some comments about the intent of this legislation, the specifics.

Mr. Speaker, this legislation is not dissimilar to legislation that was introduced by the Member for Emerson when he was a private Member in the Opposition benches back in 1986 or 1987. The intent of that legislation at the time was to give special status to a number of Bible colleges. At the time I happened to be Minister of Education, and I outlined my concern about passing such a piece of legislation without regard, first of all, to the piecemeal approach that that legislation took, recommending some specific institutions, in this case religious institutions, be given special status and exemption from taxation. The Legislature of the Day, in a free vote, decided to pass those particular amendments. I remember distinctly predicting that subsequent Legislatures would see subsequent pieces of legislation, like the legislation before us today, recommending that the Salvation Army Catherine Booth Bible College be exempt and considered exempt under certain clauses of The Municipal Assessment Act.

My concern today is no different than it was at the time, and that is that there are innumerable operations, entities in Manitoba who operate for charitable causes, for non-profit causes for which this legislation does not apply. What we needed, I argued at the time, was a more comprehensive approach. What we needed, I argued at the time, was to wait until the conclusion of the assessment reform process until we could develop a comprehensive approach and see if we could come up with a strategy that would cover each of these exceptional circumstances.

I never argued that the Catherine Booth Bible College or the other religious colleges, Mennonite Brethren, et cetera, were not special cases that should not be considered in some special category with respect to assessment, but I did object to the piecemeal based on constituency parochial interests of a given Member at a given time. That is not the way we draft legislation or should prepare legislation in this Chamber. We should be more broad based in our perspective and we should do things that make some sense and are more consistent.

I remember, and I think it is quite true today as the current Municipal Act is concerned, that day cares, for example, are not exempt and to exclude the Catherine Booth Bible College and not day cares and not similar non-profit organizations simply does not make sense. I have had a chance to peruse the amendments proposed by the Member for Rhineland, the Minister responsible for Rural Development (Mr. Penner), and I know that the Catherine Booth Bible College is actually included in the proposed Act. It follows along with the recommendations that I made a long time ago that there be more semblance of order to this particular aspect of municipal assessment.

Mr. Speaker, I wanted to say as well that I was not surprised by this legislation coming forward from a Member of a Liberal Caucus. I suppose it follows on the heels of my concern that the Liberal intention with respect to education is to create a private school system and a public school system that are both funded by the taxpayers, a private school system that will become an enclave for the few who can afford that privilege. It does not surprise me that educational institutions, private educational institutions would also be the targets of some Liberal largesse, if you will permit me to use that term.

I think that there are many, many municipalities, many, many school divisions and school boards across the province who view this kind of philosophical debate with a certain degree of unease. I do not think there are many public school teachers or public school trustees who support this kind of action because it is inevitably going to lead to further requests from other institutions for special status, special consideration either from being exempted from taxes or from accessing Government revenues or general revenues in one way or another.

* (1740)

It is another example of the willingness of the Liberals to undermine the activities of our public institutions, our school system and now apparently our post-secondary education system in a not-too-subtle form.—(interjection)—The Member for Osborne (Mr. Alcock) is wondering how I can be talking so eloquently, he said, about the municipal assessment and yet bring the Liberals and their approach to private school funding into this debate. It is very simple because this is all too much a part of the Liberal policy of supporting private schools, supporting the wealthy in their endeavours to create a two-tiered system that they can support but no one else can afford.

I am anxious to see the debate proceed on the more comprehensive legislation introduced by the Minister responsible for Rural Development (Mr. Penner). I do not know the procedures here, Mr. Speaker, perhaps you can provide some clarification for me, but at some point I would assume this piece of legislation would be declared out of order because it anticipates some Government action. I assume that either we debate this in Private Members' until such time as the Government's piece of legislation is actually passed, at which time it will become redundant, or it will be ruled out of order at some subsequent period set aside for debate of this matter.

It is interesting and I think it should not go without notice that the Manitoba School Trustees Association, the Manitoba Teachers Society, the Manitoba Association of Urban Municipalities, the Union of Manitoba Municipalities, all oppose this kind of interference. In the taxation assessment of the municipalities they also opposed, interestingly enough, the support that has been offered to private schools by this Government and the 80 percent support that has been offered by the Liberal Party. The Liberals will not be surprised at all if support amongst trustees and teachers and parents who depend and rely on the public school system wanes because of this willingness on their part to establish a two-tiered system, one that is for the elite and one that is for the rest of us, so to speak. It is an unfortunate policy.

While I think this legislation was introduced perhaps more parochially because of representation that was made to the Member for Sturgeon Creek (Mrs. Yeo), it nonetheless reflects the Liberal ambivalence towards the public school system. There are many of us who feel that ambivalence is going to be fatal to them. Certainly it is no secret amongst the Manitoba Teachers Society, the 12,000 or 13,000 public school teachers, that this policy is inevitably going to lead to the starving of the public school system. No one can lead to any other conclusion. You simply cannot take another \$30 million on an annual basis from general revenue and provide it to private schools, those few thousand private school students, and not make a scapegoat out of the public school system.

Mr. Speaker, this amendment, although it does not say so very clearly—and the Minister of Education (Mr. Derkach) is here saying shame on me because we all know that the Minister of Education is not going to stand up and defend the public school system. He is intent on turning the public school system into some sort of backwater for people who cannot afford St. John's-Ravenscourt. That is his approach. The public school teachers, the 12,000 to 13,000 of them, know that. I can tell the Minister of Education that I do not speaketh with forked tongue and my children are in public school where they belong —(interjection)—

The Member for Thompson (Mr. Ashton) makes the point exactly that I have never been opposed to private schools. I have been opposed to the support that is being offered by this Government and by the Liberals to private schools, because it is going to create the two-tiered system that we talked about. The Minister needs to be under no illusion that is going to happen. He only has to observe the systems in other parts of the world, including the United States, where the public schools languish without adequate funding, without adequate resources, and with all the problems that face public schools at the present time, to know that is the future for us in Manitoba if we follow that policy.

Mr. Speaker, back to the amendment at hand. The fact of the matter is that this particular amendment should be defeated. I can tell you that we will not be supporting it. I will not be supporting it as a private Member. It is my hope that many other Members agree with my position that this is unnecessary, an unnecessary intrusion into the affairs of municipalities,

an unnecessary intrusion into the legislation that has been prepared by the Minister of Rural Development (Mr. Penner). It is ill-conceived when one appreciates how many institutions are out there, non-profit institutions, training institutions, day cares, et cetera, who are not exempt under these kinds of provisions in The Municipal Assessment Act.

There is some inherent unfairness in this proposal. Although it may satisfy the "needs" of a single institution, it does not satisfy the greater need and that is to have consistency in legislation, the greater need to have some principle upon which we fund educational institutions and particularly our public educational institutions in the province.

Mr. Speaker, we hope that other Members will be challenged to discuss this amendment because I am certainly anxious to hear the Liberal justification for this legislation. We have heard from the Member for Sturgeon Creek (Mrs. Yeo), I would like to hear some others attempt to justify this on a rational basis, particularly in light of the legislation that we have had introduced into the Chamber most recently by the Minister of Rural Development (Mr. Penner).

Mr. Speaker, I leave the floor to others who may want to discuss this piece of legislation.

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger).

BILL NO. 21—THE UNFAIR BUSINESS PRACTICES ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 21, The Unfair Business Practices Act; Loi sur les pratiques commerciales déloyales, standing in the name of the Honourable Minister of Justice (Mr. McCrae). Stand? Is there leave that this matter remain standing? (Agreed) The Honourable Member for Thompson.

Mr. Steve Ashton (Thompson): Mr. Speaker, I do look forward to some of the comments from the increasing number of Government Members who have been standing Bills. I find it rather ironic that we in the Opposition are accused of refusing to debate Bills, and I have yet to hear the Government Members who have had virtually all the Bills here that we are dealing with stood and have not been debating those Bills as we see yet again today. I make that comment on this Bill, Bill No. 21, because I believe it is an important Bill and I believe that we should be dealing with this Bill and debating it.

Mr. Speaker: Order, please. Order. Was the Honourable Member speaking to the Bill? Order, please. The Honourable Member for Thompson.

Mr. Ashton: I just in fact referenced Bill 21 in my last sentence, the fact that I would like to see this Bill debated and passed.

Mr. Speaker: I was wondering if I had recognized the Honourable Member on a point of order, or what he was debating?

Mr. Ashton: Dealing on this Bill, Mr. Speaker, as I said, I hope that the Attorney General (Mr. McCrae) who has stood this Bill, that he will put his comments on the record. He is sitting here attentively listening to my speech. I will promise him I will do the same if he puts his comments on the record and deals with this very important Bill. I would hope that we would hear also from the Minister responsible for Consumer Affairs (Mr. Connery) on this particular Bill. I feel that this kind of Bill could be supported by each and every Member of this Legislature.

When we are dealing with consumer protection, we are not dealing with a great expense to Government. That is the great thing about this particular Bill and many of the other Bills that have been proposed by the Member for Elmwood (Mr. Maloway).- (interjection)-

The Minister of Consumer Affairs says this Bill will cost a lot of money. The Minister knows that the benefit that will accrue to consumers and I do not know if he has read this particular Bill. If he does he will see, for example, it deals with ensuring that in consumer transactions, the suppliers cannot be dealing with exaggeration, that estimates be fair estimates. I think this is something we can all support, that the price be part of any consumer transaction, that the circumstances under which a contract is engaged in and the individuals who are involved, it is consideration in terms of validity of contracts. I can go into far greater detail but what this essentially deals with is the definition of an unfair business practice and that is very important in dealing with the legitimacy of any consumer contract.

* (1750)

For the Minister responsible for Consumer Affairs (Mr. Connery), I would like him to document what costs would be involved in terms of this. In fact, in this particular Bill much of what we are dealing with would really in essence be applicable to lawsuits which are going to take place anyway. No one is suggesting that this is going to cost the Government anything at all in this particular Bill.

I would like the Minister to put on the record, and if there are concerns that the Minister responsible for Consumer Affairs has about this Bill, let him put them on the record. In fact, some of us are beginning to wonder why, Mr. Speaker, as we look at the Order Paper today that we find it takes the Opposition, in this case the NDP Consumer Critic, to put on one, two, three, four, five Bills that are currently being debated and a further Bill, the sixth Bill, which the Member will be introducing very shortly in terms of second reading.

Mr. Speaker, while we have the Minister responsible for Consumer and Corporate Affairs (Mr. Connery) with his new responsibilities that have not been reduced in scope beyond his previous responsibilities, why the Minister with the time that he surely must have why he would not put some time into some of these very important proposals. I heard the Minister say these were all Bills that had been drafted by the previous Government. I do not care who introduces these Bills. If the Minister wants to bring them in, if he wants to take the credit for it, I do not care. He can take each

and every one of these Bills and sponsor it as Government legislation and have it dealt with.—(interjection)— He is bringing in a Bill, but I want to see action on all six of these Bills. I want to see the Minister of Consumer and Corporate Affairs (Mr. Connery) doing his job.

POINT OF ORDER

Mr. Speaker: Order, please. Order. The Honourable Acting Government House Leader.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I rise on a point of order and it deals with relevancy which you not too long ago reminded the Members and again the Member for Thompson (Mr. Ashton) is clearly ignoring your guidance. I would think, with the greatest of respect to the Chair and this Chamber, that he deal with the Bill. As he knows, it should be dealing with the principle of the Bill. If he does not understand it, I would hope that he is just not wasting the time of this Assembly and your valuable time.

Mr. Speaker: I would like to thank the Honourable Acting Government House Leader. The Honourable Member for Thompson (Mr. Ashton), on the same point of order.

Mr. Steve Ashton (Thompson): If the Minister was to peruse Hansard and look at the comments that I made, he would find I made direct reference to the Bill on a number of occasions and to consumer legislation, Mr. Speaker.

I quite frankly take offence to the suggestion that I was ignoring your ruling. I, like I am sure other Members of this House, have been attempting to follow your guidance earlier today and I have been very specific in my comments on this legislation in terms of the fact that it is a consumer Bill and referring that specifically.

Mr. Speaker: I would like to thank both Honourable Members and again I would like to remind Honourable Members, when we are debating a Bill on second reading, it is the principle of the Bill that we are debating and that I just caution Honourable Members again that we be relevant to the Bill that we are debating. The Honourable Member for Thompson.

Mr. Ashton: Mr. Speaker, I have been referring to the principle of the fact that we have a Bill before us. It has a number of important provisions for consumers. I referenced them before and I have the Bill in front of me. I can provide a copy of it to the Minister responsible for Consumer and Corporate Affairs (Mr. Connery), and the Minister for Northern Affairs (Mr. Downey) if he has not read it.

In fact I do not believe, Mr. Speaker, that the Minister for Northern Affairs has read this Bill. If he would he would not be standing up and attempting to divert me from my basic bottom-line observation that the Member

for Elmwood (Mr. Maloway) has introduced this Bill and five other Bills and it is about time that the Government took a stand on this Bill, that the Minister of Consumer and Corporate Affairs took a stand on this Bill. In fact I would suggest it is about time he adopted this Bill and the many other fine Bills that have been put forward by the Member for Elmwood because there are major problems out there in terms of what is happening.

As we are speaking today, Mr. Speaker, there are people who are getting ripped off in terms of their dealings with suppliers because of the fact this Bill is not in place. There are people who are being ripped off and I mention some of the aspects of this Bill that would strengthen the protection for consumers, strengthen for consumers.

An Honourable Member: How would it do it?

Mr. Ashton: Well, how would it do it, the Member has asked. I notice, Mr. Speaker, they obviously have not read the Bill because if they did—and I have my copy here and I will be willing to loan it to Members—they will see that there are some very important principles that will be enshrined in this Bill. I mentioned earlier in terms of exaggeration and I am not going to get into the details because we are on second reading, we are dealing with the principle.

How can anyone, Mr. Speaker, not recognize the need to have greater protection for consumers against exaggeration, a deception that has taken place in terms of consumers? I can point to many cases in my own constituency and across this province where that has taken place. The same thing in terms of estimates. Daily there are people, particularly seniors, who are being ripped off by home renovation operations that come into a community and the Member for Arthur (Mr. Downey) should be aware of that.

Mr. Speaker: Order, please. The Honourable Acting Government House Leader, on a point of order.

Mr. Downey: Mr. Speaker, on a point of order. The Member has made some serious accusations about seniors being ripped off. As Minister of Seniors, I am extremely concerned and I would ask him to name those seniors who are being ripped off and who is ripping them off, so we can deal with it directly, so my colleague and I, the Minister of Justice (Mr. McCrae), can deal with them and deal with them very expeditiously.

Mr. Speaker: Order, order. The Honourable Minister does not have a point of order. A dispute over the facts is not a point of order. There is no point of order.

Mr. Speaker: On a new point of order, the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Mr. Speaker, I believe that it behooves every Member to provide information

that is timely. The taxpayers of Manitoba, many of whom are seniors, are paying that Member's salary—

Mr. Speaker: Order, please. What is your point of order? The Honourable Member knows he does not have a point of order. The Honourable Member for Thompson.

Mr. Ashton: Mr. Speaker, if this Member had been opening his ears instead of his mouth the last number of years he has been in the Legislature, he would have seen in committee where it was well-documented, including by some of his former colleagues, the number of cases that have taken place in terms of people being ripped off in terms of home improvements.

The Minister should be aware of that. If he is not and he wants specifics, he should talk to the Minister of Consumer Affairs (Mr. Connery) who at least I am sure could provide him that information from the Department of Consumer Affairs. It is well-documented. The problem is there is very little that can be done because the legislation is not in place.- (interjection)-

The Minister is at it again, he is opening his mouth and not his ears. I think he would do us all a favour—and I realize it is late in the day—but if he would allow those of us who wish to debate to debate. If he wants to debate this Bill I will sit down right now. If he wants to debate this and all the other Bills that he has standing in his name, I am willing to deal with it, but I know he is not going to do that. I know that he is basically doing nothing other than trying to prevent me from putting my views on the record on Bill 21.

Some Honourable Members: Oh, oh!

Mr. Ashton: A similar situation exists in terms of estimates. There are many documented cases where people are unable to, through the courts of law, deal with the situation they find themselves in when they have work which is quoted at one price done at a higher price and they are stuck with the bill. That is particularly the case once again in terms of home renovations and the Minister responsible for Seniors, if he is going to really live up to that responsibility, instead of asking me, should be asking his department to look into this because it has affected seniors substantially.

Mr. Speaker: Order, please. What does this have to do with the Bill that we are debating here today? The Honourable Member for Thompson, would you kindly be relevant towards the Bill.

Mr. Ashton: Mr. Speaker, I am referencing a specific principle of this Bill—

Mr. Speaker: Good, good. The Honourable Member for Thompson.

Mr. Ashton: —which is in terms of protection of people against being ripped off. If I am distracted in my comments, it is because of the heckling from the Members opposite. I apologize.- (interjection)-

Mr. Speaker: Order, please. Order. The Honourable Minister of Consumer and Corporate Affairs (Mr. Connery) will have ample opportunity to get his remarks on the record. The Honourable Member for Thompson (Mr. Ashton) -(interjection)- Order, please. The Honourable Minister of Consumer and Corporate Affairs, you will have ample opportunity to get your remarks on the record. The Honourable Member for Thompson has the floor.

Mr. Ashton: The bottom line is that these are provisions of this Bill, the basic principles of the Bill, which deal with actual case examples of the current situation in Manitoba where a lot of individuals are unable to have any recourse in a court of law. I can run through the list because I have seen in my own particular case - (interjection)-

Well, for the Minister of Northern Affairs (Mr. Downey), I am sure it will be a very good process of education for the Minister because he obviously is unaware of what is happening out there in the marketplace, but there is another significant problem and that is in terms of the representations as the quantities are available. We often see that ourselves in terms of advertising that suggests that certain offers are available to people and are often used as loss leaders to try and bring people into signing contracts.

There are particular problems with, for example, I would point to frozen goods and I raised this in the Legislature. I can point to the example in my own constituency, Eat-Rite Frozen Foods, and there are other frozen food operations that operate very much the same way. They make representations about price that are misleading, they make representations about special offers. In many cases the special offers cannot be achieved, and there are major problems in terms of consumers not receiving the fairest treatment, Mr. Speaker.

This kind of legislation will not cost the province a lot of money; what it will do is provide far greater protection in law than exists currently. I look forward to continuing to be able to debate this and other consumer Bills as we sit again in Private Members' Hour next week.

Mr. Speaker: Is it the will of the House to call it six o'clock? (Agreed) The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow (Friday).