



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

37 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XXXVII No. 88 - 1:30 p.m., WEDNESDAY, NOVEMBER 30, 1988.



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virден	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupert's Island	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNES, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	Lá Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 30, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Parker Burrell (Swan River): Mr. Speaker, I beg to present the Third Report of the Committee of Public Utilities and Natural Resources.

Mr. Clerk, William Remnant: Your committee met on Tuesday, October 11, Thursday, October 13, Tuesday, October 25, Thursday, October 27, Thursday, November 10, Thursday, November 24, and Tuesday, November 29, 1988, in Room 255 of the Legislative Building, to consider the Annual Reports of the Manitoba Hydro-Electric Board for the fiscal year ended March 31, 1987, and the fiscal year ended March 31, 1988.

Mr. G. H. Beatty, President and Chief Executive Officer, Mr. A. B. Ransom, Chairman, Board of Directors, and other staff present of the Manitoba Hydro-Electric Board provided such information as was requested by Members of the Committee with respect to the Annual Reports and the business of the Manitoba Hydro-Electric Board.

Your committee examined the reports for the fiscal years ended March 31, 1987, and March 31, 1988, of the Manitoba Hydro-Electric Board and adopted the same as presented.

All of which is respectfully submitted.

Mr. Burrell: I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Leonard Derkach (Minister of Education): Mr. Speaker, I am pleased this afternoon to table the Annual Report for the Universities Grants Commission ended March 31, 1988.

I would also like to table the Financial Report for the University of Winnipeg and also the Brandon University Annual Financial Report.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the public gallery where we have from the Linwood School twenty Grades 5 and 6 students under the direction of Cathy Collins.

This school is located in the constituency of the Honourable Member for St. James (Mr. Edwards).

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS (Cont'd)

Mr. Harry Harapiak (The Pas): Mr. Speaker, I am wondering if we could move back to tabling reports and have a report tabled.

Mr. Speaker: Is there leave to move back to tabling reports? (Agreed)

Mr. Harapiak: I would like to table the Preliminary Report for the Cormorant Joint Flood Committee Report which the Minister said he had not received a copy of, and give a copy of it.- (Interjection)- I got it from your staff.

* (1335)

ORAL QUESTION PERIOD

Municipal Hospitals Upgrading

Mr. Reg Alcock (Osborne): I have a question for the Minister of Health (Mr. Orchard) concerning the municipal hospitals. The need to replace the King George and the King Edward Hospitals was first identified in the mid-Sixties. The Roblin Government at that time developed some plans which were subsequently cancelled by the incoming Schreyer Government. The Schreyer Government made its own plans which were then cancelled by the Lyon Government. The Lyon Government, realizing its mistakes, made its plans which were then cancelled by the incoming Pawley Government. The Pawley Government went ahead with the planning and actually spent some money, built a new powerhouse and made preparations to go to tender this year. Now the Filmon Government has put those plans on hold. Can the Minister of Health tell us when construction on this facility will begin?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, no, I cannot tell my honourable friend when construction can begin, but the one ingredient my honourable friend forgot is that the deterioration took place during the Campbell Government years. That was the only thing he did not roll in.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Mr. Orchard: Mr. Speaker, as I explained when I tabled the Capital Estimates on Tuesday last week, I indicated

that plans have been developed and are in the finalization stages in some cases, including municipal hospitals, for a significant increase in the number of extended care beds dedicated primarily, not exclusively, but primarily to care of senior citizens in the Province of Manitoba. I indicated to my honourable friends during the tabling of those Capital Estimates that the projects at municipal hospitals, the project at Grace Hospital and the project at Concordia Hospital were on a temporary hold pending the impact that the opening of over 200 beds for the similar kind of patients at Deer Lodge Hospital will have on the system and the needs in the system.

I think my honourable friend would want to agree that you do not want to plan bed construction in isolation of the Winnipeg system and the Manitoba system. We do not want to make that error. We want to assure Manitobans that when we dedicate significant amounts of capital dollars that they meet the most appropriate needs today and needs into the future.

Upgrading Funds

Mr. Reg Alcock (Osborne): Mr. Speaker, I appreciate the concern that the Minister has expressed. However, the Concordia and Grace Hospitals are much newer facilities and we are talking about an expansion of beds in the Kind Edward and the King George. We are talking about existing beds occupied by people at the present time which are in disgraceful condition. This need has been identified for far too long and too little action has taken place. In the last few years, a considerable amount of money has been spent to start this project. The Minister has toured the hospital; he has seen the conditions. He has told that hospital board they will be receiving some assistance. We would like to know what kind of assistance and when will they receive it?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I in part answered my honourable friend's question. Early in the new year better than 200 hundred beds will come on stream in the Province of Manitoba at Deer Lodge, beds in many cases that will be occupied by the same type of patient that is currently in the municipal hospital system. Until we know the impact that the Deer Lodge new beds that are under construction right now and will be funded next year have on the system in total, I cannot give a definitive answer to my honourable friend nor to the board of municipal hospitals, and that I explained to them.

We are facing not only capital demands at municipal hospitals, and I admit the conditions are not adequate for patient care there. I very much acknowledge that as previous Governments have, but we are looking at 90- and 100-year-old facilities at our teaching hospital, Health Sciences Centre, the redevelopment of which cost \$250 million plus in all likelihood, and we are facing many demands on the capital side. I think it is responsible that we approach it from a system need, and that we wish to do. It does not mean that the project will not take place. It means it will take place in an orderly and needed fashion addressing the needs of Manitobans.

* (1340)

Review

Mr. Reg Alcock (Osborne): I appreciate the Minister saying it does not mean that the project will not take place. The need has been established for an extremely long period of time. The longer they delay, the more out of date the current architectural and engineering studies become, the tender documents.

They spent \$1.3 million getting ready for this. When does he anticipate this review being completed?

Hon. Donald Orchard (Minister of Health): First of all, I do have to take some exception to my honourable friend's preamble. If he is saying that the plans that are in place for the redevelopment of municipal hospitals are going to be not appropriate and outdated and out of technological step a year from now, then why would we proceed with those plans that he is urging? That argument simply does not apply.

We will have an assessment of the impact of the 200 beds—the 204 beds, to be exact—at Deer Lodge Hospital by mid-summer. That is why the projects—Municipal, Grace and Concordia—were placed in a very special and identified category in the capital budget so that we can move ahead with construction pending the impact and the outcome of the review of the impact of those new beds at Deer Lodge Hospital.

* (1345)

Upgrading Start Date

Mr. Speaker: The Honourable Member for Osborne, with a new question.

Mr. Reg Alcock (Osborne): A new question to the Minister of Health (Mr. Orchard), it has taken the Minister seven months, or it has been almost seven months since they have been in Government, and we still have not seen the Health Services Advisory Network established, which is one of the bodies that is to review this. He is now indicating that it could be as long as next summer before this review is complete.

The buildings are in disgraceful condition. The plumbing has not been replaced since 1916. Raw sewage is leaking between the walls. Staff were fainting in the bathrooms because of the heat this summer. They need some help and they need it now. Can the Minister not act before next summer?

Hon. Donald Orchard (Minister of Health): One of the easiest things a Minister of Health can do is to dedicate capital dollars everywhere in this province. That would make the Minister of Health the most popular individual in the Province of Manitoba but, Mr. Speaker, not even the spendthrifts of the previous administration were able to do that because one of the objectives of Government is to plan appropriately for future needs. That means that upon occasion, unacceptable circumstances have to be lived with for the short period of time, for the interim period of time. That does not make those conditions acceptable.

In terms of proper planning and giving overall direction to capital spending, which has an annual

impact on budget, Governments must approach those capital projects from a rational, reasoned and planned direction.

Mr. Speaker: The Honourable Member for Osborne, with a supplementary question.

Mr. Alcock: There were plans in place. This is not a case of spending more. It is a case of spending in accordance with needs. The Minister chose to change those plans.

My question to him is can he make this decision sometime before next summer? Why do we have to wait another year?

Mr. Orchard: Mr. Speaker, let me repeat my earlier answer. There are approximately 350 beds slated for construction at the municipal hospitals. There are 204 beds coming on stream at Deer Lodge early next year, early 1989.

Is my honourable friend suggesting that we build without knowing of the impact of those 204 new beds and completely replace 350 beds at municipals without knowing the impact on the system? I would not want to do that, nor are the planning experts in the Department of Health recommending that we do that and I value their advice in this case. I realize my honourable friend, from the political perspective of representing that constituency, wants to make this an issue, but if he were sitting in my chair he would be heeding the same kind of quality advice.

Mr. Alcock: If the Minister were lying in a bed in that hospital, he would be moving an awful lot quicker.

This is not 300 new beds. This is the bringing up to current standards 300 existing beds occupied by people and I think it is completely unacceptable that this project be delayed any longer. Can the Minister act before next summer to make this decision?

Mr. Speaker: Order, please. The Honourable Member's question is repeating in substance a question which was previously asked and therefore is out of order.

Bed Closures

Mr. Speaker: Would the Honourable Member kindly rephrase his question?

Mr. Reg Alcock (Osborne): Thank you, Mr. Speaker. Is the Honourable Minister suggesting that the beds at the Municipal Hospital will be phased out and closed as a result of the new beds coming on stream?

Hon. Donald Orchard (Minister of Health): I am making no such suggestion. My honourable friend may wish Government to make that suggestion. What I am suggesting to my honourable friend—

Mr. Speaker: Order, please.

POINT OF ORDER

Mr. Speaker: The Honourable Member for Osborne, on a point of order.

Mr. Reg Alcock (Osborne): Mr. Speaker, on a point of order, the Minister knows full well he should not be imputing the motive of people asking questions. I am asking this question on behalf of a lot of people who are very concerned about this. For him to suggest that I would like it to happen, I think is completely out of order and he should withdraw.

Mr. Speaker: The Honourable Minister of Health, to kindly withdraw.

Hon. Donald Orchard (Minister of Health): Withdraw which?

Mr. Speaker: Imputation of motive.

Mr. Orchard: I indicated no motive. I said my honourable friend may wish for me to make the statement of closing those beds. I do not know how I impugned on him a motive.

Mr. Speaker: I will have no other option but then to review Hansard and I will return to the House tomorrow on this issue.

Mr. Orchard: I do not appreciate the conditions at municipal hospitals. Those conditions have existed for approximately 7 or 8 or 9 or 10 years, and if I listened to my honourable friend, for 20 years.

I am attempting to make, on behalf of Manitobans, including those patients at Municipal Hospitals, reasoned and rational decisions on how we expend scarce dollars in the health care field. I am trying to make the best decisions for the people of Manitoba and the patients involved. That may not happen on the time agenda that my honourable friend would appreciate from Opposition. However, I can assure my honourable friend that when the decisions are made, the patient quality of care will be utmost in the mind of this Government as it is in all of our decisions

Lead Exposure Standards Exemption Request

Mr. Gary Doer (Leader of the Second Opposition): My question is to the Minister responsible for the Environment (Mr. Connery). I have read the Hansard from two days ago and the newspaper articles dealing with the lead level issue that is before the Minister. If I can decipher his answers correctly, it is my assumption, notwithstanding the shots about window dressing that the Minister took, that he is not going to change the standards and levels of lead in the Province of Manitoba.

The question that still remains outstanding from his answers is the exemption for the two companies that have asked for that exemption. My question then to the Minister responsible for the Environment is (a) has he received a request for that exemption which he has

confirmed in the media reports; (b) has he replied to that request for the exemption and denied that exemption in terms of the regulations, and can he table that response in this Chamber?

Hon. Edward Connery (Minister of the Environment and Workplace Safety and Health): Yes, we have had requests for exemptions. We have replied by going to the companies to work with them to lower the level in the buildings. So rather than give an exemption, we have taken the responsible route, it is to work with the companies because we want to preserve these jobs. They are good jobs and they are valuable to the city and to the province. So we are working with the companies to help them ensure that their lead levels in the air are low enough that they do not have problems.

Stop-Work Order

Mr. Gary Doer (Leader of the Second Opposition): Can the Minister confirm if there has been any Workplace, Safety and Health stop-work orders in terms of the outstanding orders in that company dealing with the present lead levels in the company, that company which is asking for an exemption from the Minister in terms of those standards?

Hon. Edward Connery (Minister of the Environment and Workplace Safety and Health): I am not aware of any but to ensure that the answer is correct, I will check our department and get back to the Member.

* (1350)

Ontario Emission Levels

Mr. Gary Doer (Leader of the Second Opposition): I would also ask the Minister if he is aware that in the Province of Ontario the emission levels were so high from the same company that it required considerable pressure from residents in the adjoining area in terms of the emission levels and the effect on the residents and the same company finally had to have severe action by the company to stop the emission levels in the community and it required \$6 million and over 1,000 residents to be changed. I would ask him if he is aware of that and has his department had any test of the emissions and the soil levels surrounding the company that is in a residential area or close to a residential area?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): Mr. Speaker, I will take that question under advisement and get back to the Member.

Canada Metal Co. Ltd. Lead Emission Levels

Mr. Gary Doer (Leader of the Second Opposition): I would ask the Minister, when he is aware of the results dealing with the lead levels of this company, Canada Metal, to please make those public and I would ask the Minister if he would be prepared to put a priority

on the emissions and the lead levels because it is a residential area, and would he put a priority on tabling those results in this Chamber?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): The safety of the workers in the workplace and the safety of the residents in the province are paramount with us. When I have the answer for the Honourable Member, I will table it in the House.

Manitoba Hydro Rate Increase

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Minister responsible for Manitoba Hydro (Mr. Neufeld). The Minister was no doubt as alarmed as we were to learn that Manitoba Hydro is currently considering a 6 percent rate increase, after he himself expressed a preference for an increase in the 5 percent or slightly less than 5 percent range.

Mr. Speaker, we were led into thinking by statements made by Hydro officials that rates would increase at about 4.5 percent this year, taking into consideration that the losses would be some \$45 million. The latest estimate of loss has in fact gone down by \$8 million and is now forecast at 36.8 and yet we are now looking at an increase of not 4.5 percent, but 6 percent.

Can the Minister responsible for Hydro tell this House what justification he has received for a 6 percent increase, when the projected losses have been revised downward?

Hon. Harold Neufeld (Minister responsible for The Manitoba Hydro Act): First of all, I should inform the Leader of the Opposition that the decision on hydro rates will be made by the Public Utilities Board when they make it. We do have to recognize that there are some costs that are the results of the drought of 1988 and 1987. We do have to recognize that we want to prepare for droughts into the future. We have to recognize that we have an unfunded pension liability which we are trying to fund and, which the auditors have told us, we must fund. There are a number of costs that we know are there and will have to be considered.

However, I have to assure the Leader of the Opposition that we, no more than they, wish to see our Hydro rates increase and we will wait for the Public Utilities Board to make their decision.

Public Utilities Board Hydro Rate Setting

Mrs. Sharon Carstairs (Leader of the Opposition): With a supplementary question to the Minister, and I think perhaps he has already given the answer, but just for full clarification, the rates would not be set by the Public Utilities Board unless this Minister so issued an Order-in-Council because, in essence, the legislation may or may not be passed. Is it his desire to do that as he indicated in his former answer?

Hon. Clayton Manness (Minister of Finance): As the Minister responsible for guiding through this Legislature,

Bill No. 37, which I know has gone through committee, has only third reading yet to remain, it is our intention that that Bill would be proclaimed in time for Manitoba Hydro to make application to the Public Utilities Board with respect to rate increases.

* (1355)

Mrs. Carstairs: I do thank the Minister because that obviously is the desire of all Members of this House.

Northern Nursing Program Status Report

Mrs. Sharon Carstairs (Leader of the Opposition): With a final question to the Minister of Education (Mr. Derkach), can the Minister of Education tell this House today if he can give us any further details about the Bachelor of Nursing Program for the North?

Hon. Leonard Derkach (Minister of Education): As I have indicated in previous responses, the status of the Bachelor of Nursing Program in the North is under consideration by the department. When we have further information that can be made public or made available to the House, I will certainly bring that information forward. However, the details of the program are still under consideration by my department.

Social Assistance Income Supplement Programs

Mr. Bob Rose (St. Vital): My question is to the Minister of Employment and Economic Security (Mrs. Oleson). On August 25, when this Minister sat on this side of the House, she asked questions of the then Minister about Government policy deducting payments such as Child Related Income Support Program from social assistance payments. It was most critical at that time of the Government for penalizing low income families and urge the Government to allow exemptions for these programs. Two days later, Mr. Speaker, the present Minister of Industry, Trade and Tourism (Mr. Ernst), wrote a constituent the following: "The NDP Government is not prepared to change this rule in this regard. However, we will keep pressuring them to change the rules." The Minister now says to the people, she will not be expanding the benefits on income supplement programs to social assistance recipients. My question to the Minister is what events caused this Minister to flip flop between August 1986 and August 1988?

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): I am tempted to pass a remark about flipflop but we will disregard that one. I thank the Member for that question.

Since becoming the Minister of that department, I have been approached by a group that was seeking some information on this and requesting that they be allowed to collect under these programs. They asked me to get an opinion from the Attorney-General's Department as to whether or not these were discriminatory. I got this legal opinion for them which indicated that the programs, CRISP and SAFER AND

SAFFR and 55-Plus, I believe it is, in their opinion did not discriminate against people. One particular reason would be that the programs were mainly geared to people who are on low income not for people who are on social assistance.

Mr. Rose: I know I do not have the right to demand an answer but I think if the Minister would read my question that she would be more in tune to answering the question that was asked. As regards to flipflop, I notice she wants to wait until the First Minister comes because she does not want to take the crown away from him in this House.

Deductions

Mr. Speaker: Does the Honourable Member have a question?

Mr. Bob Rose (St. Vital): Mr. Speaker, to the same Minister, social assistance recipients were led, at that time, to believe by the Tories that when they formed the Government that this serious problem, which she alluded to in August of 1986, would be addressed by them. Will the Minister now reconsider her position and address the problem as she would have done in 1986, two years ago?

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): The department has reviewed and recently announced increases to the social assistance rates to address the needs of social assistance recipients. Also, as is the custom of the Government, we will be reviewing the rent guidelines so that there will be increases to rent where it is deemed necessary after the 1st of January. All these programs, these two that I have mentioned, will cost the taxpayer \$7 million so we are attempting to address the needs of social assistance recipients.

* (1400)

Shelter Allowance

Mr. Speaker: The Honourable Member of St. Vital, with a final supplementary question.

Mr. Bob Rose (St. Vital): Mr. Speaker, we will try a new tack. My last supplementary will be for the Minister who advocates for Seniors (Mr. Neufeld). With regard to these deductions as they apply to (a) Shelter Allowance for Elderly Renters, (b) The 55-Plus Program, has this Minister discussed the ramifications with the Minister of Employment and Economic Security and what are his views with regard to these exemptions?

Hon. Harold Neufeld (Minister responsible for Seniors): I have a very personal interest in aid to 55-Plus Club—

Some Honourable Members: Oh, oh!

Mr. Neufeld: —and I have on numerous occasions discussed with my colleagues in Cabinet the aid we

could give to seniors in rental and owned accommodation. We will continue as a Government to look for ways to make it easier for seniors to stay in their own accommodations and for those who have to rent to make it easier for them to rent.

Northern Nursing Program Ministerial Support

Mr. Harry Harapiak (The Pas): The Bachelor of Nursing Program has been raised in this House on several occasions and it was previous today. It is really important in the remote parts of the province that they have this Bachelor of Nursing delivered there because there is a real need to deliver that service in the area. I am wondering if the Minister of Education (Mr. Derkach) can explain to this House why he does not realize the urgency for, the need for support, the urgency that the federal Minister of Health and Welfare has recognized in giving it his full support. Can the Minister explain to us why he is not giving it the same support as the federal Minister is?

Hon. Leonard Derkach (Minister of Education): It is an interesting phenomenon that this Member should raise the question in the House at this time because this issue has not just arisen before this Government. This issue has been on the books, and it was on the books of the previous Government for at least two years and the previous Government did nothing about it. Now, after a Government takes office after five or six months, the Member who was a part of the Government, who was a Minister of the Crown, now expects that this Government should move on that issue immediately.

I have indicated to the House that we are considering this very important area. We understand the needs of Northerners and the fact that services have to be provided to them. However, we are not going to move in a way which may in fact not be able to develop the programs in completeness.

We are talking to the federal Government; we are talking to the people from The Pas, from that Member's very own riding, with regard to the program. As a matter of fact, Mr. Speaker, I will be meeting with members of Swampy Cree on Friday.

Mr. Harapiak: I am sure the Minister is aware that we had made a commitment to proceed with that program this term.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable Member for The Pas has the floor. Order.

Federal Support

Mr. Harry Harapiak (The Pas): Mr. Speaker, since the Minister said he is going to be in The Pas this Friday, and he is going to be meeting with The Pas Indian band, I wonder if he can make a commitment to give it the same support that the federal Minister of Health is giving that program.

Hon. Leonard Derkach (Minister of Education): I guess the Member will have to stay tuned and then he will realize once we are prepared to make the announcement. At this time, I said we are going to be meeting with the Swampy Cree Tribal Council and we will be discussing the whole issue. I am not prepared at this time to give any commitments with regard to the program, but I can just tell the Member who said we were about to do it, that seems to be the position they take on all issues, that he should stay tuned.

Mr. Harapiak: I would like to table a letter from the Minister of Health and Welfare which shows that he is thoroughly supportive of this program and he is urging the Minister of Health (Mr. Orchard) and the Minister of Education (Mr. Derkach) of Manitoba to give the same support.

Affirmative Action Appointment Numbers

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Speaker, yesterday in Question Period I took as notice and indicated I would bring back to the House the appointments that have been made to boards in my department and the results of those appointments. I am pleased to announce that of the total of 30 appointments to boards in my department, 16 of those appointees have been women, 14 have been men. There have been three visible minorities and one aboriginal person. Of the three boards that appointments were made to only two of those boards had new chairpersons appointed. I would like to indicate to the Member for Ellice (Ms. Gray) and to the Opposition that both of those positions were chairwomen.

An Honourable Member: Hear, hear!

Mrs. Mitchelson: I also do want to say, Mr. Speaker, that I consider both the men, the women, the visible minorities, and the aboriginal people who were appointed to the boards in my department are all competent and qualified to do the job.

Family Counsellors Review

Ms. Avis Gray (Ellice): Mr. Speaker, my question is for the Minister of Community Services (Mrs. Oleson). I think I can be assured today that the First Minister (Mr. Filmon) will not jump up with an answer.—(Interjection)— Maybe he will. Family counsellors in the regional operations have provided in the past a valuable service to individuals and to families. They provide counselling services for adolescents. They provide counselling services in the area of marital counselling, a service which is not necessarily provided in other community agencies.

The Minister indicated to us during the Estimates process that her department was conducting a review of this family counselling program. Can the Minister tell us today, has this review been completed, and is she prepared to table the outcome of that review or tell us in the House today the outcome of that review?

Hon. Charlotte Oleson (Minister of Community Services): Mr. Speaker, I have not been apprised of the results of the review. I understand it is still under way.

Review Consultations

Ms. Avis Gray (Ellice): Mr. Speaker, in the Estimates process I had asked the Minister if she was prepared to consult with other community agencies and groups who do provide counselling services as a part of this review. Could the Minister indicate to me did she take that suggestion and has this review that is being conducted, is there also consultation with Interfaith Pastoral Institute and Family Services of Winnipeg? Have they been consulted in regard to this review?

Hon. Charlotte Oleson (Minister of Community Services): Mr. Speaker, I make it a habit in my department and indicate to my staff that there should be wide consultation and review with people in various disciplines to make sure that the policies we adopt are the best we could possibly find. I will have to wait until the results of that review, or at least ask my department for the specifics of that particular review. I always attempt to consult widely with people involved.

Mr. Speaker: The Honourable Member for Ellice, with a final supplementary question.

Ms. Gray: Mr. Speaker, can the Minister assure us today that there will not be any unilateral decisions to eliminate the family counselling service without an adequate review? Can she assure us today that there will be no move to unilaterally remove family counsellors and divert them into other programs without a thorough review?

Mrs. Oleson: Mr. Speaker, yes, I can give the Member that assurance.

Social Assistance Rate Adjustment

Mr. Leonard Evans (Brandon East): Mr. Speaker, I would like to address a question to the Minister of Economic Security (Mrs. Oleson), also. It has been announced today that the price of a litre of milk will go up by 4 cents, which is well over 4 percent, and will have an impact on families with children. The MTS rates are going up by over 20 percent and today we hear that there is a possibility that hydro rates will go up by 6 percent.

The other day the Minister of Economic Security stated that social assistance recipients will only be getting a 3.9 percent increase this year, well below the current rates of inflation, which effectively reduces the standard of living of the poorest among us in this province. Will she now reconsider this rate increase? Will she have the courage to go back to Cabinet for a rate adjustment that more realistically reflects the current state of inflation in this province?

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): I did indicate to

the Member the other day when he asked that. When we studied the guidelines for the increases for this year, we had two options. One was the basic necessities which were 3.3 percent, the other was the overall CPI which is 3.9 percent. We chose to do the higher of the two.

In the past, the Minister himself has exercised that same prerogative. Last year, I understand that the reverse was true. The basic needs were higher than the CPI and so he opted for that. So the Minister should understand the process. It is the same process in which he undertook when he was the Minister and we have adhered to that. I have announced increases which should assist social assistance recipients.

With regard to his remarks about the milk price, the milk price increase for August was taken into consideration when we did the review of the rates.

Mr. Leonard Evans: The facts speak for themselves. I am glad the Minister acknowledges that we did increase the rates by 5.3 percent even though the inflation indicated 4.2. I would remind the Minister we gave them another \$1 million for school supplies and clothing.

The Member for St. Vital (Mr. Rose) made a—

Mr. Speaker: Does the Honourable Member have a question?

Mr. Leonard Evans: Yes, I have a question.

Social Assistance Coalition Human Rights Complaint

Mr. Speaker: Would the Honourable Member kindly put his question now.

Mr. Leonard Evans (Brandon East): I want to ask the Minister, in light of the fact that the Social Assistance Coalition of Manitoba intends to file a complaint with the Manitoba Human Rights Commission whereby they maintain that the Human Rights Code of Manitoba is being violated under Subsection 13(1) and Subsection 9(2)(j), does the Minister intend to actively oppose the position of the Social Assistance Coalition of Manitoba before the Human Rights Commission and possibly the courts?

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): Since I have not heard directly from that association that they have definitely appealed to the Human Rights Commission, I am not really in a position to answer that.

Mr. Evans: Just a supplementary, Mr. Speaker, the Honourable Minister, when she was on the Opposition side, pressured us to allow the CRISP payments to be kept by social assistance recipients. The City of Winnipeg, as she pointed out to me, allows the recipients to keep the CRISP payments without penalty at which 85 percent is paid for by the province.

**Social Assistance
CRISP Payments**

Mr. Speaker: Does the Honourable Member have a question?

Mr. Leonard Evans (Brandon East): My question is to the Minister. Given the fact that our Government did not oppose the City of Winnipeg passing on the CRISP money, will she—and because of her concern of money is it her intention or her Government's intention now to lower the boom on the City of Winnipeg and tell them for consistency sake they no longer can allow the recipients to keep CRISP payments?

Hon. Charlotte Oleson (Minister of Employment Services and Economic Security): I wonder, is the Member recommending that tactic?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Mrs. Oleson: It is not under active consideration to change. There are really very few of the recipients, as I understand it, under the City of Winnipeg social assistance that would be eligible for those programs. This is really quite a different matter than provincial assistance.

* (1410)

**Assiniboine Avenue
Permanent Closure**

Mr. James Carr (Fort Rouge): I have a question for the Minister of Urban Affairs (Mr. Ducharme). The Minister will remember that last summer this Government chose to close Assiniboine Avenue, the result of which was an increase of response time for emergency vehicles, the movement of street life to the east of that area. Then in mid-September the Government issued a call for proposals and among the items within that call was to close Assiniboine Avenue permanently. Now since then, Mr. Speaker, the Broadway-Assiniboine Residents Association have met and have overwhelmingly, in fact unanimously, voted against the closure of Assiniboine Avenue.

Will the Minister today, or as soon as possible, get a hold of the consultant to inform the consultant that the closure of Assiniboine Avenue ought not to be an option?

Hon. Gerald Ducharme (Minister of Urban Affairs): First of all, as the Member is quite aware, the Government Minister of Highways (Mr. Albert Driedger) is looking after that right now. However, I want to inform him that I have had contact with the residents of that area. As a matter of fact, I have a letter on file expressing their concern about that particular road, but also complimenting this Government on the communication and setting up the advisory committee that they—

Some Honourable Members: Oh, oh!

**Assiniboine Avenue
Jurisdiction**

Mr. Speaker: The Honourable Member for Fort Rouge, with a supplementary question.

Mr. James Carr (Fort Rouge): I would ask the Minister to table that letter so we can have these compliments, or so-called compliments, on the record. The Minister of Urban Affairs (Mr. Ducharme) knows very well that it is in his jurisdiction that those calls for proposal went out. It will be a decision of this Minister to determine whether or not Assiniboine Avenue is closed.

Will the Minister call the consultant to say that the closure of Assiniboine Avenue, because the residents do not want it unanimously, is not an option facing this Government?

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, to carry on with the communication that is very important and this Government has always carried out in its term of office, I will wait until the communication of all the residents and of the advisory group that we did put in place and of the advisory groups—I even took under consideration some people that the Honourable Member had suggested and I put those people on the advisory committee also. When those people come forward with their complete report on this, then that proposal will go out. Until that time, until we finish the communications with the residents in the area and people we have appointed from all walks of life, then at that time we will bring them forward.

Mr. Speaker: Order, please. The time for oral questions has expired.

COMMITTEE CHANGES

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I have a committee change. I move, seconded by the Honourable Member for Transcona (Mr. Kozak), that the composition of the Standing Committee on Economic Development be amended as follows: the Honourable Member for Wolseley (Mr. Taylor) for the Honourable Member for St. Norbert (Mr. Angus).

Mr. Edward Helwer (Gimli): I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that the composition of the Standing Committee on Economic Development be amended as follows: the Honourable Member for Arthur (Mr. Downey) for the Honourable Member for River East (Mr. Neufeld).

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, would you be so kind as to call the Bills in the following order: Bills 30, 35, 28, 29, 15, and the remainder in the order in which they are listed on today's Order Paper.

DEBATE ON SECOND READINGS
BILL NO. 30—THE STATUTE LAW
AMENDMENT
(TAXATION) ACT, 1988

Mr. Speaker: On the proposed motion of the Honourable Minister of Finance (Mr. Manness), Bill No. 30, The Statute Law Amendment (Taxation) Act, 1988; Loi de 1988 modifiant diverses dispositions législatives en matière de fiscalité, standing in the name of the Honourable Member for Elmwood (Mr. Maloway).

Mr. Jim Maloway (Elmwood): In the next 30 minutes or so, I plan on using a number of figures and I would hope that we could have a little contest here and hope that individual Members would pull out their pens or their calculators and do a running total as I go along, and see who is the best at keeping track of the figures. I have gone so far as to have a calculator sent over to the Member for Transcona (Mr. Kozak), the Liberal Finance critic. I would have liked to have calculators sent over to the whole Liberal caucus but unfortunately there were not enough available to me.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. I am having difficulty hearing remarks from the Honourable Member for Elmwood.

Mr. Maloway: Thank you, Mr. Speaker. I did want to begin by making a few observations on a speech made by the Member for Transcona (Mr. Kozak) on October 28 regarding this very Bill. The Member for Transcona is fairly reasonable. I believe he likes to look at an issue and take it apart and he is not prone to gross exaggeration, but he does have a problem in his caucus, and I think we want to deal with that in the next 30 minutes.

What he said regarding Bill No. 30 on October 28 really boiled down to a couple of thrusts. One, he does not like deficits. That was fairly clear from reading his remarks. He thinks that deficits are bad and that they should be reduced and I think that is a pretty fair assessment of what he had to say. I am not quoting him verbatim but that is what one would infer from there.

He also wants to see some taxes reduced. Now that is also an admirable desire and he suggested that a gradual reduction of the 2 percent flat tax on net income is one tax he would like to see reduced. He is suggesting, I believe, that the payroll tax should be phased out and I am sure there are many more. I know that he has had a special concern on the motive fuel tax but generally, on behalf of the Liberal Party, he is not in favour of taxation or he is in favour of reducing the levels of taxation.

Now the problem that he has and will have in the future is squaring these desires with those of his caucus who want to get re-elected and want to eventually become the Government and what they have wanted and what they promised to do. Now the Liberals during the past election promised a lot of things.

They promised in the Free Press on March 29, \$1 million for feedlot stabilization. They promised on the payroll tax exemption. The promise there would cost \$20 million. They promised to increase staff at the Provincial Auditor's office for \$500,000; they promised to fund the Rural Development Institute for another half-million dollars; they promised resources for groups presenting briefs to the PUB, \$250,000; they promised Special Needs Programs for Native children, \$1,100,000.00. I will slow down if the Member for Springfield (Mr. Roch) is getting behind. They promised counselling for pregnant women, \$500,000; fund Agricultural Research Programs at the U of M for \$100,000; they promised additional funding for the Manitoba Research Health Research Council, \$200,000; they promised a Royal Commission on Health Care, \$600,000; they promised an Educational Program on Smoking and Alcohol and Drug Abuse, \$50,000; they promised to fund 90 percent of Public School costs, \$115 million; they promised binding arbitration for doctors, \$20 million; they promised to end the dumping of Winnipeg sewage in the Red River, \$100 million.

Now does anyone know what the total—does the Member for Assiniboia (Mr. Mandrake) know what the total of those election promises come to? Does he know what the total is? Does anyone know? \$259 million.

Some Honourable Members: Oh, oh!

* (1420)

Mr. Maloway: Now that is not even half of it. I mean the good part is yet to come. Since the election, here is what they have promised to do. They have added to the list since July 21. They promised to eliminate rural party lines at a cost of \$33 million; they promised to eliminate long distance charges for Dugald and St. Francois Xavier at \$1,240,000 a year; they promised funding for the invitro fertilization program, \$750,000; a year; they promised to allow producers to enrol retroactively into the Crop Insurance Program. Excuse me if I chuckle at that one. That was going to cost \$100 million. That is like putting insurance on a house that is already burnt or a person who has already died.

(The Acting Speaker, Mr. Parker Burrell, in the Chair.)

They promised emergency funding for additional police on the Red River, \$65,000 for that one. They promised additional funding to the Churchill Development Board to make up from the withdrawal of funding from Saskatchewan and Alberta. That was going to cost \$104,000.00. They promised to obtain funding for rail line development, \$101 million. I do not know whether people in the Liberal caucus even remember any of these promises. I am sure they are news to a lot of the Members.

They promised to use all revenues from the Land Titles Office to reduce the backlog. That was going to be \$12,700,000.00. They promised to roll back the 2 percent tax on net income, another \$200 million. Mr. Acting Speaker, I only have four more figures so bear with me, but they are very important. They promised additional staff for the Public Trustee's office which is \$316,000; they promised to increase foster care rates

to levels acceptable to the Foster Parents Association, which was another \$2,100,000; they promised to increase Manitoba's per capita funding of the rural ambulance services to the same levels as other PC Governments, and that is the Saskatchewan level. That was going to cost \$3,700,000.00.

The final spending commitment that the Liberal Opposition promised was to provide the Manitoba Assembly of Chiefs with a grant to prepare a brief for the Native Justice Inquiry, \$140,000.00. Has the Member for Transcona (Mr. Kozak) kept up with these figures? He is not sure, but I am sure he is embarrassed. I know that he has made the commitment to take this up with his Leader and try to come up with some sort of a resolution before this thing gets completely out of hand, because this is only the second installment. We may be seeing a third installment coming up in the next few months. Anyway, that total comes to \$455,115,000.00.

I would not want the Member for Transcona's (Mr. Kozak) job for all the money in the world, trying to square the promises of that Opposition Party. Once again you have to attribute part of this to their inexperience in the House. I am sure that the Member for Assiniboia (Mr. Mandrake) will improve with age and the caucus will improve over time. This is the kind of hole they have dug for themselves in just six months. That is incredible, \$714 million in total in just six or seven months. Now they have to sit back and reassess where they have been and where they are going to because they cannot continue to make promises like this.

Just a couple of other comments on the Member for Transcona's (Mr. Kozak) speech and then I do want to get on to a couple of other issues regarding this Bill. The Member for Transcona does make some comments about the taxation level on leaded gasoline. That is a tax that the New Democratic Government brought in, in its defeated Budget in March. At that time, my friend, the Member for Lakeside (Mr. Enns) was sending out press releases stating that this was a terrible thing. He was correct. It is a tax on poor people because it is poor people who drive cars that burn leaded gas. Nevertheless, I would tend to agree with the Member for Transcona that a punitive tax on leaded gasoline will tend to speed the decline in the usage of that gasoline and that, in the end, would be better for society as a whole. And so I applaud the previous Government for bringing that tax in and of course the current Government. I do not think we would have a disagreement on that particular issue.

The Member for Transcona (Mr. Kozak) makes some further comments here about the private sector being stimulated. These are normal types of comments that free enterprise, Adam Smith-economist types, will make and that the businesses are being taxed into oblivion—once again, and other comments that you hear from the right. The fact of the matter is and we see that with Conservative Governments too, right across the country, they talk a great line about deficit reduction.

(Mr. Speaker in the Chair.)

When they get in Government, what do they do? The Devine Government certainly did not do much in terms

of deficit reduction. The B.C. Government, the Alberta Government have not done much in terms of deficit reduction. What did the federal Government do? All they did was reduce the rate of increase of the deficit. They are currently adding \$26 billion a year to the accumulated deficit of the country. They brought that down from \$30 billion, somewhere around there. For people who are supposed to be fiscally responsible and talk a great line about having to balance the Budget and run surplus Budgets, when these people get into power, they do something totally different.

The Member for Springfield (Mr. Roch), is always talking about that deficits are peculiar to socialism. I forget what his exact comments are. But he has made them several times. I did want to point out to the Member that deficits have nothing to do with socialism or liberalism for that matter. Tommy Douglas was a Leader of the CCF in Saskatchewan, ran balanced budgets, surplus budgets—Alan Blakeney. So deficits are not something that just Liberal and NDP Governments have been saddled with.

(The Acting Speaker, Mr. Laurie Evans, in the Chair.)

It is just that the Conservatives make it an issue. They are the people that make it more of an issue but, when they get in Government, they quickly forget about balancing the Budget.

* (1430)

The other important issue that we have to deal with here is what goes into making those deficits. When the New Democratic Government was in power, what contributed to our deficit was trying to ameliorate the problems of the depression and the recession at that time. We did not want to see huge unemployment lines. We did not want to see people leaving the province. So we primed the economy, we primed the pump in bad times to get us over those bad times. We did not go out and give millions and millions of dollars gratis with no strings attached to corporations as Conservative Governments are prone to do. We directed that money into social useful programs. We directed that money where it would most benefit the economy and get us out of the recession. It added to the deficit.

But what would a Conservative Government have done in the same circumstance? Where would the deficit have been? I would suggest to you, to the Minister of Finance (Mr. Manness) that the deficit would not have been any lower had the Conservatives been in power. In fact, it probably would have been higher, given the recession that we are in. What would have they done? They would not have used that money for long-term job creation. They would not have used that money in a tied way, whatever grants were given, and I do not necessarily agree that strongly with grants to businesses, but if we must give them, at least, our Government tied them down to job creation commitments and extended lengths for these jobs to last.

What the PCs have tended to do is just throw money at business. Well, when money is thrown at businesses, they are going to take it. Who would not? That contributes to the deficit. I mean the Member for

Lakeside (Mr. Enns) and I have talked about this many times and he agrees that what you have in this country, because you have these 10 provinces who do not even have free trade between the provinces, you have companies going from province to province trying to get the best deal. From their point of view, if you are the president of one of these companies, your shareholders would reward you if you got the best deal for the companies. You cannot blame the management, the president of these companies, for getting the best deal possible.

What do they do? They go across the country with their briefcases in hand and negotiate with the Minister of Finance or the Government of those provinces in order to get the best deal. So the provinces prepared to lay down, roll over and shovel out tax concessions and buckets of money get the jobs, get the plants, and 20 years down the line get the bill for cleaning up the pollution that goes with it. That is the way the country has been developed. So a have-not province has to hand out more in the way of giveaways to get these grants.

This has been a problem that this province has had for years and years and years since the beginning of time. It has been a problem that Conservative Governments have had to deal with, the D.L. Campbell Government, I am sure, 30 years ago had to deal with the same problem, and the New Democratic Party had to deal with this problem in recent years as well.

That is purely a matter of having to deal with the reality of the country as it is. When provinces are beating against one another for grants and so on, we have had to get into the game too. We have not liked doing it, to the Minister of Environment (Mr. Connery). We did not like doing this but we had to get into it, but at least when we negotiated, we negotiated with some strings attached and we got some longer commitments.

In any event, to the Member for Transcona (Mr. Kozak), I submit that is a way to look at the deficits and the deficit problems in the country. It is difficult to say how a Liberal Government would, in fact, deal with the deficit. One will never know unless we actually have one as to whether it is going to be the laissez-faire Adam Smith right-wing approach of the Member for St. Vital (Mr. Rose) or the sort of pinkish approach of the Member for Osborne (Mr. Alcock) or Member for Fort Rouge (Mr. Carr), or whether it is going to be the Member for Transcona (Mr. Kozak) who cannot decide which side he is going to be on, whether he is going to be a right-winger in that caucus or whether he is going to be a left-winger, but sitting beside, as he does, the Member for Springfield (Mr. Roch), we have a pretty fair idea of which way he is going to be starting to lean.

I do want to certainly deal with the Member for Springfield (Mr. Roch) and his free trade stand. Actually, maybe we should get right into that right now since the Member for Springfield is relaxed and seated and has his cup of coffee with him. The Member for Springfield earlier this year—this is a recent convert to Liberalism, one of those great Liberals. He converted just—

An Honourable Member: He was an NDPer.

Mr. Maloway: He did not convert that long after a lot of the others did, but give him his due. He stuck with the Conservatives for a little while longer than the others over there. In his first speech this year, and I just happen to have a copy of it in here somewhere, let us take a quick look at—(Interjection)— Yes, this great speech. I used to listen to all the speeches from the Member for Springfield (Mr. Roch) because the Member for Springfield and I have known each other for quite a number of years. He said about the Minister of Finance's Budget, page 436 in Hansard, Wednesday, August 10, he said, "I happen to believe that this is a good Budget." That is what he said. He said, "It is not perfect," but he said, "It is a very good Budget, worthy of our support." And he is sitting over with a group right now who voted against this very Budget.

He jumped right in here! He said he would like to quote the Leader of the Opposition (Mrs. Carstairs). I am sure he will be doing a lot of that in the next little while. In a couple of comments she has made with regard to the Budget and in the election, he said, "During the election, she said that she could not possibly promise to hold personal or corporate taxes at current rates, and now she wants them cut." So I am sure that he will be in the woodshed with the Leader of the Opposition many, many times in the ensuing years.

Now later on, he asks, "Had the Liberal Party formed the Government, what would they have done? Would they have done as we did or would they have done as some of their Members say, spend, spend? We do not know. We may never find out. We are not sure."

Mr. Gilles Roch (Springfield): On a point of order, Mr. Acting Speaker. I went out for coffee a few minutes ago. Did the Liberals become the Government while I was out for coffee or—

The Acting Speaker (Mr. Laurie Evans): The Member does not have a point of order.

Mr. Maloway: I missed that point of order. I did not hear it. But maybe it is just as well, Mr. Acting Speaker.

He goes on further here and he makes a comment about "Let us face it, debt reduction is an absolute necessity to halt the hemorrhage of taxpayers' money from the province to foreign bankers." Another pearl of wisdom from the Member for Springfield (Mr. Roch).

I think we have at least one or two more quotes from the Member. He said, "Mr. Minister I commend you on a tough job which I believe, on the overall, was very well done. I believe this is a Budget which is worthy of support." He also says, "I think that to defeat this Budget would not sit well with Manitobans and they would reply in like at the polls."

I am wondering whether the Member for Springfield is really a trojan horse in the Liberal ranks, whether he is really a double agent for the Government. We know he went over there with only a night bag and a toothbrush. The Minister of Health (Mr. Orchard) told me that he only took one sock with him though because he had the other one in his mouth.

Also, the Member for Springfield had some very good comments. I know the Member for Lac du Bonnet (Mr. Praznik) mentioned these earlier.

The Member for Springfield's position on the Free Trade Agreement was also well-known and that is at some variance with the Liberal Party's position in the recent federal election. In his "Free Trade and You - the Basics" constituency leaflet that he sent out a few months ago, he said, "We are on the threshold of a new era—an era which promises to increase our national wealth by giving us access to a much greater market than ever before." Then he told people to read through the pamphlet and we should realize that we should not be afraid of this agreement, that it was going to be an opportunity for prosperity and opportunity and all these other great things about the Free Trade Agreement.

* (1440)

I do not know. I am waiting for the Member for Springfield (Mr. Roch) to get up and put his new ideology, his new positions, on the record here. Maybe they have not changed too much but certainly he made a big conversion from when he was NDP. When he was a NDP Member, he was sort of on the left of the Party actually and he was spouting quite a left line in those days. Now he has moved completely over to the right, I mean as far right as you could get in the Conservative Party, and now he has bounced back over to the Liberals. Time will tell how he meshes well.—(Interjection)—

The Minister of Urban Affairs (Mr. Ducharme) said we will get him back again. I do not think that will ever happen at this stage.

Now I had some more comments from the Member for Springfield here, if I can find them yet—do not stop us now —(Interjection)— Where have I heard that one? Yes!

The Liberal positioning so far has not been good and it reminds me of the comment that one George Bush made back in 1980 when he was running against Ronald Reagan, who eventually became President, when he called Ronald Reagan's policies "voodoo economics." I mean I think that is the only conclusion that one could come up with looking at what the Liberal Party has put on the record in the last while.

You know these things, to the Member for Transcona (Mr. Kozak), do come back and haunt you. You cannot be totally irresponsible and go around and allow these things to happen because you box yourself in. In the last election, you, by and large, got a pretty free ride from the other two Parties but that is not likely to happen this time. We gave you a gift certificate for 20 seats. We gave them to you and so it is not as if you had to work that hard for them, that you had to campaign all that much. So this time around, when we go to the polls in a few months, you are going to have to work a little harder and it is not going to be as easy as you think it is going to be. It is not going to be a cake walk.—(Interjection)— The Members are laughing at what the Minister of Finance (Mr. Manness) has said. The Minister of Finance said that the NDP will be coming back, and it is true, in a number of these seats.

The Member for Assiniboia (Mr. Mandrake) does not have a hope against the Conservatives in that seat next time. He won because he took three weeks holiday during the last election. Had he not been around, he would not have won. I say this because there are a lot of Members over there who won their seats who happened to be in the right place at the right time —(Interjection)— Well, here is the Member for Portage la Prairie (Mr. Connery) talking about low blows. I mean he ought not to give me advice on what is high and what is low.

I suppose I should apologize to the Member for Assiniboia (Mr. Mandrake) before he gets too exercised about this —(Interjection)— but profusely, the Minister for Agriculture (Mr. Findlay) suggests.

In any event, the role of the Opposition was fairly clearly defined for me and many Members who were here in the House at the time by the Member for Niakwa, Mr. Kovnats, when he said that when you are in Opposition you do not have to be responsible, you can have it both ways. That comment has made that man a living legend and I am sure as long as any of us are here, we will remember the day that happened. He certainly was accurate in that because in Opposition there is a certain amount of flexibility that one has that you do not have in Opposition —(Interjection)— But that is my point. You see, they have had it so far because they had the honeymoon. Governments are supposed to have a honeymoon when they come into office. Well, these guys did not have one—they had it—and they are still waiting for it and they will never see it. So they have a right, I suppose, to feel robbed in this process. The Member for Springfield (Mr. Roch) could not take it anymore. He had to get over there and partake in the honeymoon period. But anyway that will wear off over time.

In any event, even though the Member for Niakwa (Mr. Herold Driedger) was right that in Opposition you can have it both ways, there is a limit. There has to be a limit on how far an Opposition can go and I think the Liberal caucus is kind of running up against the limits, running up against that wall. I think the Finance critic for the Liberal Party (Mr. Kozak) is probably on the right track in trying to rein some of those Members in

Of course, that is not the only issue that they are having problems with. They are having problems with Bills No. 2 and No. 3 where they put up two or three speakers who were totally negative on the Bills and took one position and then they finally rounded themselves together and decided they were going the wrong direction. They were going west when they wanted them to go east. They sent the House Leader (Mr. McCrae) out and he put their position clearly on the record.

It just happened to be a position that I agree with so I kind of appreciate that position as opposed to the other one that was being enunciated, but the point is still there that they were heading in one direction and then they turned around. They did it on day care and we predict they will do it on FOS.

I say that now. I guess it is good to get these things on the record in advance, but to the Minister of Finance

(Mr. Manness), I tell you now that I feel that your caucus will do a flip flop on FOS. I am convinced of it. I think the Government are just out of their minds and they have proceeded.

The Minister of Labour (Mr. Connery) is dancing around here reading old Liberal campaign promises saying, I guess I can introduce this Bill, this FOS Bill because I am going to get Liberal support. Well, surprise, surprise to the Minister of Labour. Where has he been? Right? Does he not know that marching through and announcing their position on FOS and thinking that somehow the Liberals are going to come on side with him, they have to be dreaming.

The Liberals are not that stupid. They are not going to do that. Not only that, it is not politically wise for them to do that, so they are going to leave the Minister of Labour (Mr. Connery) hanging out there just like he has been hanging out from Day One on all his environmental issues. The guy is the sacrificial lamb of the Tory caucus, the new walking dead. Right? He used to talk about the former Member for Gimli being a walking dead. This guy could not wait. He bought the mould, and not only that but he is printing more of them. They are going to have a whole army here before too long.

In any event, Mr. Deputy Speaker—Mr. Deputy Deputy Speaker now—I think that I am getting near the end of my time and should allow another Member to put some comments on the record.

Mr. Jerry Storie (Flin Flon): That is the problem with us Northerners, you cannot tell us apart. We are all the same. Unfortunately we are quite a bit different than the Minister of Environment (Mr. Connery), as we have just heard my colleague explain, who has formed his own "Grateful Dead Association" with a number of his colleagues.

It is really not a laughing matter. It is unfortunate those things happen but it is nice to see that the Member is still walking. I am sure he will continue to do so until the First Minister (Mr. Filmon) graciously pulls the rug out from underneath him or cuts him off at the knees, and that will undoubtedly happen unless, of course, the people of Manitoba decide to cut them off at the knees before the First Minister develops the necessary incentives to go ahead and make some changes over there.

* (1450)

However, I was not intending to speak to the Minister of the Environment (Mr. Connery) and some of the problems that he faces in his department, and with all due respect to the Minister, I know that the problems he faces are sometimes insoluble and certainly in many instances there are no easy solutions. I know that the Minister is spinning his wheels as fast as he can. He needs to be commended for that.

Mr. Acting Speaker, The Loan Act, 1988, is just one of the many financial documents that introduced—not The Loan Act, this is The Taxation Act, I am sorry. People have been piling information on my desk, I was just trying to find, I did have a copy of the—I am sorry

this is Statute Law Amendment (Taxation). This is I guess a companion piece to the Minister of Finance's (Mr. Manness) other legislation reflecting the changes to the taxation and it is important that Members put on the record their thoughts about not only the measures that are included in The Taxation Act itself, but I guess the implications of those changes and I had been saying in my previous speech, talking about the economic circumstances of this province, talked about what I had perceived as a lack of initiative, deteriorating circumstances in our economy and the consequences of that deterioration is going to be evident in the Budget in the Taxation Statutes which are introduced in the Legislature by the Minister of Finance (Mr. Manness).

The Minister of Finance's job is no bed of roses. He gets the unenviable task of telling us the bad news in terms of our economy and then he gets to tell us the bad news about how we are going to repair some of that damage and The Taxation Act in the Minister of Finance's view at least is an attempt to repair some of that damage and to steer a better course in his opinion when it comes to the economic welfare of the province.

The Minister may believe that is what he has achieved in this. Unfortunately, the Minister in coming forward with the tax changes required to implement the Budget really, in my opinion, is digging his own grave—to use a colloquial expression—the Minister does not believe that additional taxation is the best way to go to improve the economy. In fact, he would argue on the other side of the ledger that Manitoba businesses, Manitoba individuals are burdened with too much taxation and yet we have a Bill which imposes additional tax burden on Manitoba consumers and Manitoba taxpayers and although it makes some modest reductions in taxation to businesses, it is clear that while he is doing that, he is sacrificing the other side of the equation which is the rising debt load of the Province of Manitoba.

The Minister of Finance would have us believe that this Budget covers all the bases; it achieves both the twin objectives of reducing the deficit and easing the tax burden. Well, that simply is not the case. The fact is that the debt in the Province of Manitoba is increasing and even under this Minister of Finance, with his large "C" Conservative outlook in terms of the fiscal problems of the province, has increased the debt by almost \$200 million and depending on the circumstances for the remainder of the year may in fact be more than that. We will wait and see. It depends on the dollar and a lot of other things over which the Minister of Finance has little or no control.

The fact of the matter is that this Budget has not achieved what the Minister of Finance hoped it would and the reductions of taxes, particularly the reduction in the payroll tax, has not achieved in any demonstrable way what the Minister of Finance said it would achieve, what Conservative ideology says it will achieve. The fact of the matter is rather than increasing employment in the province, we have seen a deteriorating unemployment situation in the province. We have 7,000 people more unemployed today and I predict without fear of contradiction that six months from now we will

be facing an even more serious situation, because contrary to the Minister of Finance's views the minor business tax changes which have been introduced in this legislation are not going to have the desired consequences whatsoever. There is no indication that we are seeing a revival in private sector investment. We are certainly not seeing any revival in terms of employment levels. I think the fact of the matter is that this Budget is half-hearted in many respects and it is not going to achieve any of the objectives of the Government.

The people of Manitoba are faced with an equally perplexing problem when they look at the comments of the Official Opposition when it comes to this particular piece of legislation and when it comes to the Conservative economic philosophy and taxation philosophy in general. My colleague, the Member for Elmwood (Mr. Maloway), I think quite eloquently raised the paradoxes between the rhetoric of our friends to my right literally and figuratively when they talk about what needs to be done to improve the economy of the province and to improve the circumstances of average people.

I am assuming by now the Finance critic for the Liberal Party, the Member for Transcona (Mr. Kozak), has finished his calculations, has added up all the numbers on his fingers and toes and come to the conclusion that Liberal promises would have raised the deficit of the province fourfold. We would have seen a quadrupling of the provincial deficit had the Liberal promises come to fruition; the grand total being some additional \$714 million, almost \$715 million in additional spending or lost revenue as a result of promises on the part of the Liberal Party. The interesting part of that is when you go through the list of Liberal promises we see some clear indications of tokenism, not to mention contradictions, but tokenism in terms of their priorities and the way that they would present them to the people of Manitoba.

If you listen to the Liberals on one day you would assume that their greatest fear, certainly if you listen to the remarks of the Member for Transcona (Mr. Kozak), you would assume that their greatest fear is the deficit. My colleague from Transcona said on Friday, October 28, explaining his concern about the debt of the province, some \$11 billion, "I will limit myself to reminding the Minister of Finance (Mr. Manness) in the spirit of cooperation that the province's accumulated deficit is in excess of \$11 billion, and that the growth rate of the Government expenditures cannot continue to exceed the growth rate of Government expenditures and cannot continue to exceed the growth rate of the provincial economy. Government spending is projected to grow by 6.7 percent before extraordinary items." He goes on to decry the fact that the financial position of the province is deteriorating.

We all recognize that unless we have a surplus budget the financial circumstances of the province are going to continue to deteriorate. Reducing the deficit was an objective of the previous New Democratic Party Government. The Minister of Agriculture (Mr. Findlay) laughs. Well, I can tell the Minister of Agriculture that we did more to reduce the deficit than this Government

has. We reduced it from ~~(interjection)~~—The Member for Transcona (Mr. Kozak) still has his calculator out. I would ask him to put the numbers together and draw his own conclusion.

* (1500)

In the 1986-87 year the final deficit total amounted to some \$585 million. That was its apex if you will in the Province of Manitoba. That was after several years of significant effort on the part of the Government to develop, improve and provide initiatives for the private sector to develop our economy—\$585 million. Some two years later, prior to leaving Government on May the 5th or 6th of this year, the Minister of Finance (Mr. Manness) indicated that the deficit would be some \$225 million, based on the revised figures that have come in from the Federal Government. That is a reduction from \$585 million to \$225 million. This Minister of Finance can claim, based on the projections at that time, that he has reduced the deficit another 10 percent, another 10 percent approximately, no significant achievement given the—no, I should not say that, it is a significant achievement. It is an improvement.

But the fact of the matter is, the previous Government also recognized that the deficit, the growing deficit, represents a growing burden, an accumulating burden on the people of Manitoba and future generations of Manitobans. No one ever suggested that we could go on ad infinitum adding to the Provincial deficit, at some point. And we said during economic good times that there was an argument to be made for recapturing some of that wealth. And we went ahead and did it. Of course it was decried.

The Leader of the Opposition at that time, the now First Minister (Mr. Filmon) said when Mr. Kostyra brought down his 1987 Budget, introduced a 2 percent on net income, that it was outrageous, the biggest tax grab in the history of the Province. It was outrageous. The Liberals have said although originally their concern was with the payroll tax and big business, but now they are trying to pretend they are more populous and their concern is with the taxes that are paid by individuals. But they are calling it outrageous.

Of course, when the current Minister of Finance came to power and was preparing his first Budget he had an opportunity to rectify that problem. But of course he chose not to. He did make some minor adjustments, minor but costly adjustments, for the taxpayers of the Province in terms of reductions for business, by changing the provisions of the health and post-secondary education levy. But the fact of the matter is that this did not seem nearly to be the problem when the Minister of Finance was looking at the financial picture of the Province, than it was when we introduced it because we recognized that something had to be done. So the Minister of Finance is now caught in the dilemma of being on record, not wanting to flip flop from one position to the other, opposing increases in taxes in principle saying that it works as a drag on the economy rather than a stimulative, and is now going to face the dilemma as he prepares the next Budget, of either increasing taxes which he says he is opposed to or allowing the deficit to increase, which he also says he opposes.

Mr. Acting Speaker, we cannot rely on the Official Opposition to give us any more clear cut position on what they would do if they were in control of the financial circumstances of the Province. I have indicated that we have two pages of Liberal promises ranging rather bizarrely from direct interference in Crown corporations, to the elimination of taxes which of course mean the automatic increase in the deficit.

The Member from Elmwood (Mr. Maloway) says, tell us about it. Here is one, eliminate rural party lines. You know, no study, no reflection on what the implications are going to be for the remainder of those who pay the cost of that service. Yes, it is a xeroxed copy for the Member for Osborne (Mr. Alcock). This paper I believe was provided courtesy of the Minister of Finance (Mr. Manness). I believe he shared it with this House on one occasion, sort of outlining the Liberal promises, spending promises. It does make pretty ludicrous reading. I see the Member for Fort Rouge (Mr. Carr) laughing. It is laughable. It is laughable when a Party presents itself as a serious alternative, proposes \$715 million of additional expenditures and then says we are a responsible Government, we want to bring responsible management.

I remember the phrase from the election "competence with heart." Well, this is incompetence and perhaps without heart, because the long-term consequences of this are even more damaging than the consequences of the Tory policy. Mr. Acting Speaker, the Member for Osborne says, what am I worried about? What I am worried about is that somehow the people of Manitoba have to know that the alternative, which some people maintain there is to the Conservative Government, is not the Liberal Party. Their spending approach to problems is as ludicrous as is the Members that they would seek to replace. They have no practical approach to Government. Their approach is, promise everything, get elected and then of course show your true colours and become Conservatives. The Minister from Portage la Prairie (Mr. Connery), I think, puts it on record quite eloquently. He said they were even worse than the Conservatives.

Hon. Edward Connery (Minister of Labour): On a point of order, the Member should not put misinformation on the line I did not say. I said that the Liberals were worse than the NDP, Mr. Acting Speaker.

The Acting Speaker (Mr. Laurie Evans): The Honourable Member does not have a point of order.

Mr. Storie: Thank you, Mr. Acting Speaker, you are quite correct. The Minister of Environment had no point of order and is clearly trying to confuse the public by disassociating himself with Liberal policies.

Having had the chance to look at this Liberal spending commitment paper, I can see why he wants to distance himself from that. The Conservatives, of course, promised to do all of these things but of course did not intend to deliver on any of them. I believe that the Liberals may actually have been serious when they proposed this \$750 million of spending although I think that the Member for Transcona takes a little more

seriously his responsibilities as Finance critic and had the common sense to put on the record that that increased spending would in fact create an untenable situation for the taxpayers of Manitoba. We respect the fact that the Liberal Opposition may take some time to come to the recognition that you cannot have it both ways, you cannot advocate \$700 million worth of spending, and reducing the deficit at the same time without either cutting services or increasing taxes. Those are the alternatives. They are mutually exclusive, if you will, Mr. Acting Speaker.

The Liberal Finance critic (Mr. Kozak) put a number of other comments on the record which I think need to be scrutinized somewhat more carefully. The Minister of Finance (Mr. Manness), and we will criticize the Minister of Finance and the Minister of Energy and Mines (Mr. Neufeld) for their decision to relieve companies like Inco and the CPR of responsibilities for paying additional taxes. The Minister of Energy and Mines did accept an NDP proposal to increase the mining tax 2 percent. He did miss an opportunity, however, to recapture some additional funds from mining companies and Inco in particular, which I believe was a mistake. But the interesting point is that the Member for Transcona (Mr. Kozak) puts on the record that he is not supportive at all of our position. He says that the Second Opposition Party will rise to repeat their criticism of the supposed tax breaks for Inco and the CPR in this Bill.

Considering that this Government projects \$100 million in the increased mining tax revenues during the current fiscal year, I consider the assertion of a tax break for Inco absurd. That is not very logical, with all due respect, for the Member for Transcona. The increase in mining taxes paid is not because of any substantive change in the income tax rate. Twenty-one million dollars of that is because of the 2 percent increase in mining tax. The significant increase is because of the tremendous wealth, the tremendous profit levels of mining companies in the province. There is nothing inherently fair with increasing the tax rate. Their proportion of profit remains the same whether it happens to be \$20 million this year or \$500 million.

Our criticism is that there was an opportunity in very profitable times to recoup some revenues for the province, to do all of the wonderful \$700 million worth of things that the Liberals said they wanted to do. It is not inherently fair. It is logical. If you believe in establishing a fair taxation rate and the Minister of Energy and Mines (Mr. Neufeld) obviously believed that 20 percent represented a fair rate, then you have to believe that depending on their profitability they should pay the appropriate 20 percent. Whether that is \$50 million in revenue or \$100 million, is irrelevant. It does not make any difference. You follow that logic.

* (15¹⁰)

An Honourable Member: And you are logical.

Mr. Storie: That is right. The Minister unfortunately did not follow the logic of the Government when it came to designating the use of that additional 2 percent.

The Minister of Energy (Mr. Neufeld) says they did use the same logic.

It is nice to see that the only logic they can use is ours, that the previous Government put in place, because everything else they have done is illogical. We had said, yes, we were going to raise the mining tax from 18 percent to 20 percent but we were going to take that 2 percent additional tax and put it into a mining community development fund. In this fiscal year if that policy had been adopted by the Minister of Energy and Mines (Mr. Neufeld), some \$28 million to \$35 million would have been in that fund this year. Why would that have been important? That would have been important because right now HBM&S is looking to the Government for some additional support, some financial support for an upgrading, modernization and acid rain abatement program.

It seems to me logical to ask mining companies who are using our resources, who are tapping our wealth, collective wealth, to put aside something for the further development of the mining industry, for the further development of our communities and for the protection of individuals in the event that there are mine closures. The fact of the matter is that he could have set aside in effect a fund to protect mining companies, communities and individuals by following the logic of the previous Government.

I will tell you what the perception of northern Manitoba is when they see what has happened versus what was proposed. It is essentially the rape of northern Manitoba, the plundering of \$21 million to \$30 million of revenue that could have been in a fund to support northern communities in the time of rapid expansion, in the time of mine development and exploration, or in the time of downsizing and community closure. It could have been used to help individuals. Instead what they have done is once again said, well, the North is a pool of wealth. We will simply tap into it and we will build Highway 75.

I can tell the Minister of Energy and Mines (Mr. Neufeld) that there is considerable resentment in northern communities over the fact that money was not put into a mining community development fund. It was a missed opportunity. I can tell you as well that every single community in northern Manitoba that relies on mining for its economic base is going to suffer the consequences of that mistaken policy. Because this Minister of Energy and Mines (Mr. Neufeld) or some other Minister of Energy and Mines is going to be faced with the prospect, and I predict in the not too distant future, of communities coming to the Minister and saying we need some help. The Minister is going to say we do not have any money like that. There is no money in the mining community reserve fund. There are \$3 million or whatever there is at this particular time. The Minister is going to plead poverty when people in communities in northern Manitoba need the support. That is not acceptable.

We had an opportunity. We saw an opportunity of developing a fund which would prepare for those kinds of eventualities into the future but this Minister and this Government chose not to do it, and it is sad. It is a sad reflection on the priorities of the Minister and

the Government when it comes to northern Manitoba. We see now that the Liberals did not understand. The Liberal Finance critic (Mr. Kozak) anyway did not understand the importance of that decision to us as northern representatives and to our Party because of our commitment to the North and to northern Manitoba.

Mr. Acting Speaker, the Member for Transcona (Mr. Kozak) goes on to reiterate in his speech his concern about the level of taxation that businesses face in the Province of Manitoba. I would ask the Member to sometime review a joint federal-provincial paper that was prepared at the insistence of the then Minister of Transportation, I believe the then Member for Fort Garry, Lloyd Axworthy, who prepared an overview of the tax burden, the cost of doing business in Manitoba versus the cost of doing business in other major centres across Canada. Surprise of surprises, the cost of doing business in Manitoba was less than virtually if not every other major community in Canada. That is including looking at the relevant tax rate for that kind of industry.

The fact of the matter is that while we have some areas of taxation which are in the upper range, in the top 20 percentile of across the country, the fact is that on average our tax burden is no more than average. We are not out of sync in most areas, for the business community or individuals for that matter, and the fact is that the cost of doing business here is less than in many parts of the country.

No one is arguing that you can ignore the additional burden that corporate taxation or business regulations put on businesses in the province. You cannot ignore that, but you should not be blinded by the fact that no business is going to say, oh, that additional tax or that additional regulation is good for business, I am glad you imposed that on me. You simply do not get those kinds of comments.

Businesses are there, the essential purpose is for them to maximize their profit. Any interference in that is not viewed kindly, is not viewed very sympathetically. That does not mean that it is not fair.

The Liberals of course during the campaign went about beating their breasts about the tremendous burden that was being placed on business in the province by the health and post-secondary levy, and their commitment originally was to remove that. That was their big commitment, to remove that immediately.

Of course we all know, and I presume even those who develop Liberal policy know, that the elimination of the payroll tax would have been a burden that would not have been supported by the average Manitoban because it would have forced up the deficit by \$200 million or we would have seen a serious erosion of many of the services that people have come to expect. Not the tinkering kind of erosion that we see from the Members opposite at this point, but serious erosion. Two hundred million dollars would make a severe dint in the budgets even of the Department of Education and the Department of Health.

We were being offered, the Manitoba public was being offered no alternatives. When you see the list of promises, I am hoping that the Finance critic for the

Liberal Party will at some point get up and explain to this House and to Manitobans how he is going to pay for these \$700 million in promises, how he is going to pay for it. What taxes is he going to impose, or does the Liberal Party believe should be imposed to raise this money?

The saying is in Government, and I am reminded that the former Member for Niakwa was fond of saying, yes, we are in Opposition and we can have it both ways. I think that Members of the Liberal Party, the Opposition pride themselves in being practical, reasonable, responsible politicians. I hope that is how they see themselves. Virtually all of them have only been here for a few months. I hope that they are going to be forthright about what alternatives Manitobans have, what alternatives the poor Minister of Finance (Mr. Manness) has, when it comes to managing that delicate balance, when it comes to making decisions about what is going to be cut or what the deficit level is going to be if we decide we want to reduce taxes.

Now we see the Liberals and we see the Member for Transcona (Mr. Kozak) saying, yes, gosh, darn, we were right during the election, we do want to reduce that payroll tax and the tax on business, but individuals have to have a break too and, gosh, darn, we are going to reduce that net income tax as well, that 2 percent net income tax.

Now, if my arithmetic is right and it is approximately \$300 million, \$450 million in taxes that the Finance critic for the Liberals has given away, that puts the deficit now at \$650 million, \$670 million dollars.—(Interjection)—The Member is now saying it is a gradual process. I hope that in the event that we are into an election in the next six months, two years, that the Liberal Finance critic has the intestinal fortitude to say "please note" at the head of all of his promises that "this will be a gradual decrease taking to the year 2002, representing a \$12 decrease in your net taxes or the net costs to your families or whatever." We are not likely to see that kind of honesty from the Liberal Party—not likely.

* (1520)

Mr. Acting Speaker, the Members assure me, the Member for Assiniboia (Mr. Mandrake) and the Member for Transcona (Mr. Kozak), that they are going to be honest. Well, that would certainly be a refreshing change because we have seen the representatives of the Liberal Party, whether it is their Leader or others, flip flop on issues on a daily basis, virtually a daily basis, and I can say that from my perspective at least, as one humble Member of this Chamber, that this is not honesty. This list of promises, of commitments that total some \$715 million is not honest. It is not practical. Members of the Official Opposition know that it is not practical. These commitments cannot be implemented in the province—certainly not if we are not going to see a skyrocketing deficit or tremendous taxation increases.

The Members of the Official Opposition have not had the privilege, and I think it is a privilege, to serve on the front bench of the Government, and I can tell you that raising \$200 million, raising \$200 million is a very

taxing, if you will forgive the pun, process. There is no magic pool from which you can pull \$200 million. It takes political courage to do it. No one in this province likes to raise taxes. The Minister of Finance (Mr. Manness) has said that on many occasions. The previous Minister said that. No one likes to do it, but the fact is—and the Member from Assiniboia may want to read his list of promises—to pay for these, you have to do it. There is no alternative. You do not pay for \$715 million worth of promises by pulling money out of the air.

The second part of this problem, and one which the Liberals have not been particularly honest about, is that if you are going to introduce the \$715 million worth of new promises, then you had better be prepared to say what other services that are already out there are you going to eliminate, are you going to cut. And I want to say too that this is a bit of a myth, a bit of a—*the Member for Charleswood used to say it is a shibboleth of Opposition Parties.* I am not sure if I got the meaning right. It is one of the cliches that are parroted by Opposition Members from time to time and that is there are efficiencies to be found, all of our promises are going to be, all of our commitments are going to be paid for by rationalization of existing departments and by more efficient management and better administration. Well, I can tell the Members opposite that 97 percent of that is bunk. If the Members opposite think that the last eight years of Government, in which virtually every department that these Ministers are responsible for, have been downsized, and in the Department of Education we are working probably today with 50 fewer people than we were in 1983, 1982. Virtually every department is smaller and I can ask the Minister of Finance (Mr. Manness) to confirm that. From 1982 to 1988 virtually all departments are smaller.

We have looked diligently and I know Members opposite have looked diligently for ways to reduce the cost. You cannot simply reduce the cost, because as soon as you reduce the cost, you reduce services. I mean, the cost of government is the provision of services. So, if you reduce the cost, you reduce services. I remind Members of the Liberal Party that every time they have stood in this House, almost without exception they have been complaining bitterly about the loss of services, the loss of services. So, it is simply a matter, I think, of familiarity with the system. I think it is a matter of understanding how government works, not only in terms of the provision of services, but also in terms of what alternatives Government have for raising funds to provide services and for making decisions when it comes to eliminating services. And we all know it is a lot easier, it is a lot easier to make promises about what you are going to do, and if you have the commitment to go ahead and do them, and then decide that, yes, it is time to backtrack because it is easier to provide the services than take them away, and anybody who has been in Government knows that is the case. It is easy to say, yes, but just try to reduce services or eliminate services once they have been provided. It is not easy.

So the Liberal Party, I think, has a good deal of work to-do. Certainly, if we were to take the remarks of the Member for Transcona (Mr. Kozak) seriously, they have

a lot of work to do to convince people in this Chamber, and obviously Manitobans as well, that they understand how we are going to deal with the fiscal reality of the province, and how we have said this, Mr. Acting Speaker, the bottom line is that while the Member for Transcona (Mr. Kozak) talked about The Statute Law Amendment (Taxation) Act, we have not heard word one from the Liberal Party about economic development. We know that they are opposed to hydro development. They do not understand it. I have heard remarks from the Energy critic, both in committee and this House, which tell me quite certainly that he does not understand the importance of hydro development to the Province of Manitoba, he does not understand the significance of the Northern States Power sale. The Liberals during the election did not understand the successful performance, I guess, of the Limestone Training and Employment Agency.

Even Fred Cleverley—and this will astound Members on all sides—wrote an extremely positive article about the Limestone Training and Employment Agency, indicating that it was a success. It was a success from many perspectives. It was successful in community-based delivery. It was successful in attracting participants from all over northern Manitoba. It was successful in graduating 75 percent of those people and of those 75 percent, approximately 70 or 75 percent ended up being employed. It was successful in terms of its relationship with the contractors at the Sundance, the Limestone Generating site. It was a tremendously successful enterprise.

But, Mr. Acting Speaker, I digress. The amendments that we are being asked to approve are important amendments. I want to put on the record once again that I do not think these changes, the taxation changes that we are going to be asked to approve, really have done anything to achieve the ends that the Minister of Finance (Mr. Manness) wants to achieve. The Minister of Finance, and perhaps because of the position of the Government in terms of its minority position, has been ill-prepared I guess to be more bold, to be more consistent with his own personal philosophy. The Minister of Finance and I have had occasion to discuss the importance to all of us and to our families and our children's families of maintaining a reasonable fiscal position in the province.

* (1530)

I know the Minister of Finance (Mr. Manness) personally is committed to reducing the deficit. He wants that to happen. He wants the province to be relieved of its onerous interest responsibility. But because of his position, perhaps, he has decided to introduce tax amendments which are not going to achieve his main objective, which is deficit reduction.

Unfortunately, his secondary objective, which was the creation of an atmosphere in the province which would stimulate private sector investment, stimulate economic growth, has been equally frustrated by these amendments.

The fact of the matter is that the relatively limited scope of these taxation changes has not proven to be

any kind of incentive for additional investment, additional employment whatsoever. I recognize that it is somewhat early in the life of this Government to be too certain about the impacts of this budget, but the early indications are, if you will look at the recent revelation that the value of retail sales is dropping in the province, if you will look at the unemployment statistics, you would have to conclude that this budget has singularly failed to prove to be an incentive for businesses in Manitoba. Thank you. I appreciated that opportunity.

The Acting Speaker (Mr. Laurie Evans): Is it the will of the House to adopt the motion?

Mr. Harry Harapiak (The Pas): I move, seconded by the Member for Interlake (Mr. Uruski), that debate be adjourned.

MOTION presented and carried

DEBATE ON THIRD READING

BILL NO. 35—THE LOAN ACT, 1988

The Acting Speaker (Mr. Laurie Evans): On the proposed motion of the Honourable Member for Inkster (Mr. Lamoureux), Bill No. 35, The Loan Act, 1988, standing in the name of the Member for Flin Flon (Mr. Storie). (Stand)

DEBATE ON SECOND READINGS

BILL NO. 15—THE COOPERATIVE PROMOTION TRUST ACT

The Acting Speaker (Mr. Laurie Evans): On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 15, The Cooperative Promotion Trust Act, standing in the name of the Member for Interlake (Mr. Uruski), who has 35 minutes remaining.

Mr. Bill Uruski (Interlake): Thank you very much, Mr. Acting Speaker, neighbour and all. It is nice to see you in the Chair today.

The Minister of Agriculture (Mr. Findlay) has moved closer to me, to the Minister of Labour (Mr. Connery). He has decided to move to the left slightly, notwithstanding the announcements today.

This Bill, we find that the Government is acting in a hypocritical fashion by providing this House with a Bill, having the enhancement of co-op promotion while at the same time doing away with the department. In effect, the Government wants to go ahead and indicate how it favours cooperativism and gets rid of the department.

That is not the first action of Conservatives in this province. I recall in the mid-Seventies when the Schreyer administration proposed that one of the options in the curriculum be education of cooperative principles and a cooperative model of enhancement cooperation among our citizens both in the business and in the economic fields. What did they do? They gave away all the educational material. In fact, the Province of

Alberta, the ultra-Conservative Province of Alberta picked up that legislation and were using it. (Interjection) The Member for Lakeside (Mr. Enns) calls this the commie trick. Commie curriculum is what the Member for Lakeside calls this. The Minister of Finance (Mr. Manness) says, "That is right." That is one of the reasons why I say that this Government's actions have in fact been and continue to be hypocritical in this area.

We have no difficulty in this Government and this Legislature agreeing that the need for cooperative promotion and the whole area of cooperation needs to be strengthened as much as we can. We continue as a society to be very much I and me for myself, an I society, when the need for closer relationships, the working together amongst our citizens to improve their lifestyle, their living conditions, whether it be in co-op housing which we have in this province a decent record, and not an overwhelming record but a decent record in the area of consumerism.

The whole cooperative movement is alive and well in the banking area. The credit union movement is of course going through and has gone through a number of difficult years because many of the credit unions have been agriculturally oriented and, as agriculture goes, so goes rural Manitoba, Mr. Acting Speaker. You know that. You have talked to many of our young students at university and I am sure I am probably stealing some of your words that you have used to your own students.

So this Bill will go to committee. We certainly support the principles contained in this legislation, but we find the Conservatives' words here rather shallow when it comes to co-op promotion. Their record is very dismal in this whole area, even though many of the cooperatives in this province, the rural cooperatives in this province, are within their own constituencies. That is what I find, I guess, a bit disconcerting to note that the cooperative movement has not seen fit to really let their Conservative Members know how they feel about some of the cuts that they are making within the Co-op Development Department, within the whole area of education and promotion.

Possibly they will, over the next number of months, realize that in fact the Conservatives in this Legislature are not the great friends of cooperativism. They are the friends of individual wealth and individual gain, but they certainly are not promoters of the cooperative spirit in this province. So, Mr. Acting Speaker, just with those few words, we will be prepared to allow this Bill to go to committee.

QUESTION put, MOTION carried.

BILL NO. 28—THE AGRICULTURAL PRODUCERS' ORGANIZATION FUNDING ACT

The Acting Speaker (Mr. Laurie Evans): We will move now to Bill 28, on the proposed motion of the Honourable Minister of Agriculture (Mr. Findlay), The Agricultural Producers' Organization Funding Act, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). (Stand)

* (1540)

BILL NO. 29—THE CATTLE PRODUCERS' ASSOCIATION AMENDMENT ACT

The Acting Speaker (Mr. Laurie Evans): Moving on to Bill 29, on the proposed motion of the Honourable Minister of Agriculture (Mr. Findlay), The Cattle Producers' Association Amendment Act, standing in the name of the Honourable Member for The Pas (Mr. Harapiak), who has five minutes.

Mr. Harry Harapiak (The Pas): Mr. Acting Speaker, I am pleased to have a few minutes to summarize my views on this bill which is dealing with the cattle producers. I note in dealing with Bill 28 that there is a provision in Bill 28 where other producers of commodities would need to go through the process of having their membership vote on a Bill to bring it forward. It would be necessary to have 60 percent of the people who are in that commodity to come forward and say that they were willing to become members of that organization.

I am not sure why we would be giving one commodity user group, putting them in a preferential position. I think that we should be treating them fairly and have them go through the same process as any other commodity group would go through. If they want to have a voluntary organization, it would not be necessary for this Bill to pass. They have the opportunity right now. If they are willing to come forward with their contribution, with their fees, very clearly they have an opportunity to do it at this time. They do not need this legislation to bring this forward. So I just do not feel it is proper to have one commodity group given a preferential treatment over, say, the canola growers.

The Minister of Education (Mr. Derkach) says what have you got against cattle producers. I recognize the contribution the cattle producers make to the economy of our province, and especially in this time when we have gone through a drought. Really, the people who are in cattle production are the ones who have been doing quite well. He is one of those who is fortunate enough to be involved in the cattle industry, so he of all people should understand that there is a need for a good strong organization to represent them. But I think that they should not be put in a preferential position over any other commodity group.

The canola growers are also—why not include all of the commodity producers at this time and give them the preferential treatment that you are trying to put in place for the Cattle Producers' Association. I really think that this Bill No. 29 should be withdrawn. I think we should withdraw it until Bill 28 is dealt with. Bill 28 provides for a democratic process for determining the funding of producers' organizations. The amendments proposed in Bill 29 are not compatible with the spirit of Bill 28 and, as such, I think it should be opposed until such time as Bill 28 is passed.

(Mr. Speaker in the Chair.)

I have seen no evidence that there is a strong desire on the part of the cattle producers in Manitoba to have these amendments brought forward, and I would suggest that this bill be withdrawn until such time as

Bill 28 is passed and that they be treated the same as any other commodity organization. Thank you, Mr. Speaker.

Mr. Bill Uruski (Interlake): Mr. Speaker, I beg to move, seconded by the Member for Churchill (Mr. Cowan), that debate be adjourned.

MOTION presented and carried.

BILL NO. 8—THE COURT OF QUEEN'S BENCH SMALL CLAIMS PRACTICES AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 8, The Court of Queen's Bench Small Claims Practices Amendment Act; Loi modifiant la Loi sur le recouvrement des petites créances à la Cour du Banc de la Reine, standing in the name of the Honourable Member for Churchill (Mr. Cowan). (Stand)

BILL NO. 9—STATUTE LAW AMENDMENT (RE-ENACTED STATUTES) ACT

Mr. Speaker: On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 9, Statute Law Amendment (Re-enacted Statutes) Act; Loi modifiant diverses dispositions législatives (Lois réadoptées), standing in the name of the Honourable Member for The Pas (Mr. Harapiak). (Stand)

BILL NO. 11—THE CHILD CUSTODY ENFORCEMENT AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 11, The Child Custody Enforcement Amendment Act; Loi modifiant la Loi sur l'exécution des ordonnances de garde, standing in the name of the Honourable Member for Elmwood (Mr. Maloway). (Stand)

BILL NO. 21—THE HIGHWAY TRAFFIC AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger), Bill No. 21, The Highway Traffic Amendment Act; Loi modifiant le Code de la route, standing in the name of the Honourable Member for Assiniboia (Mr. Mandrake).

Mr. Ed Mandrake (Assiniboia): Mr. Speaker, I am not going to lower myself in the same manner as the Member for Elmwood (Mr. Maloway) did with all that rhetoric about the Opposition Party and the Government in power. I will stick to the Bill before me.

I am pleased to be offered the opportunity to speak to this Bill. In reading through Bill No. 21, I found numerous glaring problems which I will address during committee hearings.

May I suggest that we, as the Official Opposition, do accept the bulk of the amendments in this Bill and

support improved safety on Manitoba highways. Mr. Speaker, this Bill does not address the issue of owner, operator or just operators.

Mr. Speaker, in Section 2, 65.1, we, the Official Opposition, would urge that the Minister amend this section by changing the penalty from the suspension of drivers' licences to a steep fine to the owner. Sections 318.1 to 318.11 require drastic alterations if this Act is to achieve what it is intended to achieve, and as an example, road safety.

We, the Opposition Party, Mr. Speaker, are surprised—no, we are amazed—that this Conservative Government would take such a dictatorial attitude toward business in light of a statement of the Premier made in this House on August 17 which he said, "I will tell you, we work on every businesslike logical basis." I would suggest, Mr. Speaker, that the Minister of Highways and Transportation should consult with the industry, the people who operate these tractor trailers and other interested people.

* (1550)

Now about this Bill, again from reading through the Bill and receiving numerous amendments from the people who I have spoken to in the industry, I strongly believe that this Bill was one that I would suggest was maybe drafted by the previous Government; and we all know what their political agenda was for free enterprise.

The Honourable Member for Churchill (Mr. Cowan) wants to know what was it? Well, we will know what it was. Look what they tried to do to ICG. How much money did it cost us? Millions of dollars. They went and shook us on a tree.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable Member for Assiniboia has the floor.

Mr. Mandrake: Thank you, Mr. Speaker. They have got the gall to sit here today and tell us we want to spend X-number of millions of dollars.

Mr. Speaker, the Official Opposition would like to send this Bill to committee for consideration in that form. Thank you.

Mr. Jay Cowan (Churchill): I move, seconded by the Member for the Interlake (Mr. Uruski), that debate be adjourned.

MOTION presented and carried.

BILL NO. 27—THE PRIVATE ACTS REPEAL ACT

Mr. Speaker: On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 27, The Private Acts Repeal Act; Loi abrogeant certaines lois d'intérêt privé, standing in the name of the Honourable Member for Inkster (Mr. Lamoureux). (Stand)

BILL NO. 34—THE MUNICIPAL AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Municipal Affairs (Mr. Cummings), Bill No. 34, The Municipal Amendment Act; Loi modifiant la Loi sur les municipalités, standing in the name of the Honourable Member for St. Norbert (Mr. Angus). (Stand)

BILL NO. 40—THE CITY OF WINNIPEG AMENDMENT ACT (2)

Mr. Speaker: On the proposed motion of the Honourable Minister of Urban Affairs (Mr. Ducharme), Bill No. 40, The City of Winnipeg Amendment Act (2); Loi no. 2 modifiant la Loi sur la Ville de Winnipeg, standing in the name of the Honourable Member for St. Norbert (Mr. Angus). (Stand)

BILL NO. 41—THE LABOUR RELATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Labour (Mr. Connery), Bill No. 41, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, standing in the name of the Honourable Member for Transcona (Mr. Kozak).

Mr. Richard Kozak (Transcona): I adjourn debate on this Bill on behalf of the Honourable Member for Radisson (Mr. Patterson), and I ask that he now be recognized.

Mr. Allan Patterson (Radisson): It gives me great pleasure to reply to this Bill which specifically addresses the elimination of what is known as a final offer selection process in The Labour Relations Act.

First of all, Mr. Speaker, I think we should take a look at some of these processes, procedures in labour relations and understand just what they are and what is behind them. This final offer selection, as it is called here, and in many other jurisdictions, it can also be called final offer arbitration, is merely a special form of arbitration. Now the arbitration process, very simply put, it is a form of private adjudication. When two parties are in negotiations and reach an impasse, as frequently happens in the labour relations field, although I should also point out that by far the great majority of collective agreements, well over 95 percent of them each year, are negotiated or renegotiated without work stoppages. At any rate this arbitration process, as I said, is just a form of private adjudication. Now it is very similar to adjudication in the courts but, of course, they are much more informal. When the two parties are at an impasse and are not moving toward agreement they turn the thing over to a third party.

Now this might be an individual, a single person arbitrator or what is known as a tripartite arbitration board. This arbitrator, judge, decision-maker listens to the evidence and the cases made by each of the two parties, and then weighs it and comes down with a decision which is binding on the parties.

I might just mention that the Member for Churchill (Mr. Cowan) in addressing this Bill last week referred to binding and non-binding arbitration. Mr. Speaker, if it is not binding, it is not arbitration. Arbitration by definition is binding and if it is not binding, it is something else that is known as fact-finding with recommendations in the United States, or a conciliation board in Canada.

In the normal negotiation process, Mr. Speaker, the two parties will start out—each starts out with some initial position, and granted, some of these initial positions on both sides might be rather extreme to the so-called rational outside observer, but nevertheless, each of these initial positions can be supported by each of the parties.

In virtually all cases, Mr. Speaker, other than possibly very new relationships with those who are inexperienced, the two parties do know what they are doing and they know that they are going to move from these two initial positions and that is the whole process of negotiations, to make some concessions and compromises to the other party in order to get something for yourself, and they are going to end up usually somewhere in the middle.

At the same time as each party has a more or less extreme, shall we say, opening position, each party also has what is called in the literature, a resistant point, and this is a point beyond which each party will take a stand. In short, it usually means that the union will go on strike and the management will take a strike.

In this respect I should point out, Mr. Speaker, and again I am just quoting some scholars in the field and for many years back, that we talk about the lockout as being the management's equivalent with a strike. Well, to a large degree it is, of course, but a series of lockouts is very, very seldom used because very, very seldom is it in management centres to lock the workers out when there is an impasse.

Even when there is an impasse or if a collective agreement has expired, they have the option of continuing to negotiate in the expectation of reaching an agreement, or there might be a stoppage in the future. So long as the product is flowing out the back door and the sales are coming in, or the service is being provided and the revenue is coming in, it would be very foolish for management to initiate a lockout.

• (1600)

So the real counter of management to the strike threat of the union is management's willingness and ability to take a strike. So when strikes happen, it is equally a decision on both sides. It is as much a decision of management to take a strike as it is the unions to go on strike. So we might more properly and I refer to these events rather than strikes, just call them work stoppages because it is usually, as I say, equally a decision of the two parties.

Now on this matter of arbitration, we should go back first to the right to strike, a very cherished right on the part of the labour movement or workers, generally—the only real economic sanction that workers have

against the employer—often the employer does lock out. Obviously, if the employer does not attempt to hire scabs or so-called replacement workers, the employer is shut down or slowed down, it does suffer somewhat economically; but at the same time the prime thing in a lockout is that the employees, the workers are out of work and the flow of income is cut off, and they are going to suffer accordingly.

Now in the private sector, as we know, if one supermarket goes on strike or has a work stoppage, it will not affect the food industry generally. The average consumers' purchases remain the same and we may have to walk across the street to the competitor to buy their food needs. If General Motors goes on strike, the customer has every opportunity to go across the street to the Ford or Chrysler dealer, or some of the Asian dealers in recent years.

However, when you get into things like the public service and essential industries, the strike weapon, the work stoppage hurts the more or less not uninterested but disinterested or neutral third parties, in short, to a large degree, the public. Where we have monopolies, be they private or public monopolies, if a work stoppage occurs, the clients, the customers being supplied the goods or services from that particular monopoly have no alternative. So the burden really falls on the third party, society in general, we might say.

Now obviously in the public sector, we have a good deal of Government involvement in the provision of many services and some goods that are not available elsewhere. I am not saying that everything Government supplies is an essential or a vital service. But we can think obviously of things like our police and fire protection, garbage pickup, water, sewers, various types of utilities, electricity, be it hydro or other types of generation. So the public interest is at stake when we have work stoppages in areas such as this. We can also think of monopolies under Government control, such as the Liquor Commission, whereby if there were a work stoppage we in the general public would be very seriously inconvenienced but we could scarcely call it a vital or essential industry that is being withheld. Nevertheless, it is a monopoly. We can think of the teachers in the school system and so on, and so on.

So because of this, it has been felt over the decades that mechanisms other than the work stoppage are needed to resolve impasses or disputes in industries or services of this particular nature. So thus arose the considerable use of conventional arbitration in these types of industries and services. Now with conventional arbitration that pointed out in the initial, at the outset of negotiations, each party starts out with, say an initial position and then some resistance point beyond which it will not go. So long as there is some overlap between these resistance points, which there usually is, this is what is known again in the literature as a contract zone. The two parties should reach agreement somewhere within that zone, and do in the great percentage of cases.

However, when the parties know that they must go to arbitration, again as in the public sector where there are many groups, civil servants of various kinds, police, firefighters, possibly teachers and so on, that very

frequently by law do not have the right to strike, but any impasse must go to arbitration. When it is known that something is going to go to arbitration, the parties will tend to stay out towards their more extreme initial positions. The tendency in conventional arbitration, Mr. Speaker, over the long haul is that arbitrators usually will use the buzzword of labour relations, saw off. That is, they will come to a decision or make an award somewhere between the two parties' final positions. In short, they just split the difference. So if one party moves further towards its resistance point than the other and the other one holds back towards its more extreme position in the hope that when it comes to arbitration, it will save up all its goodies and its arguments and persuade the arbitrator to split the difference, and that will end up a little closer to its more extreme position. This is what is known as the chilling effect of arbitration, conventional arbitration, whereby at times—(Interjection)—well, I know, you are not telling me anything. The Member for Churchill (Mr. Cowan), just be patient, I will explain things to you.

Mr. Jay Cowan (Churchill): Okay, I apologize for my impatience.

Mr. Patterson: Mr. Speaker, as I said, this conventional arbitration has what is known as this chilling effect on negotiations.

An Honourable Member: Chilly.

Mr. Patterson: Chilling effect. Now, in an effort to—(Interjection)—Take your choice. We are talking about the negotiations, not the arbitration.

At any rate, the final offer arbitration or final offer selection, Mr. Speaker, is not anything particularly new. It is another tool and kit bag, so to speak, that has been available for some decades, but it lends itself best to situations where arbitration is compulsory. In an effort to get away from this chilling effect, in short, the process of arbitration negating or causing parties not to negotiate, the concept or theory, if you will, behind final offer selection is, it will persuade or force, if you will, the parties to negotiate during negotiating period.

So when the two parties know that if they cannot agree that it will be settled by arbitration and that it will be final offer, and that the arbitrator will have to select one or the other of the party's final position, neither one wants to be caught away out in left field, so to speak, with their cold storage or initial or extreme position, and the concept is that, more or less, the threat of the final offer selection will persuade the parties to move closer toward one another and, it is hoped, come to an agreement.

The object of arbitration, compulsory or final offer arbitration, is not to go to arbitration. It is to try to persuade the parties to darn well come to their own agreement before it has to go to arbitration. But, of course, if it does, okay, we have the final offer where, if the process is working and it usually does where it is used, the parties will be very close together with their final offers. It will be within that contract zone I referred to earlier, where they would have ended up

with their own agreement, or possibly even under conventional arbitration.

However, this procedure is used where it has been developed largely in the public sector where the workers do not have the—many of them, probably most—do not have the right to strike and that there is going to be settlement by arbitration of one form or another. So this is where by far the bulk of the experience has been, and a good bit of it has been positive, Mr. Speaker. I do not dispute that.

However, one thing he wants to remember is that in human affairs there is no such thing as certainty. We can only talk about statistical probabilities. Given that such and such is going to take place we can say that it is likely that such and such might happen as a result, and we might put some probabilities on it, anywhere in the range of low to high. So there is a great deal of rhetoric, Mr. Speaker, on both sides of this matter. It cannot be said from either side that if final offer selection, if the procedure is put into law, then it will result in this result or that result, and I am talking about the rhetoric from both sides. It very well might work and have the effect that the legislation was meant to address, that it would help, assist or force the parties to come to their own agreement, and if they do not, to have some more reasonable peaceful means of settlement that would end up with a not unreasonable result rather than going to the economic sanction of the strike which might well hurt both parties or the public interest, generally, just depending on what the particular industry or sector is.

* (1610)

When this Bill was introduced last year—well, first of all, let me just backtrack a moment and look at the figures that have been mentioned earlier by the previous speakers, the Minister and the House Leader and for the New Democratic Party.

The experience is only some eight months to date, as we know, with these 30 applications and these 15 parties that agreed before the process reached a decision is an indication, an indication—not proof mind you—that the process works. The whole idea behind it literally is not thought to have arbitration but to assist the parties to settle. I will give full marks to the objective of the New Democratic Party in bringing this legislation in. However, unfortunately it is pretty difficult to say from an initial six or eight months' experience that the procedure is or is not going to be successful overall, and again we simply do not know. We had hoped that it would or could be.

Having mentioned that, Mr. Speaker, this legislation was put in as an experiment. It was an experiment whereby a procedure that has been developed and used a great deal in the public and essential services type of sector to make it available for the private sector. In this, we are going to relatively uncharted ground. Granted, it is a tool in the kit bag that has always been available for use. The bargaining unit that I recently belonged to, the University of Manitoba Faculty Association, had voluntary final offer arbitration for some years. We, at least the Faculty Association, felt

that it did work, but it was strictly voluntary, agreed to with the administration who finally got rid of it. Management did not because they did not like negotiating, they lost twice, and it did go, one time which they should not have lost.—(Interjection)—I agree, no argument.

However, this is an experiment—call it a noble one, if you will—to put this procedure into the private sector. I had put forth that to introduce this or any other process into the direct relationships between the two parties, three criteria should be met. These are, namely: first, the process should be fair and even-handed; and secondly, it should be acceptable to both parties; and thirdly, it should have been tried and working elsewhere. Now, unfortunately, Mr. Speaker, the legislation fails to meet the first criterion, that is, that the process be fair and even-handed, because regardless of any "rational arguments" that it does meet it, one of the parties feels that it does not and perceptions are the reality. So because of this, because one party, one party's perception is that it is not fair and even-handed, because of this then, it also fails in criterion two that it should be acceptable to both parties. Criterion three, that it should have been tried and working elsewhere, you might say that criterion three largely is met but the experience, as I pointed out earlier, is largely in the public essential industry sector.

Further, Mr. Speaker, and this is another key point, that the legislation at the time was not vetted and approved by the Labour Management Review Committee. In fact, the legislation was railroaded through while the committee was in the process of the Labour Management Review Committee and was in the process of considering the whole proposal.

So for these reasons, we feel that this Bill should be supported. Furthermore, as our Leader has pointed out, the thrust of this Party is to make full and effective use in future of the Labour Management Review Committee. This committee is made up equally of representatives from both parties, both sides, management and the organized labour movement, and we feel that our policy, along any kind of labour legislation, would be made full and effective use of the Labour Management Review Committee before we would propose or bulldoze through any type of labour legislation.

I would urge the current Government, the current Minister, while he is in office to make full use of this committee which I gather from his comments in Estimates that he has done and will continue to do. Thank you, Mr. Speaker.

Mr. Cowan: Would the speaker entertain two questions, Mr. Speaker?

Mr. Speaker: Does the Honourable Member for Churchill have leave to ask the Honourable Member for Radjssón a question? (Agreed)

Mr. Cowan: The first question revolves around the comment which I heard the Labour critic for the Liberal Party make and that is, in order for legislation to be effective and fair and for it to be supported by the

Liberal Party, it has to be in the party's perception themselves, fair and even-handed. As the Member is aware, the labour movement has long thought that the arbitrary right of the employer to lock out employees without any sort of democratic vote as to whether or not that should take place is unfair, and arbitrary.

From the Member's comments today, do I take it that he would support a New Democratic Party initiative if one were to be put forward to deal with that unfair and arbitrary system and remove the right of employers to lock out employees during labour disputes?

Mr. Patterson: Well, he has had that right, Mr. Speaker. It is one that is very, very seldom used. It is very, very seldom to the employers' advantage, as I have mentioned, to use it. The employers real counter to the strike is the employers ability and willingness to take a strike. The fair and even hand in this must be perceived by the parties—I am not talking about political Parties—I am talking about the two parties, Labour and Management, and the perception is reality. I am talking about the introduction of legislation, Mr. Speaker.

The Member for Churchill (Mr. Cowan) has said the unilateral right of the employer to close down his or her or the corporation's plant is unfair to the worker, while the employer is the one that invested the money and took the risk to set up that plant in the first place and the decision to operate or not to operate it is a right as well.

If I might wax professorial again, we have all kinds of rights in society, very legitimate rights, but—to quote former Dean A.W.R. Carruthers of the University of Western Ontario Law School—our rights cannot be absolute and coexist. Inevitably, it is individuals or organizations or whatever, in the exercise of some legitimate right, we run into conflict with some other individual or organization that is exercising its equally legitimate right and the point is, how do we resolve that conflict by peaceful means? There are not easy answers. Those are things we try to thrash out in this House.

* (1620)

Mr. Cowan: I would ask leave for two questions, if I can. The second question, and first with respect to that question just so it is clear in the Member's mind, what I suggested was that the labour movement itself and workers generally consider the right of an employer to lock out his or her employees in an arbitrary fashion and without a democratic decision on the part of the working unit is unfair and not even handed, and would his Party support—and this was the exact question—the introduction of legislation that would reduce the right or eliminate the right of employers to arbitrarily lock out their employees in the event of a labour-management dispute. So I would like him to see if he can answer that one specifically.

Secondly, with respect to the other question, he said that his Party believes that the Labour Management Review Committee must be used fully and effectively before any legislation is introduced. Is he implying that

his Party would not introduce legislation as private members or otherwise if they did not have the support of the Labour Management Review Committee on that particular item?

Mr. Patterson: I only go back to what I finished saying, Mr. Speaker. In the exercise of any legitimate right, we rise, we run into conflict with those that are exercising another equally legitimate right. The owners—we do have property rights, and so on, in our legislation. I am not saying that property rights always override social rights or individual rights, but they do exist as well.—(Interjection)—Okay, put it that way if you will, but the management has the right to decide if production is going to take place or not take place. Labour has a right to withhold its services, to bargain under our laws for wages and hours and other working decisions, and so on.

Mr. Cowan: What about the Labour Management Review?

Mr. Patterson: Full use should be made of it. It is an advisory body and I would say that—

Mr. Cowan: Could you make the decision contrary to our—

Mr. Patterson: We are not in Government. The Labour Management Review Committee is in the advisory capacity that Government—

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

Mr. Kevin Lamoureux (Inkster): No, Mr. Speaker. I just assumed that the Honourable Member was done his question.

I would move, seconded by the Honourable Member for Fort Rouge (Mr. Carr)—

Mr. Speaker: The Honourable Member for Radisson still has the floor.

Mr. Lamoureux: I thought he was sitting.

Mr. Patterson: Any advisory body to Government is simply that—well, not simply that; it is that. It is not simple. At any rate, it is an advisory body and it gives its best recommendations to Government. Government is not bound to accept it.

The point I made in my address was that the New Democratic Party did not wait until the Labour Management Review Committee had full opportunity to consider this legislation. They ramrodded it through while the Labour Management Review Committee was in the process of doing so. That is my point.

Mr. Lamoureux: I will try again, Mr. Speaker. I move, seconded by the Honourable Member for Fort Rouge (Mr. Carr), that debate on this Bill be adjourned.

MOTION presented and carried.

* (1630)

Hon. James McCrae (Government House Leader): Mr. Speaker, I would like to announce that I believe there is a disposition on the part of all Honourable Members to waive Private Members' Hour today.

Mr. Speaker: Is it the will of the House to waive Private Members' Hour today? (Agreed)

Mr. McCrae: For the information of Honourable Members, Royal Assent is scheduled for 5:45 or a few minutes thereafter this afternoon.

I move, seconded by the Honourable Minister of Northern Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Environment and Workplace Safety and Health; and the Honourable Member for Fort Garry (Mr. Laurie Evans) in the Chair for the Department of Municipal Affairs and the Department of Cooperative, Consumer and Corporate Affairs.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—ENVIRONMENT AND WORKPLACE SAFETY AND HEALTH

Mr. Chairman, Harold Gilleshammer: I would like to call this committee meeting to order to consider the Estimates of the Department of Environment and Workplace Safety and Health. We are on item 1. Administration and Finance, (c) Planning, Research and Evaluation: (1) Salaries, \$243,700—the Member for Wolseley.

Mr. Harold Taylor (Wolseley): It seems to me a question was raised at the end of the last day but the Minister, because it was five o'clock, did not have the opportunity to answer. Is that not correct?

Hon. Edward Connery (Minister of the Environment and Workplace Safety and Health): What was that? I forget the question.

Mr. Taylor: I should not let the Minister off the hook on this.

Mr. Connery: No, let us read Hansard.

Mr. Taylor: Have we got the Hansard here, from the committee?

Mr. Chairman: No, we do not. Do you want to restate the question?

Mr. Taylor: I will have to admit I too do not recall. Got me, got me.

Some Honourable Members: Oh, oh!

Mr. Taylor: It was a case of one of those things of where we have a not following through on environmental concerns or not jumping into action fast enough.

The area I would like to get into though, Mr. Chairperson, at this point is one that has come up this week in the House but is not a new one for the House and that is the issue of various forms of lead pollution. The Minister has made a statement as to the directive that he has issued about procedures to the school boards of the province in dealing with water that is left in the pipes when the schools are not occupied and then running with high levels of lead in it. Is there going to be a follow-up to that directive to ensure that the practice is being carried out and that water is not being just run for 15, 20, 30 seconds, but instead is run for the adequate number of minutes to provide water which will be safer for children's consumption?

Mr. Connery: I think the Member is aware that we sent out an advisory to the schools to inform them of the need to run water. On Thursday, they are having a meeting between Environment and Health and the City of Winnipeg and at that time they are going to draw up a recommendation package for people to run water, then for testing as to what time of the day should they test, what type of container, how they should package it for shipping, and where to send it to so that all people, if they want to check their water, can but basically the schools are the main concern. I think in the bigger institutions of hospitals that water is running pretty well 24 hours a day. It is not likely to be a problem in those areas.

The Department of Education is also going to be doing some follow-up, so it will be through the Department of Education that we would I think attempt to ensure that this happens. But I have all the confidence in the world in the school system that these are responsible people and they have the interests of the students and our children at heart. So I do not see them sloughing off on this one that has been brought.

I think it is probably one of those things that needs to be drawn to attention every so often. It is just like, there was close to a near fatality, a wood-burning stove, and we are issuing a warning to all people and it really should be in the calendar that the end of October the department does a news release to inform people before we have a problem. So this is what I have been saying to some of our people, let us get a calendar so that automatically we look through it and this is the time we do these sorts of things so that prevention is better than cure and we do not want to be sending a directive after we have a tragedy.

Mr. Taylor: Mr. Chairperson, understanding what the Minister says is we have a case then, that on the lead in the school water systems we have an advisory out of the Environment Department, not a directive, and we do not yet have a directive under the Department of Education to the school boards either. Is that correct?

* (1640)

Mr. Connery: I do not think we have the authority to force the schools to do it. As was mentioned, the level of 50 parts per million is an average; all of your water could have 50 parts per million. If you drank the first glass at 150 and your next six had 6 or 8 parts, of course your average would be well below 50. I do not suggest that is the right thing to do. We still want to ensure that people do not get that first glass with a high lead level because there are so many areas of absorbing lead in our environment that any little bit we can cut out is to our benefit.

Mr. Taylor: A further question is, one of the staff suggested that potentially this department, the Department of Environment, does have the authority to issue directives on water quality. Therefore, my question would be, if this department does not have the authority, which department does?

Mr. Connery: It is through the medical health officer where the authority to make it compulsory would take place. There are a lot of cross-jurisdictions and different things that go on. As you know, we have the medical health officers in some areas who regulate The Health Act which comes under health regulations, but our people do the inspection.

Mr. Taylor: Have the medical officers of health for the province, the various districts, been in any way briefed on the findings of this department so that they are cognizant of the situation, so they can come to a decision as to whether they should issue directives?

Mr. Connery: Yes, and the Department of Health too, of course, as you know, is part of this discussion so they are fully aware of it, as are our people.

Mr. Taylor: Right, and I might ask what documentation is available to show how that has gone on and what is actually going to be taking place?

Mr. Connery: Because of the short notice, it has mostly been verbal but the notification to the schools was a letter that we had drafted. If the Member wanted it, there is no problem in giving you a copy. It is not a secret document, it is just a directive as to what they should do in the interim and then, if they want to do testing, other material will be available, hopefully early next week. It is not going to be a fancy glossy pamphlet, it is just going to be a couple of sheets of paper, just plain telling what to do.

Mr. Taylor: Along the line of that letter and any other communications, I would ask then if the Minister would have his staff lay out in chronological form the various steps that have been taken on the matter so that we can then just see what has taken place, who has been involved, that sort of thing. I do not mean in the form of a fancy bound report but just a typed chronology of what has taken place and who has been involved and to what degree. If that could be brought back, that would be very much appreciated.

Mr. Connery: We should keep in mind, too, that the federal-provincial committee on water guidelines is also

involved in this. The building codes are addressing the issue and I would expect that they will be doing this in the new building codes, but that is not until 1990. I think maybe you are aware that the Province of Ontario has banned the use of high percentage lead solder. Our plumbing committee is meeting next Friday to examine it and to see what we should be doing.

As you know, it is not something that is explosive or that somebody is going to get sick on overnight but we want to act as quickly as possible to ban today, as Mike McCourt tried to have me do last night on TV, say why do you not put in a ban today? We also have to ensure that there are replacement solders so that we do not shut down the whole building industry for a month or something like that, put everybody out of work. We want to act as quickly as we can, but responsibly, so if the Members have any suggestions, we are quite open to them.

Mr. Taylor: Actually I did want to get into the area of standards with a couple of questions, Mr. Chairperson. I am satisfied with the Minister's response that he will be providing that requested information. On standards then, I just want for the record here that the Minister is satisfied with the standards as they apply for the workplace and that there is not going to be a question of lessening Manitoba's standards, be it for air or blood content. Could he just reconfirm that for this Estimates process?

Mr. Connery: You have gone away from the lead and water and now you are into lead in the workplace, air and the levels in the blood. We have some requests for variances and of course any request that comes to our department, whether it be from labour side or management, we review it and make some decisions on it. There has been no suggestion at this point to make any variations or change it at this point. It has just not been our consideration.

We have been working with those companies, as I mentioned in the House, to help them clean up their air to make it a safer place. Canada Metal has been a good corporate citizen. They have been working well with our department and they are trying hard. There have been several others that have been concerned but Manitoba is the lowest. There are one or two others that are at the same level. Manitoba is the lowest.

Mr. Taylor: Was the Minister aware that the standard that is employed in Manitoba is also the same standards employed by the National Occupational Safety and Health administration in the U.S. and has been for some 10 years?

Mr. Connery: Yes, I am very aware of it, but I am also aware that they have made a large number of variances to it. So there is no point in having very strict regulations that you can be so proud of and then give a whole host of variances to it. That is not really the proper way to go about it. There can be some very good reasons for the odd variance at times in different things, but if you put in stiff, stiff regulations and then give everybody a variance you have not accomplished anything.

Mr. Taylor: Mr. Chairperson, also relating to a new U.S. standard of five parts per billion of lead in water that the U.S. is putting forth now as a new draft standard, was Manitoba considering this standard in any way?

Mr. Connery: There is a federal-provincial committee as I mentioned earlier on water, and also the Department of Health would be involved in some of these because it would be a health issue. The American one is not in place; it is still being reviewed. I do not think they have made a final commitment to it. They are looking at possibly coming to that. Of course, our Governments nationally are looking at these things on an ongoing basis with them. If that is what is required and it is accomplishable, then of course we want to protect our children and our people as best we can.

Mr. Taylor: Mr. Chairperson, the information I have is that it has just gone in place for a one-and-a-half year or 18-month phase in, which they tend to do. They do not necessarily put it on a hard date. They will do a phase in, look at the problems and then finalize it. I would ask the Minister however though to make a comment on the fact that the U.S. standard while appearing to be very high, and I think the highest before that has been 20 parts, now with this one it is five. It however is water at source, not water at delivery, and if you have a comment on that as it applies to setting the standards for this jurisdiction.

Mr. Connery: The Member lost me there slightly. You are talking about it being at source?

Mr. Taylor: Mr. Chairperson, as it leaves the treatment plant as opposed to as it arrives in your glass, that is what I am talking about.

Mr. Connery: Are we looking at that, you are saying?

Mr. Taylor: Are you aware that standard, while appearing to be very stringent, in effect has a flaw in it. That source—

Mr. Connery: Because it is at the source rather than at the delivery.

Mr. Taylor: —does not allow for the various elements within the delivery system.

Mr. Connery: I think if we check the Shoal Lake water as it hits the outskirts of the City of Winnipeg, it would be almost lead free. Is it not? It would be lead free. Yes, it is in the delivery within the system, within the city and of course finally within the homes that the lead buildup is happening.

Mr. Taylor: The Minister referred to the fact that there is a plumbing committee of the Building Standards Review that is considering the situation vis-a-vis lead solders for copper pipe installation. The question I would pose is that given the practices we have had in the U.S. with the banning coming into place, given the situation of also there being now a ban in place in Ontario, as he mentioned, would it not seem prudent

to look at an application on as-soon-as-practical basis here in Manitoba?

Mr. Connery: We are going to wait until the committee comes back to us. There is no point in having a committee to review something if I have already made up my mind, which I have not. Solder would be still be used in things that maybe would not be drinking water. My concern is would there be a whole pile of solder that would have to be thrown away? Is there a replacement solder available? Can that solder be used in certain situations that are safe where it is not carrying drinking water, where it is for use for other sources? If the company had to carry their inventory for twice as long, it would not be crucial. Drinking water in homes and so forth has to come first, but we have to have a replacement. That might take a couple of weeks or a month.

Mr. Taylor: If I understand the Minister then, you are expecting an answer much sooner than later? And if so, when do you think you would have a recommendation to you from this plumbing committee that you could then digest and bring forward as a new standard for Manitoba?

Mr. Connery: I do not know. The committee, I am sure, could make the decision in one meeting. It is in the Department of Labour where that takes place, that particular committee. It is not housed within the Department of Environment. The PCB situation was one that we could make unilaterally and we moved very quickly. The radon one, of course, there has to be a lot of consultation with the industry so this is the same thing. Because it involves the industry and it involves labour, we have to have a consultation process. It is being suggested that it could take two to three weeks to do that. I do not think it is a very complex issue that is going to take a lot of time. It is not a complex one.

Mr. Taylor: I am glad to hear that we are talking a few weeks here. I, for one, am not terribly worried about having an inventory of unusable solder available. Usually it is not kept in that huge volume. I think it is the lesser concern than the safety concern.

What I wanted to put on the table too is that we have obviously a situation here in the schools, but any house that either was built with the copper pipes or was converted from cast iron to copper pipes, as is the case in many older homes, will be in the same situation and will have the same environmental concern every morning when that tap is first turned on. I think sometimes that very obvious point is missed. Everybody is, oh, the schools, but they do not think about their own home. I would be concerned that you move as soon as possible and that you consider making the same sort of advertisement or some form of publicity or whatever your department seems to think is most appropriate, so that word can get out to the private home-owner too and hotels and anywhere else where there is human habitation.

* (1650)

Mr. Connery: Of course, the directive has to go the people who are doing the construction, the plumbing

and so forth. Once in a while, the odd home-owner building his own home will do some of his own plumbing - but basically has to get to the industry, which is not that difficult. There is not a horrendous number of people. So when the decision is made, whatever it is, it can be communicated very quickly.

Whether we put this into a regulation, I guess that would have to be debated to make it compulsory. As we are going to be doing with radon, eventually, it will come out to be a compulsory thing for new homes. I think the Member says, and rightly so, if somebody is building a home right now, why use high-lead solder because that home will have it for its duration. So, hopefully, people will even now, through having a house under construction, say to their plumber, look, let us use the low-lead solder even though it is more expensive and apparently it is a little more difficult to work with. I guess it is these two things with the low lead as to why people were using the higher, the 50 percent lead, instead of the 5 percent.

Mr. Taylor: The point I wanted to elicit from the Minister was also the fact that while talking about schools and dealing with a school issue, and I do not in any way mean to minimize the concern there, is the fact that in any habitable building you could have the same thing every morning. All I am saying is that we have now come to realize as a society that there is a potential short-term problem every morning or every period of time when the plumbing is put back in service after not having been used for whether it was 12 hours or 12 days or 12 weeks.

Is this department, in cooperation with other agencies, prepared to publicize that point so that it becomes a practice that when you turn the tap on in the morning that you do not take that first glass of water or put that in your tea kettle, but that you let the darn thing run for a few minutes so you have that cleansing process there?

Mr. Connery: I am sure that right at this point everybody in Manitoba is very aware of the lead in water. So I guess what we have to do for the Member for Wolseley (Mr. Taylor), and I do not know how long I will be the Minister and he will be the critic—I hope for quite a long time—(Interjection)—Probably. But maybe we should make up some way of him asking me a zinger question in the House a year from now so that we can remind the public of the importance of running their tap water.

It is something that I said with the woodstoves. We need to have a calendar of times that we make news releases so that we are proactive rather than reactive. The Member is right. He has a good point.

Mr. Taylor: Between the solder and the gas, I hope we do not develop a population of "glowing lead bottoms" here.

Mr. Chairman: Shall the item pass?

Mr. Harry Harapiak (The Pas): The Minister had raised the whole question of concerns about the acid rain and

I am wondering if we are on schedule for reduction of the acid rain that will be allowed in Manitoba by the year 1990.

Mr. Connery: It is the year 1994 that the regulation calls for, and it is a reduction to 550 kilotons per year, which is a reduction of about a little over 25 percent from where we are now.

As the Member for The Pas (Mr. Harapiak) I think realizes, the smelter at Hudson Bay Mining has to be rebuilt. There is no way that they are ever going to achieve their reduction with the existing smelter. It has to be rebuilt to achieve it. The smelter is worn out anyway.

I think it is incumbent upon all of us to work together with the federal Government, the provincial Government and the company to get that smelter rebuilt because if we do not, then of course the whole Town of Flin Flon disappears basically because that is the greatest sole source of income and if they were not there a lot of the other jobs in service industries and so forth would disappear because there is a very small tourism component. I know the previous Government was working with Hudson Bay and we are working with Hudson Bay also. There are some problems there, we know.

Mr. Harapiak: With the increased nickel prices with Inco's production, has there been a monitoring of Inco to see if they are staying within the limits that they are allowed in this province?

Mr. Connery: Yes, they have been. The Member, I am sure, is fully aware, I think it was April 1, 1987, that the previous Government mothballed the monitors. We have brought one of those monitors out of mothballs—and is putting it in this week into Flin Flon because of the concern up there. We have ordered the company to install two of their own but we wanted to have one of ours just to—well, I am not saying that the company would cheat but it is nice to have one of our own to be able to monitor it and compare it to what their results are. I think they had one at Channing prior, on their own, only one I think, and our department has indicated where they want to locate it to ensure that we are getting a reasonable coverage. So that would give us four monitors up at Flin Flon where the major problem is. While there was a temporary glitch at Inco, I think it was more because of the weather. There was a very short-term concern, but Flin Flon is where the major problems are.

Mr. Harapiak: The Minister, in his statement, referred to all the pesticide permits that were issued in 1988. I am wondering if it would be possible, to get a list of all the permits that were issued.

Mr. Connery: Yes, we can get it for you. It will take a little bit of preparation time. In a week or two, we can get that information to you.

Mr. Harapiak: In the Minister's opening statement, he separated the statements for the Departments of Environment and the Workplace Safety and Health. Is

it the Minister's intention to work towards a separate department for Environment Workplace Safety and one separate department for Environment and a separate department for Workplace Safety and Health?

Mr. Connery: One never knows what comes in down the road. We want to ensure that everybody realizes that the Environment is a very important portfolio, along with Workplace Safety/Labour. Those are the two major areas but there is nothing at this point. If changes are made, announcements will be made. You see there are two distinct roles between Environment and Workplace Safety. The Environment is a separate department. It is housed separately and runs separately to the Workplace Safety. So we looked at dealing with the Environment as one sector and then Workplace Safety. That is why the separation. The reason I did not go through the whole presentation was because the critics for the Workplace Safety were not here. That is the simple answer.

Mr. Jerry Storie (Flin Flon): I would like to change the direction a little bit to ask the Minister to give us some update on the status of the infamous Flin Flon sludge and the Dow Corning waste. Could we have some indication of where it is at right at the moment?

Mr. Connery: It is in boxcars.

Mr. Storie: Could the Minister indicate why it is still in boxcars?

Mr. Connery: The biggest problem they had is handling it. It is not that it is unsafe. It is just a matter of handling. It is a very volatile material and they have not had a way to handle it. In Ontario they have been handling all kinds of boxcars of this particular material. It is not that it is unusual. It has been coming into Ontario, yes. The Member seems surprised, but no, it has been used in Ontario for some time.

Mr. Storie: I am only surprised, I guess, because the Minister is indicating that they have not been able to find out a way to handle it. If it is being used, I assume that there is a methodology for handling it. It does not make sense to me on the surface.

Just to back up, I would like to make some comments about the process that we went through in discussing this issue back in August and September. The Minister at one point handed me a letter which he had received from the Attorney-General's office. It is dated August 17 and it was an opinion from Legislative Counsel on whether HBM&S required a licence under the new Environment Act to process this waste. First, the Minister and I had exchanged several words over the necessity and I had actually requested some legal opinion on whether it was going to be necessary. I was of the opinion that it was necessary.

* (1700)

When I go to The Environment Act itself and I read what development means—it means any project, industry, operation or activity, or any alteration or expansion of any project, industry, operation or activity

which causes or is likely to cause the emission or discharge of any pollutant into the environment—the fact of the matter is that this, in my opinion, still should be a licensed activity and that under the new Environment Act there should be a licence.

I took the opinion that the Minister gave me and asked for a review of that opinion. I got quite an unequivocal opinion back that said that while the Attorney-General's Department had looked at Section 11(6) of the new Act, Section 11(1) also had to play a role. In a final analysis, I believe that 11(1) should be one of the principal factors in determining whether a licence is required. It says no person shall construct, alter, operate or set into operation any Class 2 development unless the person first files a proposal in writing with the department and obtains a valid and existing licence from the director for the development.

Recognizing that the Minister has some discretion in this 11(6), the one quoted by the Attorney-General's Department says that the Minister may require any person operating—to be under if, in the Minister's opinion. There is new evidence which warrants a change in the existing limits.

I guess I am concerned not only because Flin Flon, HBM&S, has decided that this may be a useful service, but also financially rewarding for them to reprocess waste of one kind or another. Perhaps it can be done safely. I certainly have no quarrel with HBM&S processing waste if it can be done safely. Clearly, in this case, we have some handling problems.

I think that the other part of it, however, should be that any company, even though they may have an existing licence under The Clean Environment Act or whatever, that does not give them an unlimited licence to process other waste. It should not. I do not believe it does. That is why I suggest that they should be licensed under The Environment Act to do that. I do not think that it is an onerous task to ask them to be licensed and I know the Minister has given me assurances that HBM&S has agreed to notify the department. HBM&S has already agreed to give the steelworkers access to the material to do their own independent testing. I recognize that, but that is not an obligation of all companies in the province. It is an obligation that HBM&S, to their credit, undertook of their volition with some encouragement perhaps from the Department of the Environment.

However, that does not negate the fact that we have an Environment Act which has specific clauses dealing with additions to current activities. My opinion is that we are setting ourselves up where people who have an existing licence may be tempted to add to the process, to change the process, without the kind of consultation that we might want. That is the danger. HBM&S has undertaken to, but whether they are legally bound to consult with the Department of Environment every time they get an additional shipment or a change in shipment, or Dow Corning says, well, we are going to give you something else, it is the same kind of stuff, there is no protection ultimately for the people who may be the recipients of the end product. It is going to end up in the environment in one way or another.

The Minister may say that the material is safe. The material contains elements which are known to be toxic,

unsafe at any limit. They may not be any more burdensome than some of the material that is used in the existing process, but that does not mean that they are not dangerous. I am not convinced yet that they are not adding an additional burden to the environment somewhere along the line. The real question I want to know is whether the Minister is intent on enforcing The Environment Act? Are there licences going to be reviewed in terms of The New Environment Act? Has that process begun? Is it likely to begin?

Mr. Connery: There are a lot of questions that were raised there. As the Member well knows we still believe that our legal counsel told us that we do not have to have a hearing. If I for one minute thought that a hearing was required, it would be done. As you know we have had other hearings. We are not reluctant to have hearings where we believe it is necessary in the interest of the workers and the general public.

There is no change to the physical building at HBM&S to process the material. From an environment point of view, we are responsible for the emissions that come out of the stack. As the Member knows that there are no changes. I listened to the Member, so if he will be patient. I did not interrupt him. The emissions that go out the stack are where the Environment does the checking. The material that came in has the very same ingredients that are supposedly unsafe such as arsenic and cadmium, in lesser amounts than the ore that is processed. So the processing of this waste, bottom ash is what it really is from Palo Alto or the material from Dow Corning. I would not add to and would probably have a lesser amount of emissions of anything that would be hazardous coming out.

If we thought for one minute that a Clean Environment hearing was required, we would be having one. We had one not that long ago. When was the last hearing we had in there, '86? I think '86 was when we had our last clean environment hearing. There has been no change of any degree in the operation of the smelter.

We have been assured by the company that anytime a load comes in, even if it is the same material, that we will be informed. If they are going to bring in something different, that we would be informed well in advance. We have been given this same assurance from Inco. But as Inco has never used anything except material that has come out of their mine at Sudbury and it is from their own mining process. They have not bought bottom ash from anywhere and that sort of thing. But to ensure safety, we have asked them to do that. These are good corporate citizens who have no worry. If anybody tried to play games, we could put regulations into place very quickly.

Mr. Storie: My question was is the Minister going to enforce the new Environment Act? Is the Minister going to transfer the responsibility that previously fell under The Clean Environment Act which is now encompassed in The Environment Act, I gather? Is the Minister going to enforce the provisions of that henceforth? Are we going to see some new requirements imposed on people with existing licence as a result of this Act?

Mr. Connery: That could take place where necessary. The Act is going to be enforced. It is the law. I have to enforce the Act.

Mr. Storie: I am pleased to have the Minister acknowledge that it is the law.

My question was, and I guess a follow-up, how many other people are licensed to pollute in this province that could potentially reprocess waste? How many?

Mr. Connery: There are roughly 1,200 licensed, as he says, polluters, I guess operations that are creating jobs and economic activity. Part of that is pollution.

* (1710)

Mr. Storie: The Minister throws in while creating opportunities. No one is saying that those things too cannot occur simultaneously. That is what The Environment Act supposedly is to do and that is the Minister's job, frankly, to make sure that those two things do occur simultaneously; our environment is protected and we have jobs. What I guess scares me is that the Minister seems to be prepared to say that while HBM&S—I have a legal opinion, I believe there is a change. It is something they have called a development occurring at Flin Flon although it has not yet because they have not processed any more.

Since the new Environment Act took effect on April 1 I think the department has a requirement to license HBM&S and similar companies to process waste. The Minister tells me there are 1,200 companies registered, licensed to pollute in this province. It seems to me The Environment Act requires that where there is some addition to the process, not that they produce a different product, but change to the process, it seems to me that the Act requires that they be licensed to change that.

The Minister's understanding of what is happening in Flin Flon is somewhat different from mine. The waste, the sludge is not replacing ore. The waste, the sludge is replacing silica sand that is used as flux in the process. That is what it is replacing. I looked for confirmation that is in fact the case. It is not a question of replacing the ore. In the ore there are elements which are dangerous including cadmium and arsenic and so forth. The question is, does the sludge contain different substantially more or less contaminant than the silica sand, the stuff that is used in the flux?

Mr. Connery: The bottom ash has very minimal amounts. There are some amounts in there but they are very minimal compared to the ore that is being processed on a regular basis. We look at the thousands of tons—I forget the figures now—that go through there in a day so it would be infinitesimal as far as the amount goes.

Mr. Storie: The Minister keeps misunderstanding this point. The amount of ore going through that has not changed one iota as a result of the introduction of this material into the process. Yes, we live with a dangerous situation. It is the part of the circumstances of Flin Flon. We cannot avoid it. Ore has to be processed. What we have done is add something new to the mix. I have not seen any substantive figures on what elements are in the material that was used previously versus the new

material. It is really relatively immaterial. If it is safe and we can process it, that is fine. It is still a change in process. It is adding something new to the mix.

If HBM&S can go to the Government, the Department of the Environment, the department responsible for protecting the interests of people, and make an under-the-table deal—an under the table sounds nefarious and I do not mean it that way. They can make a friendly, a collegial agreement with the Department of the Environment, does that mean that all of these other 1,200 can do the same thing? Because HBM&S is a good corporate citizen do we have the assurance that the other 1,200 who are licensed to pollute are not going to change their process in some way that ends up being environmentally tragic or unfortunate?

Should not we be enforcing the requirements? I cannot off the top of my head think of an example but clearly there are other people who are processing ore or processing metals who could add something new, some recycled waste from somewhere else to their process and create a problem. How can we have any assurance that the department is (a) going to know about it, or (b) going to do anything about it if they do not start off the process trying to establish some good guidelines and trying to make sure that companies live up to the intention of the Act, and in my opinion the requirements of the Act?

Mr. Connery: As the Member for Flin Flon (Mr. Storie) realizes, they want to get through. They have got limited time on this for my department. That has been an agreement and rightfully so because of other departments. He and I could sit here and debate it for two hours. He has his opinion and I respect his opinion. We have our opinion that we think what we are doing is right. It would be fruitless for us to continue this sort of dialogue as far as companies expanding, physically expanding their plants. They would have to have as the Winnipeg sewer systems. The existing systems do not have to be licensed but any expansion to it would have to be under the Act. If emissions change then that is another part of the licence, if they change their emissions. If the emissions do not change then, of course, there is no need for a new licence and a hearing and so forth.

Mr. Taylor: I have a question in this area of Planning and Research under Other Expenditures. When one looks at the more detailed—

Mr. Chairman: Excuse me, shall we pass (1) Salaries and then get on to Other Expenditures?

Mr. Connery: Where are we into now? What are we into?

Mr. Chairman: It is (c)(1) Salaries—pass.

Item 1.(c)(2) Other Expenditures \$62,300—the Member for Wolseley.

Mr. Taylor: This type of an item, and if you go into the more detailed book it is on Page 29. There are Supplies and Services 20,000, Other Operating 21,800,

and there are similar items in the line above, for example, (b)(2) and if you go down, (d)(2) and (e)(2). The questions I raise relate to all of them and I would ask your agreement to ask the questions in that way. What sort of services are involved in here? Are services, by that they mean office services and indirect support of the clerical functioning, the processing of data, that sort of thing, is that what services means in here?

Mr. Connery: It is transportation. There are communications, supplies services, furniture and furnishings and other minor operating costs. It is just support services to that particular area.

Mr. Taylor: In Other Operating there is nothing really specific that I have been able to find as to what Other Operating really means. What I want to know is, is that the area whereby small service and consulting contracts are issued?

Mr. Connery: This is the Supplementary. On page 9, it says Other Operating and it indicates hotels, meals, computer-related charges, damage insurance, extraordinary costs, publications, employee education assistance, relocation and transfer costs, some membership fees, hospitality, uniforms, conferences, conventions, registration fees—some of the people go away to a convention, they have to register for it—incidental allowances. Some of the people travel to other parts of Canada and the odd time into the States to go to conventions on things specific to Planning and Research.

Mr. Taylor: The Minister is suggesting that the definition is inclusive, as we see on page 9, and that definition is adhered to under Other Operating. He is satisfied with that in his own mind?

Mr. Connery: I would think so.

Mr. Taylor: All right, and that would apply to all those (b), (c), (d), (e), that sort of thing. All right, then my question is, under the previous one that I asked on Supplies and Services, I see professional services, I see other fees and that same definition on page 9 which was not mentioned earlier. Is that then where various units of your department would be able to offer consulting and service contracts for work needed to be done? In other words, they did not have the full capability within the department. Where is it that they do that sort of work?

Mr. Connery: Under Supplies and Services.

Mr. Taylor: All right. What I want to know then is what sort of guidelines are there issued by the department or by an overseeing organization such as the Finance Department, Treasury Board, whatever, to this Department on the issuing of service and professional consulting contracts. What are the guidelines? Who issues them?

* (1720)

Mr. Connery: Anywhere where there is a contract greater than 10,000 or a per day fee of \$300 has to go to Treasury Board.

Mr. Taylor: That definition of a contract greater than 10,000 or with a per day rate of greater than 300, then what the Minister is saying that is for the department officials, is that correct? That is what their top limit is or is that the top limit for both the senior officials for each of the units, or in other words the Director of Planning, or is that also the limit that the Minister himself has?

Mr. Connery: They can be signed only by the Minister or Deputy.

Mr. Taylor: That is saying that the Minister or Deputy would approve contracts up to that amount, is that correct? Am I understanding?

Mr. Connery: Yes.

Mr. Taylor: The question that follows that on is what is the Minister's or the Deputy Minister's limit then for the same sort of contract?

Mr. Connery: Well, the limit for the Deputy or the Minister is 10,000 and after that it goes to Treasury Board.

Mr. Taylor: The quote you had was not at a director level, that is a departmental limit then. Is that what I am hearing? And who imposed that, Treasury Board?

Mr. Connery: Yes.

Mr. Taylor: Okay, does the Minister have any other discretionary monies to be used for that sort of thing, issued to him in a different way by the Treasury Board?

Mr. Connery: No, and of course our departments use very little services. We are not a very high department in using that sort of thing and consulting services are very, very low, very small in our department.

Mr. Taylor: Yes, the qualifications for people doing this sort of work when you have contracts of this nature, and I can understand that Planning would have it, I would probably see though that there would be other potentials within the department too for service and professional consulting contracts. What sort of measure is there to ensure that those that are getting those contracts are qualified?

Mr. Connery: In most cases, they are done by tender.

Mr. Taylor: You answered my next question. So you are saying that when there is a service contract or a professional consulting contract, it is normally issued by tender.

Mr. Connery: Very small ones, where we maybe would not if there is a specific need and a specific thing, but generally by and large they are tendered out.

Mr. Taylor: Mr. Chairperson, what is very small? Can you give a feel for this?

Mr. Connery: Up to 5,000, could be in that range, but that would be infrequent.

Mr. Taylor: All right, thank you. Then the normal practice would be a public tendering, or is it a proposal call? I just want to make sure. I heard both expressions used, and they are different.

Mr. Connery: It is more by proposal call and not tender.

Mr. Taylor: That is a form of proposal call.

Mr. Connery: That is a form of tendering.

Mr. Taylor: A proposal call allows for a certain leeway on the part of the proposer. In other words, they are proposing part of the solution, method and the bounds to by those offering the proposal call are not the same as those offering a tender call and that is why I asked that.

Mr. Connery: They can call for proposals up to 25 different bidders on one job. Requests for proposals are very detailed.

Mr. Taylor: If it is a proposal call and this department puts it out, who would it go to and in what fashion?

Mr. Connery: There are various lists. If it was a systems list they go to Finance and get a list from the Department of Finance as to who would have that capability and then go to them and ask them for proposals.

Mr. Taylor: Who prepares these lists?

Mr. Connery: Information Systems Support Branch.

Mr. Taylor: Which department is that?

Mr. Connery: The Department of Finance.

Mr. Taylor: Are names for this list entered by individual Ministers or their assistants?

Mr. Connery: These are highly technical, at least I have not submitted any.

Mr. Taylor: What number of contracts have been issued by your department since you took it over, that were without the benefit of a proposal call or a tender? Which ones were they?

Mr. Connery: They say two or three. We do not have the information here. That can be supplied. They do not have that particular information. We do not bring the whole department with us.

Mr. Taylor: When might the department officials be able to put something like that together? We have a little bit of time tomorrow morning, tomorrow afternoon, pardon me. Would that information be ready by tomorrow?

Mr. Connery: Let us be specific with exactly what you want so that we can get you the information that you are looking for.

Mr. Taylor: The specific question to the Minister is, what number of contracts were issued by the

Environment Department, under his administration, that did not have benefit of a proposal call or a tender call? What were the amounts? Who were they to and for what purpose? The last question in this line of questioning is, the Estimates for this department will be completed in all likelihood tomorrow afternoon, after Question Period. Is it possible that the Deputy Minister and his staff could bring that information back for that time?

Mr. Connery: We do not see a difficulty. They would have it regardless. If there is something in there that you want there is always Question Period time to ask a question.

Mr. Taylor: I would prefer if we could deal with this in this environment if it is possible to bring it back for three o'clock tomorrow.

Mr. Connery: I do not see a reason why we cannot.

Mr. Taylor: Thank you very much.

Mr. Harapiak: Still in the Planning and Research evaluation, I am wondering if the Minister or the department has done any study with Manfor. Manfor is proposing to do an expansion and going to bleached paper. Has the department done any research or evaluation on that potential problem?

* (1730)

Mr. Connery: The department has met with proponents but until there is a definite proposal of course the environmental studies will not be done. They do not do it until there is somebody who is going to do it, as for environmental studies.

If the Member for Flin Flon has a question I would appreciate having it. We are having a good discussion here and other Members are trying to have a question and answer and I am trying to hear them. So if he has a question, I would appreciate if he would put it, otherwise I wish he would be quiet.

Mr. Chairman: Order, please; order, please. The Honourable Member for The Pas (Mr. Harapiak) was just recognized—the clock is running.

Mr. Harapiak: Mr. Chairman, I also want to ask a question on the asbestos in the plant at Manfor. There is some removal of asbestos and there is concern among the contractors that were working there and also the working people who are carrying on the normal work that there is asbestos in the air, atmosphere, in the workplace. Has there been any test conducted by the department to make sure that the air is safe for working people in that plant?

Mr. Connery: We are straying into Workplace Safety now to the Member for The Pas but, yes, our departments have been monitoring it and our monitors show that the levels are safe. As you know if you are going to remove something that there is going to be some dust but people are working with safety equipment

and the Workplace Safety people are up there monitoring the air quality for the workers. It is a serious problem and it is going to take till—it started in '87 and I think it is going to take till 1994 I think before that one is cleared up. But anyway, we can get into it in more detail when we have our Workplace Safety people here for the detail.

Mr. Harapiak: This might also come under the other department as well, but last year there were seminars put on for Health and Safety for schools. This year I am informed that there is a change in the courses that we are putting on for Health and Safety. They were two-day courses, now they are being made one-day courses and there is also a hesitancy on the part of the department to put on those Health and Safety courses. They say it may not be their responsibility; it is the responsibility of MTS or Manitoba Teachers' Society or Manitoba Association of School Trustees. Whose responsibility is that and is there any shortage of staff because of the reorganization in the department, is there a shortage of staff?

Mr. Connery: Once again, to the Member for The Pas, that is a Workplace Safety and of course we are dealing with Environment right now and our Workplace Safety staff are at the back. If you want to finish any environmental questions, then we will have that staff come up and give you some of the detail, the numbers of which I do not have at my fingertips.

Mr. Harapiak: Has the department been doing any additional work in the whole area of the Environment dealing with the Rafferty-Alameda Dam or are we just accepting the information that was given to us by the American Corps of Engineers dealing with that environmental issue?

Mr. Connery: The Member is very well aware our department has done a lot of environmental work. As the Member well knows the Environment Department did not get involved until November of 1987, in fact, before they were even asked to be part of it. But since then they have put in a lot of effort to analyze the environmental concerns. Part of the problem is that the Americans have only done environmental studies to Minot. We want the Americans to complete those studies from Minot to the Manitoba border. Our concerns, and I think it is the same, as the Member well knows, at Limestone, there was no real major environmental impact studies but you have to put in place the mechanisms that once you are ongoing that there is an opportunity for amelioration of problems which are not foreseeable.

As our department says, an environmental impact study is important but it is still a best guess. So to say we have done a study and anything else that happens from here on is fine would not be in the best interests. We have to ensure that there are going to be some things that were not foreseen because we just did not know what would happen. That is where we have to have that ability to help be part of the management of the system, part of the management of the dam for the timing of flows that water is released. There can be a lot of very, very good advantages to that particular dam as we have had.

We are looking at a water strategy now through the Department of Natural Resources. As those dams and proposals are brought forth, then we will be doing our environmental studies on it. You still have to be prepared. Once the system is in operation, that if something was not foreseen that you have the ability to make adjustments.

Mr. Harapiak: The Canadian Wildlife Association as well as two brothers have got court cases to try and stop this project. Would it not be in the greater interest of Manitobans if we could have an environmental study carried out, and relieve the people's concerns for this project that is being built in Saskatchewan?

Mr. Connery: It is not as though the department has sat back and done nothing. There has been a lot of work done. The Member got the report that was brought out by the technical committee and I thought it was a very good report. The major concern is with the negotiations that we get in place, the conditions that we feel that are important to protect Manitobans and the quality and quantity of water that we are getting and will be getting. I am sure the Member realizes and will admit that no matter what proposal has ever been put forth, there are those who are concerned and will be opposing it.

The wildlife people while looking after their domain are usually the ones that—the waterfowl and that sort of thing—are the ones that are coming forth opposing more so than at other groups. Not that I think that is wrong. I think it is well within their jurisdiction to be concerned.

Mr. Harapiak: Moving on to another area, and that is dealing with the whole recycling issue, there was a resolution debated in the House and we both participated in a day when hazardous wastes were being brought into, not all wastes were being brought in for recycling purposes. I wrote the Minister when we passed the resolution to bring some bins into the Legislature. I am going to congratulate the Minister on moving on that. Is there some greater research needed to make sure that we are utilizing all the materials that are recyclable because there are many now that seem to be wasted? Or do you feel that the interchange agreement is working sufficiently to cover all the materials that are out there?

Mr. Connery: The issue raised, Mr. Chairman, is a very, very important one. As the Member for The Pas (Mr. Harapiak) is quite an environmentally-concerned person and I appreciate that. This is a pilot project with the aluminum cans in the Legislature. Of course, after we have a month or two or whatever, if there are a few bugs to be worked out then we will move it to all of the Government buildings.

Part of the thing that I think we are doing this sort of thing is to heighten the public awareness and appreciation of recycling. We have had a lot of discussions on recycling and we are going to continue to. As you know, when you are out of Session, Ministers have more time to be proactive rather than reactive. I am looking forward to that time some time in March

or April—I guess maybe we will be getting out of here—to be proactive and we have to have—before you start to collect a lot of recyclable material, you have to have a means of disposing of it or somebody to take it. Unfortunately in Manitoba, for a lot of the material, we do not have a consumer of it or a recycling capability. The discussion is always that we do not have enough volume to make it worth while.

I have some difficulty accepting that carte blanche because, in our own farming operation, we are what we would call mini-California, where we went down to California to look at a slush ice machine—\$100,000 would have iced all of our products in two days on our farm. We manufactured a mini-one for \$20,000 that was a good system. I think that maybe we can encourage companies to come in here to recycle glass, paper. There are many, many products that can be recycled. I think we have to examine material that is coming into the marketplace that is not recyclable. I think that is the sort of direction. There are a lot of things we can do legislatively and through regulations that does not cost the Government a lot of money to ensure that some of this product is not produced.

Another area that really is of major concern and we are into—it is the next resolution if we ever get to it—is the ozone layer. I have already spoken on it. To me, this is one of the greatest concerns that I have is the ozone layer. There are a lot of things we can do legislatively to help save the ozone layer, if you will. We know that there is Freon in refrigerators, there is Freon in car air conditioners that is just released into the air. We are looking at what means do we have for capturing that Freon so it is not released into the air. So there are a lot of areas that I think we can look at. It is not going to happen overnight but I hope within a reasonable period of time we can be moving on some of these.

* (1740)

Mr. Chairman: Shall the item pass?

Mr. Taylor: One question to the Minister is that I am pleased to hear the Minister's concern on the ozone. We and the next generation could pay a heck of a price if the deterioration goes on much further.

Given his professed sentiment, I would ask the Minister what he has said to the Minister of Finance in this regard when the Liberals asked the question about what about either taxing, or if it is within the power of the provincial Government to ban the importation of direct Freon which comes in canisters for use in recreational purposes such as the blowing of air horns on boats. The answer we got was a very negative response from the Minister in suggesting that anything like that would be a rash thing to do. While the Minister was, I believe, there in the Chamber, I would ask the Minister what action he intends to take on that.

Mr. Connery: My great goal is to find out where all of this Freon is taking place, not just Freon, what things are damaging the ozone layer and to be proactive and

to ban it. Yes we have to. We do not have a choice. We are going to have to make some hard decisions. We will make a few enemies in doing it.

At the same time, to ban certain Freons in commercial equipment would be rather silly. We would have to destroy all of our Freon equipment and start back at square one. Economically it would not make a lot of sense. As you know, the Freon in refrigeration, commercial refrigeration, it is those that are below 12 pounds that are the dangerous ones because when they do blow, they blow into the atmosphere, where the higher pressure ones are self-contained. So we do not lose that Freon into the atmosphere. There has got to be an education process. We are going to have to have regulations in place with some real severe teeth in the form of fines to ensure that people do not. It is so easy in a garage just to let the Freon go. There has to be a system of collecting it. I am told that there is a system of collecting or catching Freon. Do we recycle it or do we hold it in canisters for all time? Hopefully we can recycle it.

Mr. Chairman: Just a note to committee Members, we will be adjourning at 5:45 today for Royal Assent. Are you wanting to pass this line at this time?—the Member for The Pas.

Mr. Harapiak: I just want to make one more point. The public is much more prepared to move into the whole area of recycling than we give them credit for. I know we just did a little experiment in our own caucus. We put in a container for empty cans. People, not only from our caucus, but many other people were giving us cans once they found out it was there. The whole area of PCBs, the use of Freons is the Montreal protocol came up with some very good recommendations on how we could be dealing with the Freons and I think that there is expertise in Manitoba who have some real good suggestions on how there can be improvements made on how the Freon is dealt with, so I hope the Minister would set up that committee and make good use of it and use some of those people who have great expertise to our advantage as a province.

Mr. Chairman: Shall the item pass?—the Member for Flin Flon.

Mr. Storie: Just one further question before we leave the Environment. I had spoken to the Minister and his staff, the Deputy Minister, some time ago about the plans of the department to do some air monitoring in the Flin Flon area, the result of fugitive gas emissions coming from the operations at Flin Flon. I would like a status report on whether that monitoring is now in place, when we might expect it?

Mr. Connery: Yes, the one that we brought out of mothballs that had been pulled away. As I told him in April of '87, the air monitoring in the province was put into mothballs. We have brought one out. It had to be recalibrated. It is now going to be in place in Flin Flon this week and HBM&S has been ordered to put two monitors in themselves at our locations, where we decided that it was appropriate, and they also have one at Channing—I think the Member is familiar with

that—so there will be four air monitors in there. How quickly do you get results? You can get a week's monitoring but if you do not have the inversions and so forth of the air, climate; so the monitoring to be effective has to take place over six months to really get a—even a year—to get a good indication.

Mr. Chairman: Are you inclined to pass that line? The time being 5:45, committee rise.

SUPPLY—MUNICIPAL AFFAIRS

* (1630)

The Acting Chairman (Mr. Laurie Evans): Committee, come to order, please. We are dealing with the Supply Motion on Municipal Affairs.

5. Systems Services—the Member for Selkirk.

Mrs. Gwen Charles (Selkirk): As an opening to this section, I wonder if the Minister could give us an overview as to where we are in the computerization of the process, and whether there has been any change in the idea that municipalities should pay 75 percent of the costs of computerization for the province.

Hon. Glen Cummings (Minister of Municipal Affairs): I believe we alluded to this somewhat yesterday in my opening statement. The formula has not yet changed. We have agreed to enter into discussions with the municipalities. However, that is a double-edged sword, obviously, for both parties. There are obviously benefits to more than just the municipalities when the information is fully on stream. As far as the system itself is concerned, it does not yet fully have the capacity of Phase 1 but we are starting to receive some information on the system now and on the models that we have presented to them. We do not yet fully have that Phase 1 up and running.

Mrs. Charles: At several of the association meetings that I have been to, whether it is UMM or MAUM, there have been questions by members asking whether the benefits of computerizations are going to be seen in the municipalities. I guess the question, therefore, is not what the benefits are as we have discussed them at the various times, but more along the lines of has this been communicated to them in any form, or is this just at meetings where they are sort of told what they will get out of computerization? Is there a process of letter, of correspondence, of training courses or any such things have been sent out to the municipalities?

Mr. Cummings: Not only have I spoken at a number of meetings regarding it, the department has, I am told, spoken at some 27 or more different meetings regarding the issue. If, however, the Member can identify some municipalities who feel they still do not have sufficient information, we would be quite prepared to put in writing any information that would be useful to them. There certainly has been written correspondence from the UMM and the department regarding costs of MACS.

Mrs. Charles: Do you have any problems with the telephone network and computerization of the province

in that, unless you have private lines—I assume all municipalities do have—but I am just wondering if there are any problems with MTS in getting private lines to run your computer work over.

Mr. Cummings: In terms of our district offices, there do not appear to be problems with the telephone linkage, although we will be faced with some expense in remodelling the offices to accommodate computer terminals in terms of making space. Computers do require a certain amount of protection in terms of the environment that they are in.

If you were thinking in terms of the future possibility of municipalities having terminals of their own, if they could quickly link into the provincial system, I would assume that there would be some problems with certain jurisdictions getting clear lines to communicate from computer to computer, but I would think that the first part of the system would be running.

In terms of each individual municipality, if they had a specific piece of information they required, that it would be the capability of giving them an answer almost immediately on the phone, because of the capacity of the various districts to provide that information.

Mrs. Charles: This is strictly a question of information since I do not claim to have a depth of knowledge of computerization. But I am wondering if the system, when it is all in, whether municipalities will be able to correspond with each other through the computer system, through the central network in relating to each other.

Mr. Cummings: As I had indicated a minute ago, the main communications would be between the central bank in Winnipeg and the various field offices. It is anticipated that the system would have the capacity to do what you are indicating, but that is probably some distance down the road because there is additional cost involved.

Mrs. Charles: I think that might be something your department might look at, because I think there would be great benefits to municipalities if they could quickly correspond with each other as to sharing information and knowledge that they have.

I was wondering if the Minister still has the information that Lac du Bonnet will not be collecting education taxes as of 1989, or has that situation changed.

Mr. Cummings: We are hopeful that the taxes will be collected. They do have a legal obligation and that has been the position the department has maintained throughout this. Certainly, they have attracted attention to the problem that they feel is there by taking this position. They do have a legal obligation. We are hopeful there will not be a problem.

* (1640)

The Acting Chairman (Mr. Laurie Evans): 5.(a) Salaries \$436,000—pass; (b) Other Expenditures \$1,848,900—pass.

Resolution No. 113: Resolved that there be granted to Her Majesty a sum not exceeding \$2,284,900 for Municipal Affairs, Systems Services, for the fiscal year ending the 31st day of March, 1989—pass.

6. Municipal Planning Services (a) Salaries \$2,658,100—the Member for Selkirk.

Mrs. Charles: I think it is becoming apparent in most of the planning areas, if I may discuss it under this, that the septic field situation and the rules and regulations are one area that we have to pay particular attention to. Has the Minister been in contact with the municipalities or has there been any discussion that has been held as to what can be done to agree upon acceptable limits of waste disposal, particularly in our suburban areas?

Mr. Cummings: I guess there are two parts to the answer. First of all, in Planning, the planning districts and the size of the lots that are adopted and the nature of the planning that is adopted does take into consideration environmental restrictions and the recommendations of the Environment Department. There are countless situations, many of which both the Member and I are aware of, where past problems have now become apparent. Some of them in fact have reached the level of litigation. In fact because those are long established lot sizes then it becomes a question of whether those areas eventually become urbanized to the point where they have some centralized means of disposal or whether, by local by-law, they have pump-out disposal. In fact if you are asking about the enforcement of environmental by-laws that rests with the Department of Environment.

Mrs. Charles: I know this is an area that is somewhat new in discussion. The idea is just becoming obvious when we are having areas where there is litigation happening to take place. I am very concerned that this problem is a municipal problem and yet it seems to be falling between all the cracks, and that an innocent person who has been on land such as Mr. Landaygo, that the Minister is probably aware of, has a subdivision built near him and now he is having apparent well pollution as well as land pollution because of septic fields around him. He cannot go to the municipality because they have already passed the laws. He cannot go to the Department of Municipal Affairs because they do not pass the laws. Then it is in the Department of the Environment which really I wonder how much effect it can have over Municipal Affairs when it goes that way.

I wonder if the Minister could clear up my problem in understanding what the Department of the Environment can do to change the laws of the municipal districts that allow this, not in just one area, but allow it to continue to go on. Under one piece of litigation they may say it is wrong and right it, but if they cannot change the whole laws to allow it never to happen again then I wonder the effectiveness of the whole system.

Mr. Cummings: Mr. Acting Chairman, the situation that the Member refers to is one that is of long standing. The original recommendation of Municipal Affairs was

that there be larger lot sizes adopted. However the problem seems to flow from the fact that we now have better or tighter environmental restrictions than were in place at that time. The problem has become an inherited one, one that I would think we can control better today because of the information that we have.

The department, through Planning, does use soil type and absorption information regarding the recommendation of the sizes of lots where there could be septic fields involved. In terms of this particular one it was developed prior to the amount of restrictions that are in place now, and hopefully would be avoided under today's regulation or stopped.

Mrs. Charles: Preferably stopped as the Minister says. Just one further statement I will make on that before I pass. My understanding is that the contractor in that area, the developer, had offered to put in a sewer system and it was refused by municipality, and I guess a suggestion would be—and I do not mean it as a complete suggestion but an area of discussion was—though the Minister does not want to be directly involved in making the by-laws of the municipalities, perhaps a system of grants, rewards for what they do or do not do with their septic fields would be appropriate.

Mr. Cummings: Yes, it is probably a problem that there is going to be a source of a lot of discussion if there is continued pressure for a rural subdivision because it is a matter of what is the most economical way to deal with the sewage problem; and, unfortunately, until an area becomes developed enough to qualify under assistance under Water Services as a community, the costs have to be borne largely by the individual homeowner.

The Acting Chairman (Mr. Laurie Evans): 6. Municipal Planning Services (a) Salaries—pass; (b) Other Expenditures—pass.

Resolution No. 114: Resolved that there be granted to Her Majesty a sum not exceeding \$2,966,200 for Municipal Affairs, Municipal Planning Services, for the fiscal year ending 31st day of March, 1989—pass.

7. Provincial Planning (a) Salaries \$421,200—the Member for Dauphin.

Mr. John Plohman (Dauphin): I want to ask the Minister a few questions on this area. This is the area that the Provincial Land Use Committee of Cabinet operates, the support staff as well as the Interdepartmental Planning Board. And I wanted to ask the Minister first, who is chairing the Provincial Land Use Committee at the present time, what Members of Cabinet are on that committee, and whether there is any coordination between the Provincial Land Use Committee and the Rural Economic Development Committee of Cabinet, in terms of any work that is being done for the committee, the Economic Development Committee, whether it is actually being done by PLUC or integration of support services, or whether they are completely separate.

Mr. Cummings: Well, first of all, I am the chairman of the PLUC committee.

An Honourable Member: That is a great committee.

Mr. Cummings: We have the Minister of Northern Affairs (Mr. Downey), the Minister of Agriculture (Mr. Findlay), the Minister of Environment (Mr. Connery), the Minister of Highways (Mr. Albert Driedger) and the Minister of Energy and Mines (Mr. Neufeld) who make up that committee. Northern Affairs, I believe I mentioned first.

I think the Member for Dauphin (Mr. Plohman) had indicated before, wondering if the Land Use policies had been modified since the Government has changed, when in fact the Provincial Land Use policies go back many years. They were developed back in about 1980, I believe, and they have not been officially altered, or we have been operating on the basis of the land use policies that have been in place over the last eight years.

You asked about coordination between this committee and the Rural Development Committee of Cabinet. I think that the coordination would come if we were to get into specific projects more than at an official level at this time; but there is, as you can appreciate, a fair overlap between the two committees.

The Provincial Land Use Committee, as a matter of fact, has a fairly heavy agenda at this point, and the Rural Development Committee of Cabinet with the overlap, we certainly have the communication and if necessary, the coordination will flow from that.

* (1650)

Mr. Plohman: Mr. Acting Chairman, the Premier (Mr. Filmon) and the Minister of Natural Resources (Mr. Penner) have indicated their desire to undertake a water strategy and conservation related sustainable development policies. I would ask whether the Interdepartmental Planning Board and PLUC will be coordinating water policies as well as land use policies under one umbrella because they are so closely related and it was something that we intended to move toward. Many of the land use policies have resulted in pollution of our waters as a result of the actions that are taken. For example, the intensive land use practices, agricultural practices in many areas have resulted in a great deal of siltation of some of our lakes, run-offs in chemicals from the use by farmers have polluted our lakes. Lake Dauphin is a good example, siltation. So there has to be a coordination of the two. I am wondering whether the Minister agrees with that and whether in fact the mechanisms are being put in place at the present time to indeed coordinate both land and water policies under this particular mechanism?

Mr. Cummings: The Interdepartmental Planning Committee, of course, is still active. PLUC will provide the management direction. He asks if there is an overall coordination. Obviously, the area that he raises with the land and water management, the type of initiatives that will come through the water strategy and the future use of our environment will all be coordinated through the combination of these two committees.

Mr. Plohman: Is the Minister saying then that the mandate, basically, of the Provincial Land Use

Committee, which even by its own name suggests that it is for the planning of land use as opposed to water, that the mandate will indeed be expanded, that perhaps the name of the committee will be changed and that there will be additional staff attached to support both the initiatives of water and land management?

Mr. Cummings: The sustainable development policies are vetted through this committee. Without having to change names or change policies, obviously the management and policy direction is vetted through these as the natural areas whereby Government would plan those priorities.

Mr. Plohman: It seems natural of course but there has to be a policy direction that is given to ensure that is the case.

Every department has its own area of concern and empire, if we want to call it that. They all have to work together in order to ensure that these policies are coordinated. In fact, we have not really had coordination of water and land use planning in the past. That is something we are moving toward, at least we were hoping to move toward. I hope that the Minister is indicating that they are going to continue that process and in fact integrate that planning. I do not think it comes necessarily naturally. It has to be a conscious decision of Government. When the Minister says that the sustainable development programs or plans will be vetted through this committee, does he just mean that they will be given a say in a program that is already developed or will they in essence be the decision-makers, this Provincial Land Use Committee?

Mr. Cummings: Obviously, the ultimate decision rests with Cabinet. The Provincial Land Use Committee has indeed looked at all aspects of land use and that includes the plans that are moving toward sustainable development.

As the Member opposite has correctly identified, this is not something that necessarily happens over night. It is a very slow, and I would say, paced progress whereby the Provincial Land Use Committee and the Interdepartmental Planning Committee has an opportunity to examine and pass comment and give advice on the these types of programs that affect the future of our land and water.

Mr. Plohman: Just to go one step further then, am I correct in assuming that the staff will be the Interdepartmental Planning Board and the staff of the Provincial Planning Section of this department will be providing the technical advice or is there going to be another mechanism set up that includes Natural Resources staff and Agriculture to develop the water policies? Are we going to see that handled through this existing mechanism?

Mr. Cummings: All departments will have input.

Mr. Plohman: The Minister has indicated in the Supplementary Estimates that the provincial land use policies will undergo a major review on page 51. What is he thinking about there and referring to in terms of

a major review? What is wrong with the current policies? Where is this major review going to be targeted?

Mr. Cummings: These policies have been in place some eight years or so, and I think we would be derelict in our responsibility if we did not review them. No policy is fail-safe and no policy is necessarily always the proper one in the face of changing times and changing requirements, as a matter of fact. Hopefully, we have not seen the environmental change but we have certainly seen evidence of some problems in the last couple of years that have great impact on land and water and the future of this province in relationship to them and I think it is only prudent that I review. Affirmation or change may result from that review and I certainly want to continue to be part of it.

Mr. Plohman: In the interest of time, I cannot go into a discussion to the extent that I would like to. However, the policies are always being reviewed, I guess, and this talks about a major review. So I ask the Minister about it. It seems to me that if there is a major review that it should take into consideration the water strategy and planning as well so that indeed there is an opportunity to integrate the two. Is that what the Minister hopes to accomplish from this? I notice the Minister is finding this somewhat humorous, perhaps it is scenario he is not too familiar with and that is why he is laughing about it but I am serious about exploring this and he gave a very vague answer just now. I am just wondering, he has had an opportunity to develop any serious plans in this regard and he can share them with the House briefly, or in fact that is something that is just beginning and he cannot really comment on it at this time?

Mr. Cummings: Obviously, all of the policies and all of the problems that lie with land and water can be reviewed, but they are not going to be reviewed in an instantaneous manner by—we came into Government in May, the PLUC Committee has had a number of meetings, has had to deal with a number of situations. Part of the ongoing process of a major review is something that will take place, I would suggest, over a period of a year or more to examine how well the policies are working and whether or not in fact as the Member is suggesting the water use and related problems with water, how that interrelates under the land use policies, and make sure that we in fact are putting forward ideas between our departments that I am not in position to discuss openly at this time. But the fact that we are reviewing and examining the policies that have been in place means that we also have an opportunity to initiate new policies and directions from that or to discard any policies that are perhaps not doing the job.

Mr. Plohman: Concluding, Mr. Acting Chairman, I would urge the Minister to seriously consider this very difficult area of integrating the policies since there is that opportunity with this review and in light of that review to determine if there is a need to make some major changes to ensure that water strategy is developed in concert with land use policies.

* (1700)

Mr. Cummings: Obviously, if we allowed one arm of Government or one initiative of Government to proceed without knowing what the ramifications would be for other areas at the same time, we would not be taking responsible action or doing what is required of us to coordinate various departments of Government and policies.

I think an example of why we have to talk about policy review is some of the things that have been raised by the Member for Selkirk (Mrs. Charles). These are all interrelated problems, as the Member for Dauphin (Mr. Plohman) well knows. A problem that is not corrected or an overzealous move in one area will undoubtedly cause problems for another jurisdiction.

As he indicated, the problems with Lake Dauphin are really in many cases a result of an overzealous activity in movement of water, perhaps, in not fully appreciating some of the ramifications of projects that have been undertaken. There are a lot of examples. The Dauphin watershed is certainly not unique.

I think that it is only prudent that we talk about a review and coordination of both of these. If the Member wants a definitive statement from me, if land and water are going to be coordinated through one policy decision, that is not a decision that has been fully made but it is certainly options of that nature that we are looking at.

The Acting Chairman (Mr. Laurie Evans): 7.(a) Salaries \$421,200—pass; (b) Other Expenditures \$30,900—pass.

Resolution No. 115: Resolved that there be granted to Her Majesty a sum not exceeding \$452,100 for Municipal Affairs, Provincial Planning, for the fiscal year ending the 31st day of March, 1989—pass.

8. Surface Rights Board (a) Salaries \$88,800—pass; (b) Other Expenditures \$37,000—pass.

Resolution No. 116: Resolved that there be granted to Her Majesty a sum not exceeding \$125,800 for Municipal Affairs, Surface Rights Board, for the fiscal year ending the 31st day of March, 1989—pass.

9. Expenditures Related to Capital (a) Capital Grants: (1) Main Street Manitoba; (2) Urban Transit Bus Purchases \$185,000—the Member for Dauphin.

Mr. Plohman: I believe here under Capital Grants, the first one, Main Street Manitoba, there are no dollars there, so I would assume that all work has been wound up. Are there any plans at the present time?

I would like to ask the Minister to put in place a successor program to the Main Street Manitoba Program at the present time by this Government. I know that the Minister will probably agree that that was a very successful program for many communities, including Morden and Neepawa and many, many other communities throughout.

Morden is one of the first ones that got started there; and Neepawa, I remember the Minister, as MLA, attending the opening ceremonies in Neepawa. Certainly, Pete's Perfect Program worked out pretty well.

I just wanted to ask the Minister whether he has any plans to bring forward a similar type of program and in the same vein—we are dealing with Capital Grants—to advise this House of the status of any discussions that are taking place with regard to a rural infrastructure program for water and sewer, particularly, for rural communities with the federal Government and with the municipalities.

Mr. Cummings: The Member for Dauphin (Mr. Plohman) noticed that we were smiling here a while ago, but I have cause to smile again now because I can remember being in Neepawa the day that they opened the Main Street Program and—

An Honourable Member: Perfect Pete's Main Street.

Mr. Cummings: —I thought maybe I was being suitably humble and sitting at the back of the crowd, but found out that both my predecessors, Perfect Pete and the Member for Dauphin, chose to kick the snot out of me that day.

Some Honourable Members: Oh, oh!

Mr. Cummings: Perhaps I should rephrase that. They verbally abused me. I withdraw that previous remark, Mr. Acting Chairman.

The fact is that the Main Street Program has expired. The Government of the Day has been working rather diligently with the various jurisdictions in identifying some serious problems that have been left in infrastructure in this province, some of them very costly and ones that will have a great deal of problems if they are not dealt with in the not-too-distant future. As was outlined at the national meeting of Municipal Ministers, some of the infrastructure problems that municipal jurisdictions are encountering are leading towards environmental problems ultimately because some of the larger problems, as long as we have water to put into the system is one thing, but the type of water that the systems produce is something else and we have a very large environmental problem looming around some of the larger centres outside of Winnipeg. The disposal of waste is in fact limiting the ability of some communities to grow.

The Member has asked if there is a program in place to replace Main Street Manitoba. There is not, but there is certainly a desire on our part to work with all jurisdictions, hopefully, including the federal authorities, to try and deal with some of the very large problems that we have, problems that I would indicate have been building over a number of years. Selkirk, in fact, is one of the areas that is going to have a need to spend a fair bit of money on sewage disposal and infrastructure in that end and in fact we are cognizant of the problem but we are searching for a source of funds.

* (1710)

Mr. Plohman: One final question and comment on this area. I was wanting to know from the Minister whether indeed he was actively involved in negotiations with the federal Government at this time on an infrastructure

program for water and sewer. He has answered part of the question and he said there is no successor to the Main Street Program planned at the present time. So I would assume there are no negotiations on that kind of a program, but for water and sewer, similar to the one that Saskatchewan has and one that has been demanded by many municipalities, it is one that the federal Conservatives did not promise in the election, one that the Liberals and the New Democrats I believe did, and perhaps there will be something coming.

I just want to know if the Minister is engaged in discussions and whether negotiations are continuing, because I happen to know there are some negotiations that have taken place on this, whether they are continuing at the present time and whether he expects a decision and an announcement in the very near future on that very important issue.

Mr. Cummings: We are always actively pursuing any opportunity to have federal cooperation on something that is as huge as the problem that Manitoba is facing at this time. Let me say that with the intervention of the election, there obviously has not been any negotiations in the last month.

I would like to indicate that I am certainly using every opportunity that I can to enforce with the federal Government that this is a problem that is rapidly exceeding the ability of provincial Governments to deal with.

Mrs. Charles: I do not think the Minister expected to get by without me asking whether he has had any consideration of the Dockside Downtown Redevelopment Grant to Selkirk. I understand there may be an announcement this week and I do not want to take away from that announcement. But if he has anything he could share with the Town of Selkirk, I am sure they would appreciate it.

Mr. Cummings: It seems like every time I inadvertently or intentionally set myself a deadline, I find myself unable to meet that deadline.

As regarding the Selkirk Landing Project, I have indicated to the Mayor and I can indicate no more today that I am still actively looking at what options may be available to the town and to what involvement the province may be able to consider. I am not in any position to give a complete answer.

The Acting Chairman (Mr. Laurie Evans): 9. Expenditures Related to Capital \$185,000—pass.

Resolution 117: Resolved that there be granted to Her Majesty a sum not exceeding \$185,000 for Municipal Affairs, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1989—pass.

Mr. Plohma: If I could, with the indulgence of the committee, just before the staff leaves, I just wanted to ask the Minister, we could do it under Minister's Salary, but he would not have the benefit of the staff and my question was one that I intended to ask. I did not see exactly where I should ask it in the detailed

Estimates, but dealing with the LGDs, whether the Minister is actively pursuing with his staff at the present time any change in the status of LGDs with regard to perhaps moving towards municipal status of any of them?

Mr. Cummings: I have not initiated any discussions aimed in this direction, nor is the department involved in those discussions at this time.

I would indicate, however, if there are some of the LGDs that wish to attain municipal status, then I am certainly willing to discuss that with them. As the Members have all been aware, the situation regarding the administrators and what their status is, there are no moves at all to move them into municipal status.

The Acting Chairman (Mr. Laurie Evans): We will now excuse the staff and revert back to item 1.(a) Minister's Salary.

Mrs. Charles: I can just say quickly, as the staff are leaving, that I appreciate all the work that has been put into the department as they are moving towards equal assessment. I am sure the Assessment Department in itself has worked overtime many, many weekends.

We have quickly moved through the Department of Municipal Affairs. Certainly, I think both the other critic and myself would say that we just scratched the surface on so many, many topic areas. I hope that all the municipalities will appreciate the fact of our time restrictions and that in conversations and with further paperwork that will go on we will continue to converse with the department. I would hope that through the assessment process, because it is such a major change within the municipalities, that there is complete and full communication taken with the municipalities.

I know in my short term on council that the biggest complaint they ever had was that they would read what was happening to them in the newspaper before they received the letters from the department. Whether that was the Party in power or whether it was the department or just a fact of life I could not comment on until I get into that department myself. Until then, I would offer to the Minister, because I figure he is a very fair man, that I will work with him on behalf of all the municipalities I represent as critic on the Official Opposition and I expect that, should I gain the same position, he too will act that same way in Opposition.

I congratulate again all the staff who have worked so hard in the areas and hope that the environment is a major concern, both in the municipalities themselves and within the department. I think that we could see, although the environmental department is becoming more major than it has been before because of the recognition that all people are giving to the environment, but I see Municipal Affairs is taking a lead in directing municipalities in the area of environmental control and what they can do to protect their own environment, whether it is on the farm or in the open areas of the province or even within the towns themselves. I would suggest that the good cooperation is taking between the Department of Municipal Affairs and the Department

of the Environment so that such projects as recycling and water lands retention and riverbank development and septic field responsibilities are taken, to name just but a few.

I will leave it quickly here because, as I said, we are restricted in our time in this department, having been such a long Session, and I think everyone wanting to speak on all the departments in Estimates that have gone before us. We are rushing through. I wish the Minister nothing but the best because we are here to serve the people and if he can do the best job possible, so be it, and I wish him well.

* (1720)

Mr. Plohan: Very briefly, I want to acknowledge what the Member for Selkirk (Mrs. Charles) has said in terms of the time. We just have not had time to deal with a lot of issues and to explore answers and responses that we have received, anywhere close to the extent that we would like to.

I have to say then that we should really, I think, in future Sessions look to maybe expanding the total considerations of Estimates to some 1,000 hours from 240 so we would have time to do that, or maybe just take a little bit less time in Health and Community Services next time. I am sure the Minister of Community Services (Mrs. Oleson) would have been very pleased to have a little less time in on department earlier on.

Just a comment with regard to one issue and that was one I raised regarding the R.M. of Shellmouth and the issues that arose there that I raised in this House earlier. I recognize that we as a provincial Government have to work in mutual respect with the municipalities, but we have established those municipalities through provincial Acts and therefore we have the ultimate responsibility. We have simply delegated local Government to those municipalities and we have a very serious responsibility there to ensure that the laws that have been established are being followed closely.

Therefore, I think that the matters I raised were very serious and I ask the Minister to ensure that his staff is indeed following those laws in implementing those to the extent that the public would expect.

I was somewhat concerned about the fact that issues have developed over years where The Municipal Act may not have been followed to the extent that it should have been and yet it was not raised with those municipalities or action was not taken. I think that is the issue that we have to deal with primarily and I would ask the Minister to provide to the critics, to myself particularly, a list of the actions that he has taken at Shellmouth as soon as possible, because I did not have time nor did I feel that I got the kinds of answers that would have given me satisfaction that all of the issues that had been raised were indeed dealt with in a comprehensive way.

My only request to the Minister was that he would provide us with a list of the steps that he has taken to ensure that what happened there does not, and is not, taking place in other areas of the province and will not continue in that municipality.

With those remarks, Mr. Acting Chairman, I want to indicate to the Minister that I look forward to the opportunity to discuss other issues with him over the coming months.

Mr. Cummings: Just simply to say a few words in response to getting information regarding the R.M. of Shellmouth, I will undertake to provide that information and a word of appreciation to both of the critics for the manner in which they have handled these estimates and also to apologete.

I just realized that probably not everyone in this Chamber knew or recognized the staff that was here and I had not taken the opportunity to introduce them. I simply want to give a word of appreciation for the help that they provided in preparing for these estimates.

The Acting Chairman (Mr. Laurie Evans): I.(a) Minister's Salary—pass.

Resolution No. 109: Resolved that there be granted to Her Majesty a sum not exceeding 1,137,000 for Municipal Affairs, Administration and Finance, for the fiscal year ending the 31st day of March 1989—pass.

The Acting Chairman (Mr. Laurie Evans): We will now be proceeding to consider the Estimates of the Department of Cooperative, Consumer and Corporate Affairs.

SUPPLY—COOPERATIVE, CONSUMER AND CORPORATE AFFAIRS

The Acting Chairman (Mr. Laurie Evans): The Honourable Minister.

Hon. James McCrae (Minister of Cooperative, Consumer and Corporate Affairs): Yes, I have an opening statement, Mr. Acting Chairman, and I would like to distribute copies to my opposite numbers.

Mr. Acting Chairman, it is my pleasure to introduce to you the Estimates of Manitoba Cooperative, Consumer and Corporate Affairs for the fiscal year 1988-89. This new department has been established through the amalgamation of the Departments of Cooperative Development and Consumer and Corporate Affairs. The move consolidates and improves efficiencies and economies in the administrative functions of the two departments. Programs of both, while under review, have not been affected by this consolidation and continue to be delivered.

The new department, by virtue of the diversity of its activities, is somewhat unique in the Government. It performs three major functions, those being economic and social development, regulatory, and administration. It has extensive public contact and exposure throughout this province. In its developmental role, it is involved in a wide spectrum of economic and social activities.

To follow the same order as the name of the new department, I will make my introductory remarks firstly on the Cooperative, and secondly, on the Consumer and Corporate Affairs activities of the department.

Beginning then with the Cooperative section of the department, I am reminded that with the recent debate

on Bill No. 15 it was evident that Members on both sides of the House are well versed on cooperatives.

Estimates speeches usually contain a reflection on the past and an indication on the future direction of the department. In reflecting on the past, it would suffice to say that cooperative enterprise in Manitoba dates back to the turn of the century. It has endured and prospered during some of the toughest economic times in our history. It has, and continues to play, an important role in the social and economic development of this province.

A recently released listing by the federal Government of the top 50 non-financial cooperatives in Canada shows that five of these, or 10 percent, are located in Manitoba. These five cooperatives alone employ some 3,400 Manitobans and generate more than \$1.6 billion in business revenues.

In addition to these five cooperatives, there are more than 400 others scattered throughout this province. They include commercial fisheries, day care, housing, employment, agricultural, gas bars, transportation, and farmers' markets, to name but a few. They too create employment, wealth and provide goods and services to Manitobans. Our credit unions, Caisses Populaires and their centrals, in addition to providing financial services, are also employers. They provide some 1,300 jobs to Manitobans.

This Government recognizes and acknowledges the importance of the contribution cooperative enterprise makes to our economic and social well-being. Our policy and our direction for 1988-89 will be to maintain a proactive approach to development of new cooperative enterprise. We will make all reasonable efforts to ensure that more newly incorporated cooperatives become operational as quickly as possible.

We will explore ways and means by which our housing programs can be more responsive to the needs of the seniors and others. We will continue to work with the Government of Canada on employment, health care and other cooperative issues. We are currently in the process of establishing a number of farmers' markets throughout the province and are well aware of the importance of such markets to consumers, farmers and, in some cases, to the tourism industry.

Finally, we will explore very carefully all opportunities for cooperative development in northern Manitoba, including commercial fisheries, gas bars, tourist potential and others. We are looking forward to the challenges ahead of us.

In the Consumer area of the department, our main objective is twofold: to get consumers and businesspeople to work together to solve their problems, and to educate both on their rights and responsibilities within Manitoba's consumer protection laws. Generally, our role is to improve the efficiency of markets.

Twenty-one provincial Acts are administered through Consumer and Corporate Affairs, primarily by the Consumers' Bureau, the Insurance Branch, the Corporations and Business Names Branch, the Public Utilities Board and the Securities Commission. This part

of the department employs approximately 100 people, most being directly involved with the public on a day-to-day basis.

* (1730)

In fiscal year 1987-88, the department's Consumers' Bureau dealt with over 2,500 written complaints, resolving 1,000 through mediation. As well, the Bureau received 50,000 telephone requests for consumer-related information. Corporations and Business Names dealt with approximately 36,000 over the counter inquiries and requests and more than 56,000 telephone inquiries. In total, this branch responded to 245,000 requests for service from the public. This includes document filings, telephone calls and in-person searches of files. In the fiscal year, 1987-88, the Insurance Branch received over 12,000 telephone inquiries and processed 400 complaints. So as you can see, Mr. Acting Chairman, the department interfaces in a very large way with the public.

Aside from amalgamating with Cooperative Development, the basic department structure of Consumer and Corporate Affairs remains virtually the same as last year with one minor change. Mr. Edward Robertson, former Deputy Minister of Industry, Trade and Technology, was appointed full-time chairman of the Manitoba Securities Commission and the Public Utilities Board. Previously, each branch had its own chairman. Because of the close reporting relationship between the two branches, it was decided that one chairman could accommodate the Securities Commission and the Public Utilities Board.

Mr. Acting Chairman, 1987-88 was a busy year for Consumer and Corporate Affairs with a number of problems and issues dealt with. Let me mention just a few of them.

The information records of the Corporation and Business Names Branch are now completely stored into the branch's computer system. As well, the branch launched a pilot project which would enable law firms to access corporate and business names information from their own offices by way of satellite computers. One-half of the branch's active files were microfilmed. The Insurance Branch continued to review, with other jurisdictions, alternate methods of dealing with insurance company insolvencies and, more generally, with the reregulation of financial institutions.

I am pleased to say that all jurisdictions have recently signed an agreement with the Insurance Bureau of Canada to bring in an Insurance Compensation Fund respecting general insurance companies. The Superintendent of Insurance for Manitoba continues to work along with others to develop a similar compensation fund in respect to the life and health industry.

The Securities Commission will be working with a real estate council to develop and improve educational standards and programs within the real estate industry. Part of the funding for this will come from the interest accumulated on real estate trust funds, the regulation of which was amended about a year ago. The Securities Commission is also working with the real estate industry

to develop a compensation fund which will reduce the need for bonds which are an inefficient protection mechanism and can be ineffective in the event of large losses. The purpose of the compensation fund will be to protect the deposits of prospective home buyers.

I am also pleased to say that the four western Ministers responsible for financial institutions recently signed an information-sharing agreement right here in Winnipeg. The purpose of that agreement is to ensure that regulators of financial institutions share information amongst each other so that all signing jurisdictions are kept up to date with regard to any regulatory action respecting a particular financial institution. I am very pleased that we were able to come to this agreement. I would like to see this become a national agreement in due course.

These are just some of the issues Consumer and Corporate Affairs dealt with in the fiscal year 1987-88. I can assure you, given the department's very broad mandate, there were many more issues reviewed, investigated or what have you.

For 1988-89, our policy and direction will be to continue to forge ahead and play a proactive role in Manitoba's marketplace. The department will review Manitoba's present consumer protection laws in order to make sure those laws are appropriate and responsive to the problems that may be occurring in the marketplace. As an example, my department will continue to review regulatory standards in the financial planning industry. Our main concerns, as in the industry itself, has been the need to implement some type of regulatory process in the financial planning industry. Consumer and Corporate Affairs will continue to review and develop strategies to deal with business practices that hurt both legitimate business and Manitoba consumers.

Enhanced consumer education will be one of the departments goals for 1988-89. There is growing recognition and concern in various segments of our province that many of our young people leaving school today are ill-prepared to cope with the ever-accelerating rate of change in our economic, social and physical world. My department is currently cooperating with Saskatchewan and counterparts in other provinces on a Life Management Economic Life Skills course for Grades 11 and 12 students. It contains elements of consumer education, economic education, entrepreneurial and business education, law, career education and citizenship. As you can see, it will highlight practical knowledge and skills they require when leaving high school and entering the adult world.

Given our budgetary constraints, it becomes more difficult to protect consumers while at the same time trying to maintain a marketplace in which business can compete fairly. However, I believe our initiatives clearly show that Cooperative, Consumer and Corporate Affairs will be an active department—one that is reaching out to improve protection for Manitobans and businesses alike.

I would like to close, Mr. Acting Chairman, by reiterating that the marketplace changes dramatically, almost on a daily basis. I personally believe that the

rejuvenated Department of Cooperative, Consumer and Corporate Affairs will assist in improving marketplace conditions for all Manitobans.

I have presented to this committee a brief overview of the newly formed Cooperative, Consumer and Corporate Affairs Department. I refer the department's 1988-89 Spending Estimates to our committee for review and passage.

I appreciate the patience of Honourable Members, especially my friend the Opposition House Leader (Mr. Alcock), in listening to my comments this afternoon, but I do also appreciate the work gone to by people in my department to help prepare these opening comments.

The Acting Chairman (Mr. Laurie Evans): Does the critic for the Official Opposition have an opening statement? The Member for Burrows.

Mr. William Chornopyski (Burrows): Yes, I do want to make a few comments, Mr. Acting Chairman. I have probably had—not probably, definitely—a very short relationship with the Consumer and Corporate Affairs Department but it has been, I must say, a pleasant one. I found that the department staff is pleasant, courteous and extremely responsive, and I perhaps can say the same for the Minister.

Mr. Acting Chairman, the Department of Consumer and Corporate Affairs is there to protect the citizens of Manitoba from the private sector, and it does that very well. I say that because I have perhaps dealt with that particular department and this Government more than any other and, as I said in my opening remarks there, I found them to be courteous and extremely responsive.

The only other thing that I wish to say at this time is that one of the things that I found, and perhaps what I am going to ask for is not easy to accomplish, but I think that perhaps it would be worth while trying. I find that those who need this department the most are not aware of its existence, and by that I mean the people who need it most are people who really do not know how to fend for themselves for whatever reason, and there are many reasons for that.

I would ask the Honourable Minister if there was some way that we could possibly educate these people and inform them in some way or perhaps remind some of them that there is such a department and this department does tremendous work.

There have been several cases that I have turned over to the Consumer Affairs Department, and I was extremely happy with the way the people in the department handled the situation and so were those who needed the department. They were more than pleased with the kind of action that they got.

With that, I think that perhaps we should go to the Estimates. I do not have a great deal of questions to ask, but I do have some and, if I may be permitted to, Mr. Acting Chairman, at your command.

The Acting Chairman (Mr. Laurie Evans): I would ask whether the critic for the Second Opposition has an

opening statement. I just warn him we are planning to shut down at twenty minutes to because of the expectation of Royal Assent at quarter to, I believe.

Mr. Jim Maloway (Elmwood): I will hopefully—

The Acting Chairman (Mr. Laurie Evans): I am informed that we can go on till approximately ten to the hour.

Mr. Maloway: I was actually planning to dispense with introductory remarks so that we would have more time for questions, but I will make a couple of comments on the Minister's opening statement.

I did want to say from the beginning that we have made it clear in our comments to the Bill, that the Minister referred to, we do not approve of the department being amalgamated together and certainly would look favourably upon separating out the Cooperative Development Department into its own department at some future date.

The other observation that I wanted to make just in general and in support of an Unfair Business Practices Act is that the department spends an awful lot of time in the mediation process. I am not suggesting that is a bad process. It has obviously worked very well for a number of years in a large number of cases. But, if you expand the jurisdiction of the department and give them the additional powers that they would have under an Unfair Business Practices Act, which seven other provinces now have, what you would do, I believe, is in effect give them the power to in some ways get to the point much quicker and in many ways possibly even reduce their workload. That would be a general observation that I would make on the operation of the department at this point.

In terms of some of the other comments the Minister made, I think that he is making a number of good moves. I noted some reference to the bonding of real estate companies. I think that is a good area to be moving in terms of setting up a compensation fund, as opposed to requiring bonding.

Other areas, negotiations with other provinces in the area of financial institutions, he calls it reregulation as opposed to deregulation. I suppose that is what it might be. I would like to know a little more about that.

In some other areas of financial planning, industry is an area that has been crying out for some attention in terms of a proper regulation in the past few years, and that is an area that the Minister is suggesting he is going to be addressing.

I see some other positive signs in his statement here that only time will tell whether they will develop into anything. With that I would like to proceed.

* (1740)

The Acting Chairman (Mr. Laurie Evans): We will defer item 1.(a) Minister's Salary until the end, and so, with that, I would invite the Minister to have his staff join him.

Mr. McCrae: Mr. Acting Chairman, while we are waiting for staff personnel to join us, I might just comment briefly in answer to the Honourable Member for Burrows (Mr. Chornopyski) with respect to a couple of comments he made, and I do appreciate his response to the opening comments.

I do not know if it is our job to protect people from the private sector, but it is our job to work with the private sector and to work with people to see that both sides are treated fairly and equitably. I think it is probably just the choice of words that the Honourable Member used but I think we are probably on exactly the same wavelength on that issue. Later on, when we get into the Communication section of the department, there might be an opportunity for me to expand a little bit about just what we are doing to attempt to let people be aware of the existence of all the services provided by the department.

With respect to the Honourable Member for Elmwood (Mr. Maloway) and his comments, I would like to respond at the appropriate time to the matter of the amalgamation and show him, and demonstrate for him, that nothing in the way of program is affected and the Honourable Member and his colleagues seem to be, I suggest, overreacting to a change that ultimately will not affect services provided and may ultimately provide those services in a more efficient and effective manner.

Mr. Acting Chairman, I would like now to introduce you to the Deputy Minister of Cooperative, Consumer and Corporate Affairs, Mr. Don Zasada, on my left; and Mr. Fred Bryans, Director of Administration.

The Acting Chairman (Mr. Laurie Evans): 1. Administration and Finance (b) Executive Support: Salaries, \$155,100—the Honourable Member for Burrows.

Mr. Chornopyski: Mr. Acting Chairman, perhaps I just want to make a comment or two on this particular item. As a matter of fact, I am may lump them all into one and make the comment for them all.

I note that there are increases for 1989 in Administration and Finance, Consumer Affairs, Corporate Affairs and Cooperative and Credit Union Development, but overall, there is a reduction of \$614,000. I am wondering whether that reduction came about as a result of the consolidation.

Mr. McCrae: I am getting the details of that to refer to, but we are talking about a \$614,000 reduction this year over last year and the explanation is that the \$614,000 is a net figure.

For the benefit of the Honourable Member, that figure is made up as follows: first, a reduction of \$1,178,200 as 1987-88 was the last year of the Interest Forgiveness Program related to the Credit Union Stabilization Fund and to Le Fond de Sécurité—the agreement expired July 7, 1987; secondly, a reduction of \$348,900 due to combining the old departments of Cooperative Development and Consumer and Corporate Affairs into the new department of Cooperative, Consumer and Corporate Affairs. These reductions are due to the

elimination of duplication, so that \$348,900 is the amount we are talking about. For the benefit of Honourable Members in the New Democratic Party, that does not seem to reflect any reduction in service provided in terms of program.

In terms of increases, there is an increase of \$421,600 in payroll, and that is related to the general salary increase, pay equity, merit increases, board increases, reclassifications and other salary adjustments; second, an increase of a \$191,100 for the Corporations Branch, and that is the automated records system; third, increased staffing of four staff years and related costs in the Insurance Branch and the Securities Commission due to workload and the new Insurance Licensing Appeal Board, for a total of \$195,200.00. Fourth, there are increased operating costs in the Public Utilities Board to reflect historical costs of \$120,000.00. In addition, there were the usual minor increases and decreases amounting to a net decrease of \$15,100.00.

So the amalgamation, as I said earlier, has more to do with the efficiency and streamlining that the Honourable Member's Party and my Party both spoke about at length during the election campaign, and has absolutely nothing to do with program delivery.

The Acting Chairman (Mr. Laurie Evans): 1.(b)(1) Salaries \$155,100—pass; 1.(b)(2) Other Expenditures, \$30,900—pass.

Committee rise.

* (1750)

IN SESSION

Mr. Speaker: I am advised that his Honour, the Lieutenant-Governor, is about to enter the Chamber.

ROYAL ASSENT

Deputy Sergeant-at-Arms (Mr. Roy MacGillivray): His Honour the Lieutenant-Governor.

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

Mr. Speaker: May it please Your Honour:

The Legislative Assembly, at its present Session, passed two Bills which, in the name of the Assembly,

I present to Your Honour, and to which Bills I respectfully request Your Honour's Assent:

Bill No. 18, An Act to Amend an Act to Incorporate the Manitoba Motor League; Loi modifiant la Loi intitulée "An Act to Incorporate the Manitoba Motor League"

Bill No. 24, An Act to Incorporate The Dauphin General Hospital Foundation; Loi constituant la Fondation de l'Hôpital général de Dauphin.

To these Bills, the Royal Assent was announced by the Clerk of the Legislative Assembly as follows:

Mr. Clerk, William Remnant: In Her Majesty's Name, His Honour the Lieutenant-Governor doth assent to these Bills.

Mr. Speaker: May it please Your Honour:

We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government, and beg of Your Honour the acceptance of this Bill:

No. 43, The Interim Appropriation Act, 1988 (2); Loi No 2 de 1988 portant affectation anticipée de crédits.

To this Bill, the Royal Assent was announced by the Clerk in the following words:

Mr. Clerk: His Honour the Lieutenant-Governor doth thank His Majesty's dutiful and loyal subjects, accepts their benevolence, and assents to this Bill in Her Majesty's name.

His Honour was then pleased to retire.

COMMITTEE CHANGE

Mr. Bill Uruski (Interlake): Mr. Speaker, I would like to make a committee change on Economic Development: Harper for Evans.

Hon. James McCrae (Government House Leader): Shall we call it six o'clock?

* (1800)

Mr. Speaker: Is it the will of the House to call it six o'clock?

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).