



Fourth Session - Thirty-Fifth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

42 Elizabeth II

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



VOL. XLII No. 97 - 1:30 p.m., THURSDAY, JULY 8, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Cliff	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Fin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rossmere	
<i>Vacant</i>	Rupertsland	
<i>Vacant</i>	The Maples	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, July 8, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Conrad Santos (Broadway): Mr. Speaker, I beg to present the petition of Stella Dyck, Tena Froebe, Karen Huisman and others requesting the Minister of Health (Mr. Orchard) to consider restoring the Children's Dental Program to the level it was prior to the 1993-1994 budget.

Mr. Gregory Dewar (Selkirk): Mr. Speaker, I beg to present the petition of Diane Mauws, Helen Alexander, Phyllis Hayhurst and others requesting the Minister of Health (Mr. Orchard) to consider restoring the Children's Dental Program to the level it was prior to the '93-94 budget.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Maloway). It complies with the privileges and the practices of the House and complies with the rules (by leave). Is it the will of the House to have the petition read? [agreed]

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 55,000 children depend upon the Children's Dental Program; and

WHEREAS several studies have pointed out the cost savings of preventative and treatment health care programs such as the Children's Dental Program; and

WHEREAS the Children's Dental Program has been in effect for 17 years and has been recognized as extremely cost-effective and critical for many families in isolated communities; and

WHEREAS the provincial government did not consult the users of the program or the providers before announcing plans to eliminate 44 of the 49

dentists, nurses and assistants providing this service; and

WHEREAS preventative health care is an essential component of health care reform.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Dewar). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 55,000 children depend upon the Children's Dental Program; and

WHEREAS several studies have pointed out the cost savings of preventative and treatment health care programs such as the Children's Dental Program; and

WHEREAS the Children's Dental Program has been in effect for 17 years and has been recognized as extremely cost-effective and critical for many families in isolated communities; and

WHEREAS the provincial government did not consult the users of the program or the providers before announcing plans to eliminate 44 of the 49 dentists, nurses and assistants providing this service; and

WHEREAS preventative health care is an essential component of health care reform.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Cerilli). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the Student Social Allowances Program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the Student Social Allowances Program; and

WHEREAS eliminating the Student Social Allowances Program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Santos). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the Student Social Allowances Program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the Student Social Allowances Program; and

WHEREAS eliminating the Student Social Allowances Program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Chomiak). It complies with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the Student Social Allowances Program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the Student Social Allowances Program; and

WHEREAS eliminating the Student Social Allowances Program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

Mr. Speaker: I have reviewed the petition of the honourable member (Mr. Reid). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the Student Social Allowances Program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the Student Social Allowances Program; and

WHEREAS eliminating the Student Social Allowances Program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

* (1335)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Jack Relmer (Chairperson of the Standing Committee on Economic Development): Mr. Speaker, I beg to present the Eighth Report of the Standing Committee on Economic Development.

Mr. Clerk (William Remnant): Your Standing Committee on Economic Development presents the following as its Eighth Report.

Your committee met on Tuesday, July 6, 1993, at 7 p.m. in Room 255 of the Legislative Building to consider the annual report of the Manitoba Development Corporation for the year ended March 31, 1992.

Mr. Jim Kilgour, assistant director, and Mr. Bill Kinnear, past director, financial services branch, Industry, Trade and Tourism, provided such information as was requested with respect to the annual report and business of the Manitoba Development Corporation.

Your committee has considered the annual report of the Manitoba Development Corporation for the year ended March 31, 1992, and has adopted the same as presented.

All of which is respectfully submitted.

Mr. Relmer: Mr. Speaker, I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that the report of the committee be received.

Motion agreed to.

* * *

Mr. Marcel Laurendeau (Chairperson of the Standing Committee on Public Utilities and Natural Resources): Mr. Speaker, I beg to present the Sixth Report of the Standing Committee on Public Utilities and Natural Resources.

Mr. Clerk: Your Standing Committee on Public Utilities and Natural Resources presents the following as its Sixth Report.

Your committee met on Tuesday, July 6, 1993, at 7 p.m. in Room 254 of the Legislative Building to consider the annual reports of the Crown Corporations Council for the years ended December 31, 1990, December 31, 1991, and December 31, 1992.

Mr. Kevin Kavanagh, chairman, and Mr. Douglas Sherwood, president and chief executive officer, provided such information as was requested with respect to the annual reports and business of the Crown Corporations Council.

Your committee has considered the annual reports of the Crown Corporations Council for the years ended December 31, 1990, December 31, 1991, and December 31, 1992, and has adopted the same as presented.

All of which is respectfully submitted.

Mr. Laurendeau: Mr. Speaker, I move, seconded by the honourable member for Niakwa (Mr. Reimer), that the report of the committee be received.

Motion agreed to.

ORAL QUESTION PERIOD

Home Care Program Housekeeping Services

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Premier (Mr. Filmon).

Throughout the debate on home care, dealing with delivery of services, meals, laundry, and housekeeping in the Home Care Program to provide for the independence and dignity of people living in their own communities, the Minister of Health has continually said that this is a more sophisticated approach to home care, that they are maintaining the services, and on and on in his answers in this House.

Today, we have a second report from the director of geriatrics at the Health Sciences Centre that specifically states that this will cost us more in terms of the patients of Manitoba, and it will result in people staying in institutions longer, defeating the government's stated intent of providing greater community care and greater care of health care services in the community.

Mr. Speaker, I would like to ask the Premier: Whom are we to believe in the debate? Are we to believe the two directors of geriatrics in the province of Manitoba who are speaking out on behalf of the people affected by this issue, or are we to believe the Minister of Health who says that everything will be maintained and it is business as usual for home care patients in Manitoba?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I am pleased my honourable friend asked the question.

Let me deal with the issue of the article in the Free Press today.

Mr. Speaker, as I indicated when this issue came up, I believe on Tuesday of this week, I indicated in the House and outside the House that the provision of home care services will not compromise the ability to discharge individuals from hospital because the services required and assessed will be provided. That includes domestic services such

as housekeeping if it is deemed necessary, in addition to home care attendant, the medical services, the nurses' services.

That is the way it has been since the inception of the program, but what is at issue that my honourable friend the New Democrat is not willing to admit is that the domestic services of, for instance, vacuuming the rugs, have been part of the Home Care Program until 1985. In 1985, under the Pawley government, a decision was made to introduce Support Services to Seniors which would provide at charge to the seniors those domestic services of vacuuming and laundry.

The medical services were maintained from 1985 on as they are today, in fact are increased.

Mr. Doer: Mr. Speaker, the minister keeps telling us in this House, and this is why we want the Premier (Mr. Filmon) to answer the question, because we have experts in geriatrics saying there is a fundamental change and it is going to impact on the return to the communities of people.

We are hearing from the disabled community; we are hearing from the seniors; we are hearing from the heads of geriatrics, who are calling his own Minister of Health's policies, health care reform, Mr. Speaker, not health care reform.

Mr. Speaker, I want to table a memo in the House from the minister's own department. The memo states that this is a, quote, change in the delivery. It states that clients in Home Care "will need to make private arrangements for household cleaning and laundry." It goes on further to state, "Therefore, household maintenance and laundry services will not be provided to many of the home care clients now receiving these services."

Can the Premier please answer us? Whom are we to believe, the heads of geriatrics in the province of Manitoba at our two major hospitals, the seniors, the disabled of Manitoba, or the Minister of Health who says everything is okay in this province on home care?

* (1340)

Mr. Orchard: Mr. Speaker, let me indicate to my honourable friend that the policy has not changed, the ability to access the service has not changed. The same referral for domestic services that the client will pay for today was started in 1985 by the NDP. That is consistent.

Mr. Speaker, I can understand the confusion, because there are those who have phoned my office, and no doubt phoned the opposition, believing that home care, nursing services, medical services, are being cancelled. That is not accurate. They have been increased in this budget as they have in every single budget.

Mr. Speaker, I can believe where one would have the wrong impression, because Dr. Powell has indicated in the Free Press two days ago that he only got his information about health care reform not from the department directly, but from the Free Press or the hospital union notice board. I checked with the reporter to make sure that was accurate.

I have 14, minimum, meetings that Dr. Powell was at on reform of health care as head of geriatrics services in St. Boniface, discussing the reform issues. They commenced with him on October 5, 1992, straight through until November of last year. Those meetings were constantly keeping people like Dr. Powell informed about health care reform. Little wonder there is confusion.

Mr. Doer: Mr. Speaker, the minister, in answering the question that I posed about the memo in his own department, changes the information that was required from the question. There is a fundamental shift and change in the delivery of home care in his own department. There is a fundamental change in terms of people getting these services. There are going to be fewer people provided the service than before. It says many home care clients now receiving these services will not have them provided.

I would like to ask the Premier (Mr. Filmon): Who is going to stand up for the disabled people, for the seniors in this province, for the people who relied on home care services to live in dignity, to work in dignity, to raise a family in dignity in Manitoba, rather than having the cutbacks that are going on from his Minister of Health, putting them back in institutions?

Will this Premier finally stand up, or will he sit idly by while his Minister of Health destroys our health care system, Mr. Speaker?

Mr. Orchard: Mr. Speaker, my honourable friend's rhetoric, my honourable friend's alarmist statements, my honourable friend's attempt to make a narrow, political, partisan, fearmongering issue is disgraceful.

The memo my honourable friend tabled says household maintenance and laundry services, domestic services, vacuuming the rugs and doing the laundry—services that since 1985 under a policy that my honourable friend sat around the cabinet table and approved—have been referred by the Continuing Care Program for individuals to pay for those services since 1985. That is continuing today. It is even talking about \$6 to \$9 per hour for vacuuming and laundry.

These are the domestic housekeeping services that since 1985 under the policy of the NDP have been referred to alternate suppliers and not the taxpayer-supported home care system. That is why, Sir, I say nothing has changed except now, my honourable friend the New Democrat, instead of sitting around cabinet deciding that is appropriate policy, is now trying to deny what he did in 1985 and is in opposition today.

* (1345)

Home Care Program Consultations

Mr. Dave Chomiak (Kildonan): Mr. Speaker, nothing has changed except a \$3-million program is eliminated. Nothing has changed except 1,500 caregivers are now being told they are being privatized in this letter. Nothing has changed except the heads of the departments at hospitals that deliver the service are saying this is wrong. Nothing has changed. Something should change and it should be the minister.

My question for the Premier (Mr. Filmon) is: Will the Premier put this policy on hold and consult, at least consult and talk to some people who deliver this service rather than listening to his Minister of Health who obviously is not stating the facts as they exist, Mr. Speaker?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, when we did consult and seek the advice of a Dr. Powell, it says that, the only time you got information on health reform was from the Free Press or the union notice board.

That hardly is a reasonable approach to the amount of input that doctor had on health care reform.

That is the reason why there is such confusion, because my honourable friends are wanting to leave Manitobans with the impression that the Home Care Program no longer exists or will be cut

back dramatically. That is not right, Sir. That is not right. The Home Care budget has increased again this year.

I gave to my honourable friends in Estimates, page 4500 and on—and I will share with my honourable friend again. This year home care attendant services, which are the personal health services, will increase by 11 percent this year. Registered nursing will increase by 9.5 percent this year. Victorian Order of Nurses will increase by 3.6 percent this year.

That is more medical services, and, Sir, what is going to decrease is the domestic services of vacuuming and laundry, as has been the policy since 1985.

Mr. Chomlak: Mr. Speaker, my supplementary is to the Premier (Mr. Filmon).

Will the Premier at least consult with the officials, the caregivers, the doctors who have spoken up, the health care workers who are contacting our office by the dozens daily, the seniors who are affected?

Will he at least consult with them and put the program on hold, and at least talk to the people who are involved in this program before cutting this program? Will he at least do that?

Mr. Orchard: Mr. Speaker, now you understand why citizens would believe the Home Care Program is not going to exist, because my honourable friend is talking about cutting this program, when hours of registered nursing service to be purchased this year to help support the Home Care Program will increase by 9.5 percent this year—not a decrease, but an increase of almost 10 percent.

Our services from Victorian Order of Nurses to support the Home Care Program will increase by almost 4 percent this year. The home care attendant program to help people get dressed, to help people be bathed, to help people with other non-nursing but medical needs, will increase by 11 percent this year.

Mr. Speaker, that is more opportunity for care, for independent living, for betterment of life in their own homes than what was available last year. It is an increase in the program that will make the program serve Manitobans better, not worse, and not a cut that my honourable friend refers to.

* (1350)

APM Management Consultants Home Care Program

Mr. Dave Chomlak (Kildonan): Mr. Speaker, the minister does not refuse to recognize the only letter sent out by his own department.

Mr. Speaker, my final supplementary to the Premier (Mr. Filmon): Will the Premier at least, given that this \$3-million program has been cut back, will he at least assure this House that Connie Curran will not sign the fifth contract which is to review Home Care, and it has not been signed yet?

Will he at least promise not to let the Connie Curran gravy train be on Home Care as well and not sign the Home Care contract while this whole thing is put on hold?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, it would not matter how much information I provided to my honourable friend the New Democrat. You know, we went through this in 1989, and I dug out all of the old letters, including a retabling of a 1989 letter by the NDP that was four years old on the same issue.

Now, Mr. Speaker, my honourable friends the New Democrats in 1989 tried to make the same allegations, that we were destroying the Home Care Program, that it would not exist. The same flurry of phone calls came to my office. The same concerns were expressed. Now, four years later, the program has gone from \$34 million to \$68 million.

This year, it will provide 11 percent more home care attendant services, 10 percent more nursing services by R.N.s, 4 percent more Victorian Order of Nurses services, but if Manitobans listen to the NDP, then they will be grievously misled, Sir.

Criminal Injuries Compensation Fund Deindexing

Mr. Paul Edwards (Leader of the Second Opposition): I know it will have been a matter of great concern to all members of this House, and I would assume particularly the Minister of Justice, that, unfortunately, we have received the Winnipeg crime statistics and learned that sex offences are up 14 percent. Assault, not sexual, is up 19 percent, and robberies are up 16 percent. These are crimes against the person of a very serious nature.

My question is for the minister. Given this increase, which is relatively dramatic in one year for crimes against the person increasing in our city, why, given that and the large number of victims who are being created as a result of these very serious crimes, is the minister proposing in Bill 46, currently before this House, to deindex what amounts might be payable to the victims of crime under the Criminal Injuries Compensation Board?

Why is he choosing this time, when we have more victims of crime, to deindex and cut the benefits to the victims of crime?

Hon. James McCrae (Minister of Justice and Attorney General): I looked with interest and concern today at some statistics relating to a surge in various crimes in the city of Winnipeg, and I join with my honourable friend in expressing concern about that, but he forgets to mention that the number of impaired drivers dropped 16 percent the fourth year in a row.

The honourable member should remember that, too, and maybe be reminded about the position that he took on Bill 3 when we tried so hard in this Legislature, over his various objections, to try to get that legislation through, and we are pleased that we have Bill 3.

On the other hand, the honourable member makes a good point about other crimes. I think that the increase in the incidence of domestic violence should be no surprise, because ever since the late Gerrie Hammond began the Abuse is a Crime campaign, we have deliberately made it known to women and vulnerable people in society that help is available. By doing that, we have found that people are far more prepared to seek that help than they have in the past. That is reflected in these statistics, Mr. Speaker, as well.

Youth crime is a matter of some concern to us. We and the Province of Alberta last month at the Attorneys General meeting demanded that the Young Offenders Act be thoroughly reviewed. It will be reviewed, and a report will be made available to Attorneys General next fall. I hope to see some amendments in that area as early as next spring.

Mr. Edwards: Mr. Speaker, the minister talked a lot but did not answer the question.

Mr. Speaker, two-year increase in sex offences totals 18 percent, two-year increase in assaults constitutes 43 percent increase, two-year increase

in robbery is 34 percent—we are experiencing dramatic increases in crimes against the person. The people who are injured in those crimes and are unable to work go to the Criminal Injuries Compensation Board for compensation. This minister, this year, has chosen to deindex those benefits to those victims of crime.

Mr. Speaker, my question is, why?

Mr. McCrae: We chose this year to keep that program, which is saying something when you consider that the program began because— [interjection] I am sorry I did not hear you.

Mr. Speaker: Order, please. The honourable Leader of the second opposition party has already put his question, and I believe the honourable member is waiting for the answer.

The honourable Minister of Justice will deal with the matter that has been raised.

* (1355)

Mr. McCrae: Mr. Speaker, I was trying to give the honourable member an answer. He is nattering from his seat and I could not make myself heard.

That program started, Mr. Speaker, because of significant contribution to it by the federal government, and the government has been withdrawing from that. This creates very significant problems for all the provincial jurisdictions, and certainly ours.

This was a way that we thought we could keep the program for those victims who need this kind of program and we can be of some help to, but unfortunately, because of the availability of funds, this decision had to be made.

Mr. Edwards: Mr. Speaker, I am quite shocked to learn that the government was even contemplating eradicating the program, and that it is supposed to be some wonderful benefit that it is saved, albeit at a lesser amount.

Mr. Speaker, my further question for the minister: Why, given this dramatic increase in the crimes against the person, is he also, by Bill 53, The Justice for Victims of Crime Amendment Act, proposing to delete that section of the act which allowed for payments to be made, payments from the Consolidated Fund, while at the same time he did not delete the section which allowed payments out of the Criminal Injuries Compensation Fund to be paid to the government.

Who is going to continue to pay for the Criminal Injuries Compensation Fund? Why has he deleted the section which allowed for payments? I believe over \$2 million was paid last year from the Consolidated Fund. Is that money now going to be cut off?

Mr. McCrae: I am having a little trouble understanding the honourable member's question, Mr. Speaker. It is true that the victims' programs that are run by the government of Manitoba are very efficient and effective. We served many, many hundreds of people in Manitoba through—

An Honourable Member: That is why you are . . . less and less and less.

Mr. Speaker: Order, please. The honourable member for St. Johns has the floor now. The honourable Leader of the Second Opposition party has already had his opportunity. Now it is the opportunity of the honourable member for St. Johns.

Home Care Program Housekeeping Services

Ms. Judy Wasylycia-Lels (St. Johns): I know we cannot accuse the Minister of Health of misleading the House, but, Mr. Speaker, we can wonder if the minister is telling the truth if we are getting dozens of calls from residents of north Winnipeg who have just been informed that they have been cut off of home care.

Mr. Speaker, on June 30, I very specifically asked the minister the question, could he tell us whether patients or individuals with arthritis or dementia will only get support services if they need a medical service? He answered, no.

Today, I have been informed of a constituent who has chronic arthritis, severe arthritis, who had been getting home care on a daily basis and has just been informed that she will receive no home care as of September 1. She has also been told that she does not meet the new criteria.

I would like to ask the Minister of Health if he can tell us how he can justify this hurtful cutback, and will he tell us specifically, what are the criteria that staff are using in the field to determine eligibility?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I would be delighted to answer my honourable friend's question in full detail if my honourable friend would do me the courtesy of providing me with the individual's name in which we

can make a full investigation and determine whether my honourable friend's circumstances, as placed in Question Period, are accurate, the circumstances behind that circumstance as stated by the member in the House, and I will provide my honourable friend with an answer.

But without specifics attached to know what the individual, whomever this individual is, was receiving from Home Care and what kind of communications, et cetera, I cannot answer the question, Sir.

Now, if my honourable friend can provide me with the name, I would be pleased to check this out for my honourable friend, as I have consistently indicated every time New Democrats bring up these individual circumstances. But, Sir, in the last five years, I have only had two or three referrals of individuals for follow-up. The rest of them have never been referred to me by name. I hope this one is.

Ms. Wasylycia-Lels: Mr. Speaker, we are getting dozens of calls and will be happy to get that information to the minister as fast as we can keep up with it and compile it. Let me ask—

Mr. Speaker: Order, please. The honourable member for St. Johns, with her question.

* (1400)

Ms. Wasylycia-Lels: Let me ask the minister then about the criteria that some staff are using in the field, which is that home maintenance and laundry will no longer be provided as part of the continuing care service except for those individuals who are cognitively impaired and do not have someone to direct their services.

Would the minister please clarify what criteria are being used in the field, and would he table the criteria for all members in the House today?

Mr. Orchard: Mr. Speaker, those are exactly the criteria that I discussed during the Estimates of Home Care on Monday, June 21, in the afternoon and again in the evening.

Mr. Speaker, I hope my honourable friend can provide me with this individual's name so I can follow up.

In 1989 when the New Democrats attempted to make this issue a major issue at the time, I received five individuals' names from the Leader of the Opposition, the member for Concordia (Mr. Doer). When we contacted those people, they were

unaware that they had made a complaint to the Home Care Program and were offended at being called, because the complaint, Sir, came in from one of the freebie mailers at taxpayers' expense that the member for Concordia sent out. If you had concerns about home care, you could tick it off. When those names came to us, some of them were not even on the Home Care Program.

Now, Mr. Speaker, that is the integrity that I experienced four years ago. Every time I have asked my honourable friends to give me a name of this disaffected individual, it has only been on about three occasions that I have actually received an individual's name. I hope today is not one of those times where I do not receive an individual's name.

Ms. Wasylycia-Lels: Mr. Speaker, I can assure the minister that we will be providing all the details of this individual and all the others that we are receiving.

Mr. Speaker: Order, please. The honourable member for St. Johns is going to put her final supplementary question.

Alternative Services

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, let me ask, for my final question to the Minister of Health, about the information provided in his own quarterly report showing approximately 5,000 individuals in the province of Manitoba who only receive support for daily living activities and would therefore appear to be ineligible for Home Care.

Could the Minister of Health tell us how many of these almost 5,000 individuals will be cut off of Home Care and what services they can turn to to remain independent in their homes and in their communities?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, my honourable friend the member for St. Johns had a list of pink phone slips of which she has duplicates in her office. She used them to refer to these phone calls. Would she just kindly send them over, and we can start investigating these as soon as I receive them? Any other response my honourable friend may—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, on a point of order.

The minister is somehow suggesting that our rules which apply to letters should apply to the message slips, the pink slips that we record messages on. The minister should know that there is . . . undertaken to provide that information. In fact, Mr. Speaker, the only pink slip we would like to see is from the Premier (Mr. Filmon) to this minister.

Mr. Speaker: Order, please. The honourable member clearly does not have a point of order. That is a dispute over the facts.

* * *

Mr. Speaker: The honourable Minister of Health, to finish with your response.

Mr. Orchard: Mr. Speaker, I never want to question the political motivation of the member for St. Johns, who is a candidate in the federal election, but by refusing to send over those names today and having their House leader stand up and defend her, to not do it when she has used them and flourished them in front of the House, I have to question my honourable friend's motivation. Does she care for the people like I do and I am willing to investigate, or is this a political issue?

Now, if it is care for the individual, please provide me with the names right now, and I will start the investigation before the end of Question Period. If it is otherwise, good luck in the election campaign.

Point of Order

Ms. Wasylycia-Lels: On a point of order, Mr. Speaker, I only have one copy of this information. As fast as I can write out this information on a piece of paper, the minister will have it.

Mr. Speaker: The honourable member knows she does not have a point of order.

Student Social Allowances Program Funding Elimination Justification

Ms. Jean Friesen (Wolseley): Mr. Speaker, when the Minister of Family Services eliminated student social allowances, he argued that students had three choices—they could return home, they could find part-time work and go to school the other time, or they could alternate full-time work with a year of full-time study.

Today, in the committee hearing on Bill 32, we heard from a youth employment worker, a woman of 13 years experience, who had worked with

student social allowance students and said that in her view, fewer than 5 percent could return home and that with a Grade 10 education, fewer than 2 percent could have access to a full-time or part-time job.

My question to the minister is: Does he have any other evidence that would convince this House that over a thousand students will not end up on welfare as a result of his policy?

Hon. Harold Gillieshammer (Minister of Family Services): Mr. Speaker, the member is correct. We are in committee as of today to talk about this particular piece of legislation. It was interesting to note that a lot of information came forward. I was particularly pleased to see a young member present at the committee who recognized the tremendous debt and deficit problems this province has and the recognition that in these very difficult times, as the Leader of the New Democratic Party (Mr. Doer) has said on many occasions, difficult decisions have to be made.

One of the advantages of the committee system, of course, is to be able to present information to the public. There were members of the public who assumed this was a program that referred to 16- and 17-year-olds. It is not surprising, given the comments made by members opposite, that there is that information out there. I am pleased to be able to tell the public of Manitoba that this was a program for adults.

We were also able to talk to people from the Winnipeg Education Centre, where out of 2,100 students, somewhere around 400 were on student social allowance and recognition that there are 1,600 or 1,700 who work part time, who have other resources, who, for whatever reason, are able to make their way to the Education Centre and acquire an education.

Ms. Friesen: Mr. Speaker, would the minister be prepared to table a one-year budget for a student or family on minimum wage, which is what is available when you have a Grade 10 education, which would show how that student could live in year one and create the savings, essentially generate the surplus to go to school in year two, as the minister is suggesting?

Mr. Gillieshammer: Mr. Speaker, the member is well aware that the individual circumstances of students—and we have thousands and thousands attending university, community colleges, who

work part time, who take school part time and do it successfully.

We are aware that some of the individuals who are on provincial social assistance when they are single parents are able to go to school at the same time because of the Single Parent Job Access Program. We are aware of disabled Manitobans who are on provincial social assistance who are also furthering their education.

Those people who are accessing the student program that we have been discussing, many of them have the ability to work. All of them have the ability to work, because that is why they are on the municipal social assistance from time to time.

We saw evidence today, both in written form and by presentation, of Manitobans who combine both work and going to school.

Ms. Friesen: As the minister knows, students who go to college and university have access to student loans.

My question was very simple. The minister said, go to school, and then go to work—sandwich those two things. I want him to table a budget which will show us how that can be done. It is a simple question. He has the staff; let him do it.

Mr. Gillieshammer: Part of the information we were able to discuss with the public this morning and make people aware of the many programs that exist. I would reference the Workforce 2000 program that committee members spoke about this morning, where hundreds and hundreds of Manitobans were able to get their training and job skills through the Workforce 2000 program.

The member also was on record this morning as saying that she would favour having the program phased out rather than completely chopped. I see some recognition from the member that she realizes the difficult economic times that we are in.

* (1410)

Point of Order

Ms. Friesen: Mr. Speaker, on a point of order, my question was to a question of would he favour whether the program should be phased out or not. I was not on record as saying that. I think the minister perhaps was not listening as carefully as he might—

Mr. Speaker: Order, please. The honourable member does not have a point of order. That is a dispute over the facts.

* * *

Mr. Speaker: The honourable minister, to finish with his response.

Mr. Gilleshammer: I am certainly prepared to check the record, but I believe I clearly heard the member say that she favoured phasing the program out.

Again, we have heard from a number of Manitobans this morning and we will hear from some more tonight, and it is a good chance for us to bring further information to people who are looking for assistance for education.

Emergency Home Repair Program Funding

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I am somewhat disappointed in the Minister of Housing.

The other night I has asked him a question with respect to the Emergency Home Repair Program, asked about the cutback from 500,000 to 400,000. The Minister of Housing indicated to me that in fact any demand, and I would like to quote what it is that he said in committee: "The fact of the matter is we have an Emergency Home Repair Program. If somebody is in need and they qualify, they get the money, they get it fixed, end of story."

This morning, I find out that in the previous fiscal year we found that through this very same program they had to halt it because three-quarters of the way through the year, they ran out of money.

Is the Minister of Housing in fact doing what he said on Monday evening, or is it in fact the cutback as I was suggesting to the Minister of Housing on Monday night?

Hon. Jim Ernst (Minister of Housing): Mr. Speaker, the fact of the matter is that there are emergency situations where people are in dire straits, meet the qualifications of the program, have circumstances where they are going to be endangered if repairs are not completed. That is what an Emergency Home Repair Program is for.

Mr. Lamoureux: Mr. Speaker, can the minister then tell me, or tell the House, why it is, or how it is possible then for them to stop processing applicants because they have run out of money. How can you say that the money is there, when in fact three-quarters of the way through the year it disappears? The money has been spent.

Mr. Ernst: Mr. Speaker, if the member has a circumstance where someone was denied service because of that, let him bring it forward and I will investigate.

Mr. Lamoureux: Well, Mr. Speaker, then we will make it very clear for all residents of Manitoba. Is the minister prepared then again inside the Chamber to make a commitment that anyone who qualifies under this particular program, this department will in fact meet that demand under this particular program and the criteria that has been established, that the Minister of—

Mr. Speaker: Order, please. The honourable member has put his question.

Mr. Ernst: Mr. Speaker, as I have indicated, if he has evidence that someone was denied service, let him bring the names forward and I will investigate. I am not aware of anybody who was denied service.

The Pas Health Complex Kidney Dialysis Services

Mr. Oscar Lathlin (The Pas): Mr. Speaker, I want to read a government news release that was issued on July 6. This is talking about the dialysis program. The treatment schedule may be expanded—and this is in Portage—and will also provide employment for five part-time registered nurses, and additional funds may be available. Residents of Portage no longer have to travel to Winnipeg for this crucial health service.

Mr. Speaker, I also want to table a letter from the Anglican Deanery Council of The Pas that was written to the Minister of Health. In this letter, they are saying that one of their retired clergy people, Reverend Canon Gordon McGillivray, has had to be driven to Flin Flon every two days for dialysis. This is a stressful trip for one and a half hours each way and with the stress of treatment in between.

There is a well-equipped dialysis unit in The Pas Health Complex and trained staff to operate it. The machines are not booked up for the whole time, and apparently there is a limitation on the staff hours currently allowed by the province for this unit. Mr. Speaker, I want to table that letter.

My question is to the Minister of Health. Because of what I have just said and because of the reform program of the government, recently 20 nurses have been laid off in The Pas, and The Pas Health Complex is only allowed to do a limited

number of dialysis treatments each week in spite of the actual caseload.

My question to the minister is, given what I have just said, why is the minister forcing people to drive to Flin Flon to get treatment and yet giving Portage la Prairie better dialysis service?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I did not think anybody in the New Democratic Party would ask a question about the expansion of dialysis that was—I was ably assisted in the ribbon-cutting by the member for Portage la Prairie (Mr. Pallister) on Tuesday of this week. It was a very good announcement for the people of Portage la Prairie.

Mr. Speaker, it is part of the continuing expansion of the dialysis program that we have undertaken since we have come into government. That has included a number of new facilities like Portage la Prairie in rural Manitoba. The budget has nearly doubled since we have come into government, a very significant increase, and it has provided those services closer to home for many, many Manitobans.

Now I hope from the tenor of my honourable friend's question that he is not saying the people of Portage la Prairie did not deserve to have dialysis in Portage la Prairie, as The Pas has and as Flin Flon has. I hope he is not saying that, Sir.

Mr. Lathlin: Mr. Speaker, I want to go on record as saying that the North deserves the same treatment as the south is getting. That is all I ask.

Mr. Speaker, my second question is, how can this minister consider it to be cost-efficient to be shipping people two hours away to get treatment, instead of in The Pas where facilities are available?

Mr. Orchard: Mr. Speaker, I really regret my honourable friend is saying we do not care for northern Manitoba.

It was this government that put dialysis service in the city of Thompson, something my honourable friend the member for Thompson (Mr. Ashton) could not get by his own cabinet. He could not get that program approved for Thompson when he was in government, but we did it. We did it in terms of providing that service to the citizens of Thompson.

Mr. Speaker, I do not know the specific circumstances of this individual's dialysis, but from time to time, even though we have expanded the program closer to where people live, the capacity of

the program is reached at that given facility and individuals are referred to the next closest facility. That is an inconvenience I will acknowledge to those individuals for the short period of time that they are asked to go to another facility, but it is significantly better than what it was when we came into government, where some of those individuals had to come to Brandon or to Winnipeg to receive their treatment. Now they can receive it in Thompson. They can receive it in Portage. They can receive it in a number of rural communities with expanded facilities.

Mr. Lathlin: I want to simply ask the Minister of Health one last time why will his government not provide services for those patients in The Pas as well as the surrounding aboriginal community in The Pas area?

My question is why will he not provide those services?

Mr. Orchard: Mr. Speaker, my honourable friend's question is based on an inaccurate preamble. We are providing those services in The Pas, in Flin Flon, in Thompson. We are providing them in northern Manitoba to a greater number of residents of northern Manitoba than when we came into government. That is an expansion of dialysis for northern Manitobans, including the aboriginal community my honourable friend is wont to represent, Sir, an expansion of the care, not a reduction of the care.

Mr. Speaker, I cannot indicate to my honourable friend the nature of his question when we have expanded the service in northern Manitoba.

Mr. Speaker: Time for Oral Questions has expired.

Committee Changes

Mr. Speaker: Prior to recognizing the honourable member for Kildonan (Mr. Chomiak), I will recognize the honourable member for St. Boniface with committee changes and then the honourable member for Gimli.

Mr. Nell Gaudry (St. Boniface): Mr. Speaker, I move, seconded by the member for Crescentwood (Ms. Gray), that the composition of the Standing Committee on Law Amendments be amended as follows: St. James (Mr. Edwards) for Crescentwood (Ms. Gray).

Motion agreed to.

Mr. Edward Helwer (Gimli): Mr. Speaker, may I have leave to make a nonpolitical statement?

Mr. Speaker: Prior to getting to the honourable member for Gimli, I will do the honourable member for Point Douglas with his committee changes.

Mr. George Hickes (Point Douglas): Mr. Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: The Pas (Mr. Lathlin) for Radisson (Ms. Cerilli); Swan River (Ms. Wowchuk) for Brandon East (Mr. Leonard Evans), for Thursday, July 8, 1993, at 7 p.m.

I move, seconded by the member for Swan River (Ms. Wowchuk), that the composition of the Standing Committee on Public Accounts be amended as follows: Broadway (Mr. Santos) for Wolseley (Ms. Friesen).

Motions agreed to.

* (1420)

Nonpolitical Statement

Mr. Speaker: Does the honourable member for Gimli have leave to make a nonpolitical statement? [agreed]

Mr. Edward Helwer (Gimli): Mr. Speaker, I rise today to pay tribute to an event that took place in the community of Gimli last weekend. For four days, Gimli was the host of North American Boardsailing Championships. By all accounts, the town and its residents came through with flying colours in hosting this event.

Mr. Speaker, Gimli is considered to be one of the top sailing locations in the world. Besides we are situated along the largest fresh-water body of water in the world, Gimli is one of the finest locations for competitive sailing because of its facilities and the hard work of local sailors and other residents.

Gimli residents, in the true community spirit, made sure competitors, coaches, fans and media were all taken care of during the most recent championships. Pancake breakfasts and a banquet were only some of the activities organized by the community for this past weekend's events. In short, a world-class sailing event received world-class treatment.

I believe all members of this House would agree that everyone in Gimli should be proud of the job they did to promote this province and their town and

to ensure the sailing community keeps coming back. Gimli's commitment to being a world-class host is perhaps a major reason why it is awarded the World Boardsailing Championships for August 1994, a major achievement in the sailing world.

Mr. Speaker, I ask all members of this Assembly to join in congratulating the community of Gimli and its residents for successfully hosting the recent North American Boardsailing Championships. Thank you.

Committee Changes

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Law Amendments—this is as of July 7 at the 7 p.m. sitting—be amended as follows: The member for Portage la Prairie (Mr. Pallister) for the member for Lac du Bonnet (Mr. Praznik).

I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Law Amendments be amended as follows: The member for Sturgeon Creek (Mr. McAlpine) for the member for Portage la Prairie (Mr. Pallister).

I move, seconded by the member for Sturgeon Creek (Mr. McAlpine), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: The member for Steinbach (Mr. Driedger) for the member for Ste. Rose (Mr. Cummings); the member for Riel (Mr. Ducharme) for the member for Assiniboia (Mrs. McIntosh).

Motions agreed to.

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Dave Chomiak (Kildonan): Mr. Speaker, I move, seconded by the member for St. Johns (Ms. Wasylycia-Leis), that under Rule 27, the ordinary business of the House be set aside to discuss a matter of urgent public importance; namely, the changes made to the structure of the Home Care Program which will have a severe impact on seniors and the disabled.

Mr. Speaker, I move that under Rule 27(1) that the ordinary business of the House be set aside to discuss a matter of public importance; namely, changes to the structure of home care which will impact on services to seniors.

Mr. Speaker: Before determining whether the motion meets requirements of our Rule 27, the honourable member for Kildonan will have five minutes to state his case for the urgency of debating this matter today, and a spokesperson for the government and the other opposition party will also have five minutes to address the position of their party respecting the urgency of debating this matter today.

Mr. Chomlak: Mr. Speaker, no single issue is more important or more urgent to discuss than the health and welfare of our seniors and the disabled in our society. By this decision that has been made by this government, that welfare, that health can be placed into jeopardy by the actions of this government.

The government's program which cut \$3 million from the home maintenance program that cut the laundry services, the home maintenance and the meal preparation, Mr. Speaker, puts people in the community in jeopardy. It puts their independence in the community in jeopardy. It puts their welfare in jeopardy, and it puts them in jeopardy of being placed in institutions, something that should, according to the government's own reform package, be only utilized as a measure of last resort. But by this decision, we have thousands of people, at least 5,000 people, who possibly will be placed in this position.

This decision, as indicated in the letter tabled this morning, has now been taken by the government. These people are now being contacted. As we speak, these people are being contacted.

Hon. Clayton Manness (Government House Leader): Urgency.

Mr. Chomlak: Mr. Speaker, the member for Morris (Mr. Manness) says "urgency." I will quickly quote from a letter given to me, sent to the minister by an R.N. And I am quoting from a letter to the minister from Barbara Thompson, R.N., who works in the Home Care Program: What happens if a cognitively impaired senior eats spoiled or rotten food that is left sitting in the refrigerator or home? Severe food poisoning will result in an acute illness. What of frail elderly with respiratory and cardiac conditions who experience severe shortness of breath upon even minimal exertion?

Mr. Speaker, the health of individuals is an urgent matter. The status of their health, their possibility of being placed in institutions is of

concern. The fact that this program is being cut off as we speak, that they are getting letters and phone calls as we speak from Home Care workers saying that they are going to be cut off, places their health in jeopardy.

That is what is urgent and pressing. We are getting hundreds of calls from seniors asking us. The government has not even outlined what the criteria of the program is.

As we speak, the government is considering signing a contract which will see hundreds of thousands of dollars go to Connie Curran to deal with the home care area, and this money could be better used today on these very people who are being cut off their home care service.

As we speak, the government has an opportunity not to sign this contract on the Connie Curran gravy train. As we speak, these people are phoning us.

The disabled community had a meeting, as I understand, with departmental officials yesterday, and they were unable to provide them with information as to whether or not disabled people will be able to remain as independent individuals in the community or whether they will have to now go back into institutions, something that affects every single one of those disabled individuals out there in the community.

It is a matter of urgency that this matter be resolved. It is a matter of urgency that we resolve who is being affected, how are they being affected, and more importantly, it is a matter of urgency that the minister understands what the effect this policy will have on these Manitobans, on these 5,000 Manitobans, to allow him to put this on hold. To consult, Mr. Speaker, put this program on hold and not place these people's lives in jeopardy, their independence in jeopardy, by virtue of this decision to cut off these services to the program.

We have no other opportunity. The Estimates are over. We raised it in the Estimates, the minister was evasive, did not give us proper or adequate information as usual.

We have no other opportunity to discuss this in the context, we have no other opportunity to discuss this in the Legislature. We have passed our Estimates. The policy is being decided now. We have had consultations from the heads of the two geriatric facilities, Health Sciences Centre, St. Boniface centre saying this is a wrong decision.

We have not had an opportunity to talk to the minister, Mr. Speaker.

* (1430)

It is of urgent importance that the minister hears these representations, that he hears what the impact will be on these people, that he hears from these institutions, that some people may not be released from these institutions because the caregivers and the doctors do not know whether those community supports will be available in the community.

There are people right now in hospitals who may not be able to be released into the community because they do not know whether those home support services are available. That is happening today, Mr. Speaker. That is why this matter is of urgency, and that is why based on that, we are asking that the ordinary business of the House be set aside to deal with this urgent and pressing matter.

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, I stand today representing the caucus, indicating that we do support the emergency debate that is being put forward from the New Democratic Party. We do believe that, in fact, it is an urgent matter that has merit to be debated today, that the public interest would be served best by this House designating the rest of the day as an opportunity, in particular for the Minister of Health and other members of cabinet, to help clarify the whole matter.

To the Deputy Premier (Mr. Downey), we have to realize, whether the government wants to admit it or not, there are a significant number of individuals, whether they are seniors, whether they are disabled, who are out there who are confused, who are not too sure what this government is doing. I, myself, have had one phone call from someone in my constituency expressing concerns about Home Care services that were being delivered. So I think it is very important.

If we take it in the broader picture, Mr. Speaker, in terms of health care reform, this is what is in the public interest. This government is on record as trying to implement health care reform that would be to the betterment of all Manitobans. The government has said itself that what you want to do is have more delivery in the communities. From what has been said and put on the record and the nonanswers the Minister of Health (Mr. Orchard)

has been putting forward, I believe that it is in contradiction with what the government's stated policy of health care reform is.

That is the reason why it is, in fact, in the interest of the public that we debate this particular issue. We have on the one hand the government talking about health care reform, talking about putting it into the communities, talking about having seniors and people with disabilities living in their homes. On the other hand, Mr. Speaker, we do not see the government acting on those points. This is the reason why it is in the public's best interest.

It is, in fact, urgent in the sense that you have individuals today who are out there who are not sure what this government is doing. If you tune in to Question Period, whether it is opposition members or government, they are completely at odds in terms of what is being said, and I think an emergency debate would allow for the Minister of Health and other cabinet members, along with opposition members, to put their arguments forward and then let the public judge it at that time. So I strongly urge that it is allowed to be debated today based on those arguments.

Thank you very much.

Hon. Donald Orchard (Minister of Health): Mr. Speaker, both opposition spokesmen on this request for an emergency debate were required to establish urgency and the fact there was no other opportunity to debate this issue.

They have failed in both instances. The urgency has not been established by either member, and the opportunity to debate is frequent, Sir, not the least of which is Question Period, not the least of which is unlimited debate on the concurrence motion, which will happen as soon as probably Tuesday next week. There is unlimited debate time on a number of financial bills at which all of these issues can be brought forward.

My honourable friends have not established either case. The urgency issue, Sir, I submit is not accurate because the implementation of the domestic service review is effective September 3, some two months from now, not immediate, as my honourable friends would seem to believe.

They are receiving phone calls from concerned seniors who have believed some of the presentation of the issue, possibly from opposition members, possibly from the media, with the impression that the Home Care Program, in other

words, the nursing and personal care service program is being cut. That is not right, Sir.

Mr. Speaker, the reason it is not right is explained—and I refer my honourable friend the member for Kildonan (Mr. Chomiak), because he asked me in Estimates on June 21—to his question on page 4499 and the comprehensive answer that I gave to him, which he asked again today, with the figures starting on the last column of page 4499 and carrying on to page 4500.

Mr. Speaker, this issue is not a new issue. There is no urgency. This was explained in the budget of April 6. There was a Free Press article by Alex Paul on April 7 explaining this change. A number of questions were posed in the House by both opposition parties to which a full explanation was given in Question Period. We spent more than two days debating this issue in the Estimates of the Department of Health.

I offered to my honourable friends the New Democrats and the Liberals that we could carry on debating the Estimates of the Ministry of Health on Home Care, on the APM contract with Connie Curran, on the personal care home changes, on any of the issues they so desired for any amount of time they wanted to carry on with. Instead, my honourable friends the Liberals and the New Democrats curtailed debate at 4:50 Monday afternoon last, 10 minutes before five o'clock, without a single question on the APM contract, without a single question on Continuing Care, without a single question on the personal care home per diem increase.

Mr. Speaker, they had every single opportunity to ask all of these questions again and receive the same answers as were part of the Estimates on pages 4499 to 4500, but my honourable friends do not want the answers. My honourable friends want to persist in spreading a fear campaign among seniors just as the New Democrats and the Liberals did four years ago on the same issue following the same policy that New Democrats put in place in 1985.

Mr. Speaker, the policy is this and this simply, that where there are alternate services of housecleaning and laundry provision, the senior who has the ability to manage those services on their own will purchase them from other than the Home Care Program. That is a policy of the New Democrats under Howard Pawley in 1985,

continued under this government including this budget.

Mr. Speaker, there is no change in policy. There is no cutback of \$3 million. There is an increase in the budget with 11 percent more home care assistance being purchased this year over last year, 9.5 percent more registered nursing hours being supplied this year over last year, with almost 4 percent more Victorian Order of Nurses services provided this year over last, all on the medical nursing sides and the personal care needs sides providing more services, not less.

There will, Sir, be a decrease in the domestic services of housecleaning and laundry provision, but that is consistent with the 1985 policy of Howard Pawley and the NDP, no change, progressive and able to maintain independent living of seniors without fear and without concern in their homes independently, because this government has doubled the funding on the Home Care Program from \$34 million in 1988 to over \$68 million today, a doubling of money, Sir, not a cutback; an increase in the amount of service, not a reduction; more personal services, more—

Mr. Speaker: Order, please. The honourable member's time has expired.

* (1440)

Speaker's Ruling

Mr. Speaker: Order, please. I would like to thank all honourable members for the advice as to whether the motion proposed by the honourable member for Kildonan (Mr. Chomiak) should be debated today.

The notice required under our subrule 27(1) was received, and, according to our Rule 27 and Beauchesne Citations 389 and 390, the two conditions required for a matter of urgent importance to proceed are (a) the subject matter must be so pressing that the ordinary opportunities for debate will not allow it to be brought on early enough; and (b) it must be shown "that the public interest will suffer if the matter is not given immediate attention."

I would remind members that "urgency" . . . does not apply to the matter itself, but means 'urgency of debate', when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and the public

interest demands that discussion take place immediately.”

I am ruling that there are other opportunities to debate this matter. The member for Kildonan has not used his right to raise a grievance; also, we are nearing the end of the consideration of Estimates, so the issue raised by the honourable member could be debated on the concurrence motion as well as a second and a third reading debate of The Appropriation Act. Further, I have not been convinced that the matter is so urgent that all the business of the House be set aside today to debate this matter.

Therefore, I am ruling against the matter of urgent public importance.

Mr. Dave Chomlak (Kildonan): Mr. Speaker, with all due respect, I challenge the ruling of the Chair.

Mr. Speaker: The ruling of the Chair having been challenged, all those in favour of sustaining the Chair, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: In my opinion, the Yeas have it.

Mr. Steve Ashton (Opposition House Leader): Yeas and Nays, Mr. Speaker.

Mr. Speaker: A recorded vote having been requested, call in the members.

The question before the House is shall the ruling of the Chair be sustained.

A STANDING VOTE was taken, the result being as follows:

Yeas

Cummings, Dacquay, Derkach, Downey, Driedger, Ducharme, Ernst, Filmon, Gilleshammer, Helwer, Laurendeau, Manness, McAlpine, McCrae, McIntosh, Mitchelson, Orchard, Pallister, Praznik, Reimer, Render, Rose, Stefanson, Sveinson, Vodrey.

Nays

Alcock, Ashton, Cerilli, Chomiak, Dewar, Doer, Edwards, Evans (Brandon East), Evans (Interlake), Friesen, Gaudry, Gray, Hickes, Lamoureux, Lathlin, Maloway, Martindale, Reid, Santos, Storie, Wasylycia-Leis, Wowchuk.

Mr. Clerk (William Remnant): Yeas 25, Nays 22.

Mr. Speaker: The motion is accordingly carried.

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I would seek unanimous consent to withdraw Bill 34, The Public Schools Amendment (Francophone Schools Governance) Act, from the Standing Committee on Economic Development and transfer it to the Standing Committee on Law Amendments.

Mr. Speaker: Does the honourable government House leader have leave to withdraw Bill 34 from the Economic Development committee and move it to L.A.? [agreed]

Mr. Manness: Mr. Speaker, I would announce that the Standing Committee on Law Amendments will sit Tuesday morning next at 9 a.m. to consider Bills 25 and 34, in that order.

Mr. Speaker, I would also ask whether or not there is a willingness of the House to accept the Standing Committee on Public Utilities and Natural Resources to sit tonight at 5 p.m. rather than 7 p.m., as was called, to consider Bills 2, 10 and 17. Would there be unanimous consent to do that?

Mr. Speaker: Is there unanimous consent of the House to allow PUNR to sit at 5 p.m. instead of at 7 p.m.?

An Honourable Member: No.

Mr. Speaker: No? Leave is denied.

Mr. Manness: Mr. Speaker, then I would indicate that Law Amendments will sit tonight at 7 p.m. to consider Bill 32 and 1 p.m. tomorrow, if necessary.

Those are the announcements for House business at this time.

Mr. Speaker, I would like to ask the House whether or not there is a willingness—and this is unusual I understand—to go into Estimates and once the Department of Energy and Mines has had its Estimates completed in the Chamber, whether or not the section outside in the committee room can continue to hear Estimates review on the Department of Industry, Trade and Tourism throughout the afternoon. And currently then, the House will attend to consider bills this afternoon.

Mr. Speaker: Is there leave?

Some Honourable Members: No.

Mr. Speaker: There is not leave to allow the House to sit at the same time as we have a committee running? No, leave is denied.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, then I move, seconded by the Minister of Justice (Mr. McCrae), 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.

Mr. Speaker, before you put the question, is there willingness to waive private members' hour?

Mr. Speaker: Is it the will of the House to waive private members' hour?

Some Honourable Members: Yes.

Mr. Speaker: Yes, there is leave? Are you suggesting no?

An Honourable Member: No.

Mr. Speaker: No leave? Okay, there is no leave on that one.

Therefore the original question before the House is: It has been moved by the honourable government House leader (Mr. Manness), seconded by the honourable Minister of Justice (Mr. McCrae), 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 agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Employee Benefits and Other Payments, the Department of Internal Reform, Workforce Adjustment and General Salary Increases, and the Department of Industry, Trade and Tourism; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Energy and Mines.

* (1530)

COMMITTEE OF SUPPLY (Concurrent Sections)

Chairperson's Ruling

Mr. Deputy Chairperson (Marcel Laurendeau): Order, please. When the committee last sat, we had been dealing with the Department of I, T and T.

I took under advisement a point of order from the honourable member for Inkster (Mr. Lamoureux), and I will bring in the ruling at this time.

On July 5, 1993, in the section of the Committee of Supply meeting in Room 255, during consideration of the Estimates of Industry, Trade and Tourism, the honourable member for Inkster raised a point of order regarding an earlier unanimous decision of the committee to introduce a new department after 10 p.m.

In allowing the committee to proceed by unanimous consent to waive Rule 65(9)(d), I did cite Rule 64(1) which states that the rules of the House shall be observed insofar as they are applicable to the Committee of the Whole House except for the rules for seconding motions and limiting the number of times of speaking. The matter of waiving the rules of the House by unanimous consent, however, is not applicable in any committee as only the House can waive or vary the rules it has made.

Therefore, my application of Rule 64(1) to the matter of waiving House rules by a committee was not correct.

The end result is the committee did proceed contrary to the House rules and that cannot be changed now. What is important is that it is understood, as stated in Beauchesne Citation 19, that these events do not constitute a precedent.

I would like to remind the committee members that the procedure to waive the rules of the House is to have the committee temporarily suspend its proceedings so that the Speaker may resume the Chair and a desired unanimous consent be requested from the House.

I apologize to the committee for my errors.

EMPLOYEE BENEFITS AND OTHER PAYMENTS

Mr. Deputy Chairperson (Marcel Laurendeau): When the committee last sat, it had concluded with the Estimates of the Civil Service Commission and started with the Estimates of Industry, Trade and Tourism. However there are two line items that come before the Department of I, T and T which are Employee Benefits and Other Payments on page 44 and Internal Reform on page 147.

The honourable minister, do you have an opening statement?

Hon. Darren Praznik (Minister of Labour): No.

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Chairperson, we do have a considerable amount of concerns in terms of what has been going on with the Employee Benefits with respect to the work reduction legislation that has been introduced from this government. We are concerned and would ask, maybe instead of giving an opening remark, that we just go right into some specific questions regarding Employee Benefits.

Mr. Praznik: Mr. Deputy Chair, I am just getting my staff to bring up my briefing material, my briefing notes.

I should say to Mr. Deputy Chair that he should not have to apologize too hard to the committee. It was a unanimous support at the time of the meeting.

Mr. Lamoureux: Mr. Deputy Chairperson, can the minister give us an indication in terms of the effect of Bill 22 on the workforce, the civil service?

Mr. Praznik: Yes, Mr. Deputy Chair, I certainly can. I think what it has done is it has allowed some 500-plus individuals who are employed by the Province of Manitoba to be working today; whereas if we had not brought in Bill 22, they were likely to have been laid off. We are not talking about positions. We are talking about individuals would have been laid off and not working, although they probably would have been on severance packages at the current time.

But we would have taken 500 people who have served the Province of Manitoba and put them into the ranks of the unemployed. So the effect Bill 22 is having on the civil service of the Province of Manitoba is to keep those 500-plus extra individuals working today, providing service to Manitobans; whereas otherwise, and as the way the New Democratic Party and opposition members would have had us proceed, they would have been laid off.

Mr. Deputy Chairperson: At this time the committee will recess for two minutes.

* * *

The committee recessed at 3:39 p.m.

After Recess

The committee resumed at 3:41 p.m.

Mr. Deputy Chairperson: Committee will come to order.

1. Employee Benefits and Other Payments (a) Civil Service Superannuation Plan \$29,510,000—pass.

(b) Canada Pension Plan \$11,818,000—pass.

(c) Civil Service Group Life Insurance \$1,889,800—pass.

(d) Workers' Compensation Board (1) Assessments re: Accidents to Government Employees \$3,341,000—pass; (2) Less: Recoverable from Other Appropriations (\$3,119,000)—pass.

(e) Unemployment Insurance Plan \$21,823,100—pass.

(f) Dental Plan \$4,852,800—pass.

(g) Long Term Disability Plan \$1,589,100—pass.

(h) Ambulance and Hospital Semi-Private Plan \$330,900—pass.

(j) Levy for Health and Post-Secondary Education \$13,999,200—pass.

Resolution 6.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$86,034,900 for Employees Benefits and Other Payments for the fiscal year ending the 31st day of March, 1994.

INTERNAL REFORM, WORKFORCE ADJUSTMENT AND GENERAL SALARY INCREASES

Mr. Deputy Chairperson (Marcel Laurendeau): Now we will revert to Internal Reform on page 147.

1. Internal Reform, Workforce Adjustment and General Salary Increases (a) Internal Reform and Workforce Adjustment \$10,000,000—pass; (b) General Salary Increases \$10,000,000—pass.

Resolution 25.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$20,000,000 for Internal Reform, Workforce Adjustment and General Salary Increases for the fiscal year ending the 31st day of March, 1994.

INDUSTRY, TRADE AND TOURISM

Mr. Deputy Chairperson (Marcel Laurendeau): At this time we will move to the Department of Industry, Trade and Tourism. We will call up the minister.

Mr. Reg Alcock (Osborne): Mr. Deputy Chairperson, I would be interested, stepping back from the details of what is happening in the department right now. This is the lead department on industrial development, the lead department on economic development, and can the minister tell us in a specific sense, what is achieved? What are the results? What is the output of a year's work in this department? What has happened in Manitoba that has made it stronger?

All I see reference to in the minister's opening statements are things that have been done by other departments in eliminating public service positions and holding down taxes. What has happened in this department? What new industries are here? What new jobs have been created? How many people are working here that were not working here a year ago as a direct result of the actions of this minister and this department?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Deputy Chairperson, firstly, I think it is important to keep in context my opening remarks, that while we have a responsibility in terms of job creation and the economy and have particular programs to deal with that, clearly we are one government. We are not individual departments, and what we do collectively is important for the economy of Manitoba. What Rural Development does is important for the economy of Manitoba as Agriculture, as Finance and so on. So I think it is important to keep in mind the things we are doing in the whole area of finances and fiscal elements and other programs in other departments and so on.

When we get to my department, there are a series of particular initiatives. There are particular financial programs that have led to direct job creation as the manufacturing industrial opportunity program that approved—I believe I referred to them in my opening remarks—for financial assistance grants, or repayable loans actually, during 1992-93 that resulted in several hundred jobs.

There were two programs approved under the Manitoba Industrial Recruitment Initiatives that again resulted in hundreds of jobs. Various other programs, the Manufacturing Adaptation Program, which is a loan program of a smaller scale, up to \$100,000 repayable loan program, that again deals with existing businesses in many cases and results in either a combination of job maintenance and/or job addition.

I think it is important to recognize as well that job maintenance in many cases in today's economy is just as important as job enhancement or attraction. I would encourage the honourable member, without me repeating all of them, to read some of my comments relative to what has been happening not only in Canada but in the United States, and not only in North America but in other parts of the world, the kind of job losses that the European community is going through, the kind of job losses that are happening in the United States and the kind of restructuring that is taking place universally.

I think most who are looking at the global economic picture are recognizing that companies are in fact going through a major restructuring. There is a shift in the traditional economic base. There is a shift to more knowledge-based industries and so on. So many of the programs that we have have also been very significant in job retention, and many of the things we do on a day-to-day basis deal with that as well. I have many discussions with financial institutions dealing with existing businesses to make sure that they are supportive getting them through some difficult periods.

We have a tourism program that provides both a combination of financial support for marketing programs that can deal with additional economic activity and a product development aspect that deals with the improvement of facilities which again enhances their economic activity. We have a communications agreement that will be dealing in 1993-94 with some initiatives that I know the member for Osborne (Mr. Alcock) has some interest in that will deal with the combination of job creation and research and development that will lead to further job creation in this province.

So, Mr. Deputy Chairperson, I could go on and on going through each of the detailed lines that point to various expenditures of money that have led to direct job maintenance and creation and/or—I have not even begun to touch on the whole policy side of trade and the kinds of role that we are playing in trade. I think the member for Osborne knows the leadership role we are playing on the whole issue of interprovincial trade barriers, the breaking down of internal trade barriers in Manitoba. I am fortunate to co-chair that with the federal government. It is a high priority for us and we feel it should be a high priority for all Canadians because it costs taxpayers money, it costs

governments money and it does affect the competitiveness of Canadian businesses.

We have had many discussions in the House on NAFTA and he knows full well the position we have taken on NAFTA and the concerns we have as it relates to the three outstanding conditions that still exist.

We also deal with GATT and continue to support our federal government with the position we are taking on market-access enhancement, particularly in the agricultural community with the European community at this particular point in time.

Mr. Deputy Chairperson, I could go on and on, but I think at this point I will stop and see if the honourable member has another question.

Mr. Alcock: Mr. Deputy Chairperson, yes, I find the whole discussion a fascinating one. There is an article, actually I think it is in this month's, might have been last month's, Atlantic that is headed "It's not the economy, stupid." The point that the article makes is that one government cannot control the economy and cannot dictate on a macro level major changes in economic direction, particularly from a small base like we have here in Manitoba.

There are some interesting things that I observed, and I just would like to try to understand a little better maybe from the perspective of this minister who stated, in the response he just completed, that his division and he do have a responsibility for job creation in this province.

When you look at what has happened in—let us take the last five years as a period, although we could go back 10 if you wanted, but take the last five years and look at the distribution of wealth in this country as measured by the gross domestic product. When we look at that, and it is true that the country has been through a recession, the world has been through a recession, different parts of the country have suffered, we see that relative to Canada as a whole, Newfoundland has actually gained economic strength. Surprisingly, given what has happened in the fishing industry and everything else, Newfoundland has actually done well. New Brunswick has done well; Nova Scotia has done well; P.E.I. has gained; but Manitoba has lost. It is odd.

* (1550)

I am talking about relative position within the country now. The entire country has gone into a recession. Manitoba has gone through a

recession, but why is it that these four small relatively weak provinces have managed to weather this storm and come out strengthened? Manitoba, which has this manufacturing base, which has the strength the minister keeps referencing, has in fact, during the five years that they have been in charge of job creation in this province, performed worse than seven other provinces.

I do not say that to even hang that at the minister's doorstep. I would like to understand what is driving that, what the problem is that the minister is facing as he attempts to fulfill his responsibility for job creation?

Mr. Stefanson: Mr. Deputy Chairperson, firstly, I think many people today are questioning the value of the GDP as a measurement of economic growth because, I think as we all know, it can be for a short period of time artificially inflated or adjusted upwards through government spending, as an example. Certainly many articles I have read of late are questioning the whole issue of economic indicators, and as the member for Osborne (Mr. Alcock) knows, GDP is one of about 13 or 14 economic indicators.

Without accepting the preamble or the comments of the member, without having the details in front of me, and again the opportunity to review the year-by-year adjustments to the GDP, I cannot comment specifically on the changes from year to year, but I will talk in principle about that issue and about what I see as the positive economic signs in our province. I have already outlined my concerns about that as an economic indicator because of things like government spending, and that is why if you compare Manitoba today and you see where our areas of strength are, I believe they are in the areas of strength that will create real wealth.

If you look at the projections for capital investment as an example in our province, capital investment growth in the private sector, I believe our ranking is somewhere around third in the country in terms of what is expected in private sector capital investment. If you look at capital investment in the manufacturing sector overall, we are expected to have the second highest performance in all of Canada, some 30.8 percent increase in 1993 over 1992 levels.

If you look at other signs in our economy that show consumer confidence, if you look at the swing

in retail sales performance over the last six or seven months in Manitoba, again, our performance in that area is running at, I believe, the second best in all of Canada since September of 1992.

If you look at issues like our unemployment in terms of how we are starting to fare today, if you look at employment, firstly, in terms of full-time jobs, I believe in the first few months of this year we had some 10,000 more full-time jobs in Manitoba than we did a year ago, and that is the best record in all of Canada, 2.5 percent increase. Canada, in terms of growth rate and full-time jobs is one-half of 1 percent. We were five times the national average. If you look at our unemployment rate, which we have discussed before in the Chamber, we consistently stay at second or third lowest in all of Canada.

So from my perspective to sit here and focus only on the GDP is not doing justice to the overall economy of Manitoba and how we compare with in Canada, because I feel that there are other economic indicators that carry as much, in fact in my opinion, more weight. If you start to do the analysis of how Manitoba is faring today in those economic indicators, in those areas, we are faring very well relative to the rest of Canada.

I am not suggesting for a moment that there are areas where we still would not want to see more improvement and that we do not have areas that require more attention, but I keep reminding members of the opposition, I think to do justice to these kinds of issues you have to do it in a relative sense and you have to compare us to other provinces. While the member for Osborne is focused on GDP, I can come back and focus on unemployment rates, I can focus on full-time employment, I can focus on retail sales, I can focus on capital expenditures, private capital expenditures, capital expenditures in manufacturing. I could focus on last year's manufacturing shipments where we were the second or third best in Canada.

Even using GDP, last year I believe we had the third highest growth rate in GDP in all of Canada. So I think there are, in fact I do not think, I know there are many positive signs in terms of our economy and feel that, yes, we are on the right track with the things we are doing to ultimately maintain jobs and create more jobs and create a stronger economy, and create real wealth for the economy of Manitoba, not just recirculating

taxpayers' dollars amongst ourselves and adding to our debt and our taxes in our province.

Mr. Alcock: Mr. Deputy Chairperson, I do not know, it may be that it is just not possible to have the kind of discussion that I want to have today. I mean, I started off by saying that I do not hold this minister responsible for this. I hoped that we could get unhooked from this, you know, you did this or you did not do this, that kind of—it strikes me that we waste an enormous amount of time here having that kind of who did what to whom conversation. I make a series of observations looking at what are reputed to be reputable sources of information on economic performance and the minister responds to me. Perhaps that is the only thing he is loaded to respond with right now. Maybe by having somebody else get here, we will get a little more detailed discussion.

It is easy to pull things out of the existing mix of information that is suggested in this area or that area that we are doing better. I do note the growth in full-time jobs, by the way. The minister is quite right, there have been some encouraging signs in that area, although, again, if you look at our mix of full-time to part-time jobs within our current labour force, we have been sliding for the last five years. These are not figures that are manufactured by anybody. I mean, they come straight out of the very reports the government puts out month after month.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

The Acting Deputy Chairperson (Mr. Reimer): Mr. Minister.

Mr. Alcock: No, I am not finished. You were talking to the minister, I did not want to interfere with his opportunity to have a conversation with the speaker.

The Acting Deputy Chairperson (Mr. Reimer): Mr. Alcock, to continue his line of questioning.

Mr. Alcock: Thank you, Mr. Acting Deputy Chairperson. I am not attempting to attack the minister or the government. I just would like to understand it better. I go through it and it looks frightening to me. It is frightening to me that this province, despite efforts by the previous government and by this government, continues to lose position in Canada.

You can argue the fine points of whether GDP represents anything, it does represent the

accumulation or distribution of wealth in the country between provinces. When you look at distribution of labour force, you see the same thing. I should say, you know, there are further strengths in this case. I am not attacking just this minister or this province; the same thing is replicated in Saskatchewan and Alberta. It is the three prairie provinces that have suffered in this last 10 years. I would like to understand why. This is the minister responsible for economic development in this province; I would hope that you would be able to help me understand that.

Mr. Stefanson: I do not have a problem having this kind of a discussion. I am not sitting here blaming anybody else for any situation in our economy today, as it relates to our discussion about economic indicators and performance and so on. My point was, quite simply, that I think you have to look at all the economic indicators. We have had that discussion.

In terms of what we are doing as a government, I will go back, and I think this would be an interesting discussion to have with the member for Osborne, to see whether or not he agrees or disagrees with what we have set as the economic priorities. We did recently release a framework for economic growth by the Premier of our province, worked on in conjunction with the Economic Development Board, which I happen to serve on as well along with other colleagues. From a reporting point of view, it falls under the jurisdiction or mandate of Industry, Trade and Tourism.

* (1600)

But I am sure that the member for Osborne (Mr. Alcock) has had a chance to go through that document, and it builds on a 10-point framework. This is where we will probably have some disagreements with some of the opposition parties, is what those priorities should be.

Obviously, we put a great deal of emphasis on the economic climate in terms of long-term job creation. I probably should preface this by saying to the member for Osborne that I would hope we could agree that to create real wealth in our province and to create long-term jobs is not something that any government can do overnight.

He is right that the provinces are probably limited to how much they can even do, that you as a country have to, hopefully, be on a similar track in

many respects to, again, create real wealth and long-term jobs.

I referred to them in my opening comments. I will not go back to all 10 points, but I think some of them are fundamental. There is not a day goes by in here that I do not have some discussions with Manitobans and many of them are members of the business community. The message I hear consistently from them is the whole issue of competitiveness.

They are not only competing with Saskatchewan or Ontario, they are competing with the United States, and they are competing now with Japan, Germany, the United Kingdom and all parts of the world. They feel we as a government have a role to play in that whole issue of competitiveness in terms of what we do in taxation, what we do in other issues that we have an effect over, whether it is workers compensation rates or other costs of doing business.

The message consistently to us is that many of them believe that years ago the relative competitiveness of Manitoba was not that great. The feedback I get from them today is many of them would still like to see it even better than it is, but they acknowledge that it has improved significantly. Our positioning within Canada and within the rest of the world, in terms of our tax costs, in terms of many of the other costs from doing business, is much more competitive.

We are seeing independent signs of that. We see companies not being commissioned by us—you see a report by a company like the Boyd Company out of the United States independently survey some 45 cities in the United States and Canada and finds that Winnipeg was the third lowest, and the lowest within Canada in terms of competitiveness.

We see decisions like companies like Monsanto and others that point to the issue of competitiveness. I will not belabour that point, but obviously that is something that we fundamentally believe in.

Another area is unquestionably the whole area of skills training and lifelong learning. Again, I will use the Monsanto decision. They did not only talk about competitiveness, they talked about the quality of the workforce, and the quality of the workforce in Manitoba.

I think we have a good reputation for the workforce in Manitoba, but we definitely have a lot

of work to continue to do in that area in terms of skills training, issues of continual upgrading and continual enhancing of our human resource capabilities. I think that is something that government has a role to play, but so do businesses, so do individual Manitobans.

I think Canadian businesses and Manitoba businesses have to continue to direct resources to that very important initiative. I think that is an area that has always been important in our economy but it is, in the years ahead, going to be an even more important aspect of the economies of Canada and of Manitoba.

I notice the member for Osborne (Mr. Alcock) is reacting, so rather than me ramble, I will wait to see if he wants to come with a more specific question.

Mr. Alcock: Mr. Acting Deputy Chairperson, you know, it is just interesting to me. We covered a lot of territory, maybe we can squeeze it down a little bit so we can be more specific on a couple of points.

The minister references the plan that was tabled not too long ago. I looked forward to that with some eagerness, frankly. I mean I thought that maybe what we would finally see is a plan, and I was frankly quite disappointed in it, not that any particular component of it was wrong or that it stated something that I disagreed with. It is just that you are five years, six budgets into this, and what I saw was sort of a competent overview of current thinking in economic development attached to, I do not know, a platitude generator that just sort of ground out a bunch of nice phrases about this. I did not see anything that said, and as a result we will commit to this; we will do that; we have this target; we are headed in this direction.

Particularly what the minister caught me reacting to is this tremendous confusion I have as I look at the statement that the minister just made about the importance of the quality of the workforce. You know, that is not something that has been discovered in Manitoba. I am pleased to see that we focus on that because I mean what I read is that governments simply ought not to be intervening in the economy in the way that they have in the past, that there are not good examples of throwing lots of dollars at projects. That is a very effective way of producing economic growth, but that one way in which they can is to concentrate on this issue of

lifelong learning skills training and what the minister has called the quality of the workforce.

I tried to reconcile that statement with the committee I sat in this morning when we are kicking 1,200 kids out of school. I mean, when I read the stuff on quality of workforce, and when I look at the information that is coming, certainly out of the States, England and here, one of the fundamentals is getting kids basic training skills and literacy. Yes, helping companies upgrade the skills of their employees is important too, but basic literacy, basic numeracy is fundamentally important.

So on the one hand we have this department sitting here saying, you know, this is a really important thing, and on the other hand we have another department saying, but we are going to deny this opportunity to a whole bunch of people. We are going to reduce the support we are putting into education, and we are going to reduce the support we are putting into universities. So there is real dissidence in the system, if you like. I just do not understand what the real policy of the government is, I guess.

Mr. Stefanson: Mr. Acting Deputy Chairperson, I guess I would obviously disagree and make the point that when it comes to the quality of education in Manitoba, firstly, it does not necessarily require more money from government today. The amount of money that we allocate to education, and I am not here to talk about the Education Estimates, but initiatives that we have seen in the whole field of education are all working and leading towards enhancing the education community in our province.

We are in the midst right now of a review of the Roblin commission reviewing our universities. I think some of the kinds of initiatives that we are seeing at our community colleges in terms of making them more linked to the needs of our business communities is definitely a step in the right direction. We have seen that already with some course adjustments that I know in the aerospace community which is an important community in Manitoba. I think the whole review process that has been going through in that area is important to—it sounds pretty simple to say that we are going to match the academic courses and training that is available with the job opportunities that exist in Manitoba and Canada, but clearly that is the path that those institutions are on. We are seeing signs of progress, maybe not as much in

some areas as everybody would like, but clearly from my perspective, they are on the right path and we see signs in various sectors where it is working already.

The whole review of education done over the last period of years is all pointing, from my perspective, in the right direction of enhancing the kinds of training and abilities that our young people will ultimately obtain. Obviously, we agree with the objective, and we agree with what we want to see as the end result. We might not agree on everything we are doing to get there, but clearly I think the kinds of reviews we are seeing being done by education are heading in the right direction.

(Mr. Deputy Chairperson in the Chair)

Mr. Alcock: I shall not belabour that because this is not the minister responsible for those decisions, but it just stands out there as an enormous contradiction.

Let us come back to this. I mean the minister made much, and then certainly the Premier (Mr. Filmon) made much, of the tabling of this plan. Now we have put it on the table. We said this is what we are going to do. What does it mean in concrete terms?

You know, you talk about virtually every major industry in the province as being important. You run through all the platitudes about education and such. What does it mean in terms of policy decisions, the allocation of resources, deregulation, whatever? I mean, given the actions that a government can take, what action comes out of that document? To this point, it just seems like a large press release.

Mr. Stefanson: I can assure the member for Osborne it was not a large press release. From my perspective and our government's perspective, it is exactly what it is called. It is a framework for economic growth. It does not have an individual documentation of each and every initiative that each and every department will be doing, but it is obviously creating the parameters that we, as a government, will function within.

We talked at length about the whole issue of an environment conducive to entrepreneurship, enterprise formation and growth. Obviously, that affects the kinds of decisions you see us make in the field of taxation. You see the decisions made, not only holding the line, but selectively reducing some taxes in given areas, whether it is railway

fuel, aviation fuel and so on. You see the extension of the research and development tax credit; you see the extension of the manufacturing tax credit—those kinds of initiatives that are all part of creating that kind of an environment.

* (1610)

One of the other points is a focus on innovation. Last year we created the Economic Innovation and Technology Council. They have been, from my perspective, working very diligently on a whole range of fronts to deal with issues related to research and development and innovation. They have held a series of forums with Manitobans to garner their views, whether it is in agri-food, whether it is in rural development, whether it is in quality management, whatever it might be.

They also are in process of developing the parameters around the allocation of the resources that have been attached to them through this department, the funding that they have been provided with to deal with research and development and technology development. Those will be parts of this framework that you will see the details unfold over the weeks and months ahead, but I think from my perspective, it is fundamental to have the broad parameters, the things that you believe in.

It is fine to talk about it as being a press release, but even these 10 points, does the member for Osborne fundamentally believe that those are the parameters, that is the framework a government should be operating within? Then judge us on the individual programs and accomplishments within those frameworks.

I will gladly speak about the specific things that you see us do as it relates to innovation, as it relates to the fiscal climate, as it relates to trade and export orientation, as it relates to skills training and so on and so forth, Mr. Deputy Chairperson.

Mr. Alcock: Mr. Deputy Chairperson, but you see this is exactly my problem. I mean, I said to the minister when I first responded to his comments on this plan that there is nothing in it that I would oppose, nothing in it that I would say is a bad thing or a misdirection. It just strikes me that it is pretty thin soup after five years in government to come out with what is essentially a description. It is a collection of words and adjectives and high-sounding sort of phraseology.

Surely, the real question is—and let us take an area. Let us be specific for a minute. You talked about something that sounded like a specific action and that was research and development. You target that as an area that is important. You talk about some changes in tax crediting, and there have been attempts in different areas to do that. What is the target? Have you set a target? Have you said you want to get a combination of public and private sector up to a certain level? Has there been an increase? What is the increase? What is the quantifiable result, I guess is my question. Let us move away from the high-sounding phrases and just get down to find out, well, what is happening on the street. Do we have more activity or less activity, and if so, how much more or how much less and what do we attribute it to?

Mr. Stefanson: Mr. Deputy Chairperson, the member for Osborne and I have talked about this before. It is one area that I think Manitoba and Canada as a nation have lagged behind, is research and development and innovation. I think we have adopted and are adept at picking up products worked on in other parts of the world but have not done that well in this field as a nation.

In this particular area what we have done is, we have established a council approximately a year ago drawn from a broad range of sectors of our community. They are working with many facilities and institutions in our province, our universities, our different laboratories and so on, with the objective of government in part providing additional funding, but just as importantly tying all of that into the private sector and to our research facilities in terms of the allocation that they make to research and development.

Obviously, the objective is the direct jobs created during that whole research and development process, but more importantly the jobs that are created from the commercialization that can flow from the research and development work done. That is an objective.

I cannot give the member an absolute quantifiable number that we anticipate that as a result of that we will have X number of thousand jobs, but each allocation of resources will ultimately be judged on the jobs that they create and the commercialization that flows from it. TR Labs will create some jobs in Manitoba directly, but hopefully more importantly it will create products and service capabilities that will lead to other jobs and that

initiative will be judged on its output over a period of time.

So the fundamental point here from my perspective is we feel we have the structure in place. We feel we have given them now a reasonable allocation of government resources. They have a fund of \$10 million to start to utilize for research and development and innovation technology, and they are working with the Manitoba community in that area and heightening the importance of the issue, the recognition of the issue.

Certainly, I hope to be here. I guess the honourable member for Osborne (Mr. Alcock) might not be here years from now that we can sit and say, with that fund and with these initiatives, here is the output. I am pleased with the structure, and I am pleased with the kinds of resources that we now are starting to attach in that area and the priority that we are starting to give it as a government.

Mr. Alcock: Mr. Deputy Chairperson, well, let us just continue with research and development for a minute, because the minister is right. He has covered the ground in terms of the importance of it. I do not expect him to give us sort of set limits in terms of specific jobs, because I do not think that is the kind of measure you look for from this particular kind of initiative, so I am quite prepared to not hold him accountable for that.

I am interested though when you set out to do something, your council has identified that this is an important area and you have set out with the goal of causing more, creating, adding to, having a net increase in the amount, the quantity of research and development. That is a very broad definition. So presumably to do that you must have some sense of how much activity is taking place today and some means of quantifying that. Stats Canada has certain kinds of measures that it uses for that. You must have some sense of what your work to date has produced.

The question is, do you have some target as to where you would like to see us going, what level you think we would be comfortable at?

Mr. Stefanson: Mr. Deputy Chairperson, at the early part of our discussion in this area, I prefaced by saying I felt Canada was not spending a great deal and that Manitoba relative to Canada, this is one area that we have been at the lower end of the

spectrum. There are the economic indicators, the gross expenditure on research and development and various economic bases that we have to start from. As an example, Manitoba has averaged, in terms of provincial government expenditures on R & D, somewhere between \$7 million and \$9 million annually.

* (1620)

I think more important is not only an increase in our allocation of funds but how our funds can be levered to create other funds. So we have now set aside a \$10 million fund for EITC, and some might criticize them for not having all of the parameters in place, but our direction has been consistently to them, when they come forward with the plan, be sure it is right, be sure it has the support of the business community and of the academic community and so on.

So that is something that will unfold during the course of this year and, hopefully, will be something that is supported by the honourable members. We have a base to start from that is low within Canada. We are allocating more resources, and we are working in areas.

We finally have seen the tendering close on the construction of the virology lab in Winnipeg—obviously benefits from the construction, but more importantly the kind of research work that will flow into our province through that facility.

I want to assure the member we have been in continual discussion with the pharmaceutical industry in terms of what we consider the very low percentage of the R & D dollars spent by the pharmaceutical industry, the Pharmaceutical Manufacturers Association of Canada, in Manitoba. It is just over 1 percent.

We had a pharmaceutical fair here in Winnipeg last year, and it was interesting that the people from our research community, they said, we do not want it done on population. We are not saying spend 4 percent in Manitoba. We are saying just give Manitobans a chance because we do have a good nucleus of research in many areas.

We continually work with the pharmaceutical industry. I have had multinational pharmaceutical companies, several of them in my office over the last period of months, and I am very optimistic that we will start to see more dollars spent by them in our province. I believe that will happen. They are reviewing—I do not know if it has been

finalized—allocating a certain portion to the National Research Council. That portion would be—Medical Research Council—distributed on the basis of a peer review. Traditionally, that peer review from the Medical Research Council, Manitoba has performed well because we do have a good research community.

So we have a base to start from that is low. We are allocating more resources directly as a government. We are working in various sectors. When I refer to virology, it is because in part of the emphasis, health care, health industry is one of our targeted areas as a government. The pharmaceutical industry is part of the health care, another targeted area.

Aerospace community—we continue to work within the aerospace community with Bristol and Standard in terms of the kinds of things they can do. We are working with the aerospace community and the Canada Space Agency in terms of projects that can be done right here in Manitoba.

We are working on the Earth Environment Space Initiative co-operatively with the other three western provinces with the nucleus of that being here in Manitoba.

So there are a range of fronts that, from my perspective, add to the base of R & D being done in our province, and in the long run that can only be healthy for our economy.

Mr. Alcock: Yes, and I think the minister understates their involvement with the \$7 million and \$9 million. Certainly at the University of Manitoba there is—off the top of my head—some \$50 million or \$60 million being spent on R & D and some of it is coming out of the Manitoba Telephone System, Manitoba Hydro and other arms of government that are supporting that.

Mr. Stefanson: Just for clarification, that was direct provincial government expenditures, if you took all of our department.

Mr. Alcock: It is interesting though. Gross measures are often simply that, and I shall not spend a lot of time quoting the various statistics among the industrialized countries, but the minister references that Canada is low in the world, and Manitoba is low within Canada.

The most recent figure I saw, I think, was that Canada—again we use a measure that perhaps the minister does not like as much, GDP—but it is one measure of the proportion of one's wealth that

one puts toward research and development. I think Canada is credited with 1.8 percent of GDP being spent on all forms, private and public sector R & D versus a G-7 average that I think is—off the top of my head—3.1, 3.2 percent, something like that, going up to a high of, getting close to 4 percent in Japan, and I think under 3 in the United Kingdom—something in that area.

But say it was at 2 percent of GDP in Manitoba. That would represent an annual involvement of over half a billion dollars, \$500 million—not \$50 million, not \$7 million, let us say. Any of the figures that I have seen out of Stats Canada—and I admit it is very difficult to pull apart because of the problems of defining what is research and development and what is normal operation—but any of the figures I have seen on Manitoba place Manitoba's involvement or Manitoba's investment across all three private and public sector—I think actually they make three distinctions: the private sector, government, and universities—is in the order of \$200 million total in the province.

So well less than half of what we would be at to meet a measure that is considerably less—and then I guess that is the frustration I have when I see the government talking about a \$7 million initiative. The gap seems to be so enormous.

Mr. Stefanson: The most recent figure I have in terms of the gross expenditure and R & D in Manitoba is the 1990 figure, which was \$249 million, so the member was close with his figure.

Again, using his comparison, that is why I agree that Manitoba and, I believe, Canada is not spending enough resources in those areas by comparison of what is happening and the success that has occurred elsewhere.

Mr. Alcock: I should say too that I do not sit here and expect the minister to all of a sudden move from \$7 million to \$200 million. I mean I am not as out of touch with the real world as to suggest anything like that.

But given the size of the gap, given the size of the difference, what sort of hope does the minister have? What sort of initiative does he have in place that is going to replace that? I would expect a lot of that is going to have to come from the private sector, given government's inability to fund at both levels.

Mr. Stefanson: Well, I think the member is correct. I think an awful lot of it has to come from

the private sector. I think there is a role for government to play, and we have attached some additional resources, but to narrow that gap, the vast majority has to come from the private sector.

From my perspective, there are some things that have to happen as a result, and that is where organizations like the EITC become fundamental. Because I think the whole need and focus on research, development and innovation has to be heightened in a province like Manitoba. We, as politicians and as governments, can play our role in doing that. We could provide some funding, we can talk about it, and we can promote it, and so on.

But ultimately Manitobans, in particular the business community, have to buy into that, and have to recognize the long-term benefits from those expenditures, from setting aside a certain percentage of their budget every year, in particular industries, to do the kind of research work. Other things that governments can do, rather than direct financial support, obviously through the taxation system there are some things that can be done through tax credits and so on. There has to be a fundamental commitment from individual businesses themselves to recognize the importance.

I think that is really as much of a starting point or as much as one of the biggest challenges for all of us—the business community itself. I have sat through some of the meetings of the Economic Innovation and Technology Council, 30 individuals with a broad range of abilities and backgrounds. I think it is individuals like that and other individuals in Manitoba who have to help to get businesses more attuned to spending resources in those areas. I am not passing the buck by any stretch of the imagination. We have a role to play as a government. We can be a catalyst. We provide some direct funding. But the member is right, to get up to a more reasonable level, that money should not and certainly in today's economies cannot come solely from government.

Mr. Alcock: I certainly agree with that. I think the federal government has a larger role to play in this also, particularly in the national distribution of the resources for R & D. Let us move off R & D for a minute because we are not going to solve that one here.

The minister was chairing or co-chairing, I think you referenced this in your opening remarks, the

national committee on interprovincial trade barriers. Again, we see an issue that has been—I mean this thing was written about prewar, and we see most recently actions that seem to move directly counter to the elimination of barriers. Can the minister give us perhaps a more hopeful report on what in fact is occurring?

Mr. Stefanson: Mr. Deputy Chairperson, I do not know if it is prewar, but certainly over the last several years there has been a lot of talk on interprovincial trade barriers within Canada. When I first had the opportunity to serve in this portfolio, the provinces were going about this issue on a basis of individual issues.

I think the member is fully aware of the procurement agreement that was signed originally by the western provinces and then was signed nationally. Then there was a national agreement on beer that at that particular point in time Manitoba did not sign and did not participate in.

* (1630)

Obviously, the member knows full well there is a series of other sectors. You go beyond procurement when you are talking about interprovincial trade barriers. You are not only talking about goods, you are talking about services, you are talking about capital, you are talking about people, the four fundamental areas. You get into the other line departments. You get into agricultural issues. You get into environmental issues and so on.

Back at our March meeting this year when we developed originally the comprehensive approach, we said provinces have been dealing with this realistically since about '86 and have made very little progress. The suggestion was made to try and deal with it comprehensively, to get all of the sectors on the table because within the individual provinces there are sensitivities. Some provinces are concerned about winning and losing, so to speak, when it deals with some of their Crowns or some of the other sectors.

There was unanimous agreement amongst all of the provinces from three political parties to, yes, let us start a comprehensive, let us do it like an international trade agreement. Look what has happened under free trade. Look what has happened under NAFTA, even GATT, with the stalling, you can get all of these other countries and get them to have issues, and in the case of Canada

and the U.S., come to an agreement, and NAFTA—they seem to be on the path to coming to an agreement.

Here in Canada we cannot, after seven years now, come to an agreement, so we started this comprehensive approach. We met again in Vancouver this year. We have all designated chief negotiators. Manitoba's chief negotiator is my deputy Paul Goyan, sitting to my left.

We have put the sectors on the table that we feel are important. There are 12 or 13 sectors that have been put on the table that we feel are important. There are 12 or 13 sectors that have been put on the table. We have also recognized that in some of those we should be dealing with other committees that are in place, because with some of the different ministries, you have committees working on issues. Most notably within Agriculture, they are working on some of the issues that affect interprovincial trade barriers, within Environment they are, within Financial Services and Finance ministers they are. So we are saying we will also work with—we will not redo work that is already being done by some committees.

The other thing we agreed on was that very shortly we will be agreeing on an independent chair, an external individual to chair this committee of chief negotiators. Our target is to be back to all of our governments by June of 1994 with a comprehensive package that addresses the breakdown of interprovincial barriers across Canada, with a target date of full implementation that has been given to us by Premiers and the federal government of March 1995.

It is a very ambitious schedule, but I fundamentally believe that this will really put everybody's feet to the fire and determine whether or not provinces are sincere on this issue or not. We have heard a lot of rhetoric from a lot of individuals on the importance of interprovincial and internal trade barriers. As you have already said, not a great deal of progress, so this will really test the case.

I support the concept. I happen to, at this point in time, co-chair the political end with the newly-appointed federal minister, Jean Charest now. I think it is the right approach, and we will know by this fall how serious all provinces are and what kind of progress we are making on this very important issue.

Mr. Alcock: Mr. Deputy Chairperson, you say you will know by this fall. Do you currently have the unanimous support of all Premiers?

Mr. Stefanson: The last time the First Ministers met, yes, they did. As I indicated, we had an internal trade ministers' meeting in Vancouver in June of last year. All internal trade ministers present supported it. I know you have seen some actions and some comments.

(Mr. Jack Penner, Acting Deputy Chairperson, in the Chair)

There were some comments made by the B.C. minister at the time. He issued a press release during that meeting. He, certainly at our meetings—and was a part of the communique that was released and indicated that they are prepared to go through this whole review process. He expressed some concerns on their behalf, but at this point in time, they are fully participating and are a part of the process.

We have seen actions between Quebec and New Brunswick. Those are actually issues right now that are being dealt with between those two provinces. They have an agreement to see if they can resolve them by, I believe, the end of August or thereabouts. Again, they are full participants at this point in time.

The reason I say by this fall is because of those kinds of things. We will get a sense by the fall. We said June '94 is the target date, but if we are not well down the path by this fall, we are not going to hit that target date. We will really know, now that the committee can get down to the serious negotiations, how serious all of these provinces are and how much progress we have made.

Mr. Alcock: Perhaps this is not a fair question, but what is your bet?

Mr. Stefanson: It is not a fair question, but I am an eternal optimist. With what I see coming out of most provinces in Canada, I think there is a pretty good chance, better than 50 percent chance.

Mr. Alcock: Mr. Acting Deputy Chairperson, let us move on then to another area of trade, and that is the NAFTA and the remaining three points. What is taking place?

Mr. Stefanson: Mr. Acting Deputy Chairperson, we discussed this a little bit the other night but, as the member for Osborne knows, we still have three outstanding conditions as it relates to North

American free trade. The two that have been in the media a great deal of late are the labour issues and the environmental issues. I think, as the member knows, Canada and Mexico have been in agreement expressing concerns about the utilization of sanctions, and it was that issue that really was bogging down discussions. I am informed that all three countries are now back at the table again dealing with those two very important issues.

We have been fully supportive to date of the Canadian position expressing concern about sanctions. I also said the other night that I am pleased with our involvement, that not only our representatives from my department—seated with me is Mr. Alan Barber who is our director of research who is participating in discussions on both labour and environment—but we have the representation from our Labour department here in Manitoba and we have representation from our Environment department at the meetings with the Canadian negotiators here in Canada providing our position and our direction on those issues. So we have been very much a part of that process.

As the member knows, they were two concerns that we tabled back in July of '91, so we are pleased to see that there is progress being made in the area.

Mr. Alcock: One of the issues in the establishment of the sidebar agreements on labour standards and environment is enforceability, and you are saying you are not comfortable with the notion of sanctions. What alternative is being put forward?

* (1640)

Mr. Stefanson: I think, as the member knows, both for labour and environment, there is talk about obviously a body representing the three countries with a secretariat and resources attached to it. But the kind of pressure or way of dealing with any violations or deviations obviously can also be through an examination of that deviation or violation and heightening of public awareness on that issue.

At this point in time, that has been as much the Canadian and Mexican position that there is a fear that sanctions would not necessarily work as much and in the best interests of those two countries partly just because of the sheer size differential and economic differential. We have seen some

examples of late of different challenges under the Free Trade Agreement by the United States that probably caused Canada some concern and Mexico some concern.

(Mr. Deputy Chairperson in the Chair)

Mr. Alcock: Without redebating this issue, the concern simply is that—and it goes back to something the minister referenced before about competitiveness. One of the dangers of attempting to equal other jurisdictions is this problem of the race to the bottom. The person with the lower environmental standards, the lower floor costs for doing business in their country, has a competitive advantage that we may not want to meet.

As I understand it, the nature of the sidebar agreements is to remove some of that, to equalize the playing field. I know, and I have a number of friends in the Mexican government in the president's office who are phoning me constantly being very supportive of this. Mexico very much wants this deal. They are poised for some significant growth, and they know that their growth is based on access to the American market in particular.

But there are serious, serious concerns, and without some sort of enforcement mechanism, are we not just deluding ourselves that we have solved the problem by entering into an agreement? I mean, we have already got an agreement that says all sorts of things about the value of the three countries. The point is that the Mexicans at this point in time have not responded to some of the environmental concerns and have not enforced the environmental legislation that they have. Without an enforcement mechanism, how do we have anything other than an agreement and a secretariat that will produce more reports?

Mr. Stefanson: I guess maybe it goes back to my reference of sanctions, and the concern that we have had in Canada is sanctions that are directly tied to trade, countervail or duties or tariffs at the border. There are other means of dealing with some enforcement, obviously financial penalties, those types of things.

We are saying at this point we are much more interested in pursuing alternatives to direct trade sanctions, to countervail or tariffs and finding other mechanisms for enforcement through financial penalties, through those types of things because of the concern that I have already outlined. It is a

concern shared by Mexico in terms of what could be disproportionate weighting in terms of the United States.

Mr. Alcock: I am not certain I understood that last comment, disproportionate weighting in terms of the United States applying sanctions or disproportionate—I am sorry, I missed that one. If you have a, say it is a financial penalty in place and you detect a practice that is outside of the scope of the agreements, is it the intention to imply that financial penalty to the company?

Mr. Stefanson: I guess the short answer is we are more dependent on trading into their market. It is disproportionate in terms of our level of trade into the United States versus their level of trade into Canada.

Mr. Alcock: So a sanction works more strongly against us, that makes some sense. How would financial penalties be applied? Would it be a form of tribunal that would assess a penalty and then it would be applied against an individual country or company?

Mr. Stefanson: We are probably getting into the discussions that are occurring somewhere in North America right now, but a preferred position in many respects is government to government, because it is the governments that are responsible for the enforcement of the labour standards and/or the environmental standards. Again, those are matters that are potentially being discussed as we sit here.

Mr. Alcock: That is fine, then. I will put this aside, particularly given the length of time we have today, and I do have a couple of other questions I would not mind getting resolved today. Just briefly, the third element, you mentioned environment and labour.

Mr. Stefanson: The third element was adequate adjustment assistance programs.

Mr. Alcock: And the request is that adjustment programs be funded by whom?

Mr. Stefanson: Mr. Deputy Chairperson, what we have found is, over the last several years, the level of federal assistance for adjustment has been declining in Manitoba, and we are suggesting that in light of both the Free Trade Agreement with the United States and now the pending NAFTA, there should be a greater financial commitment, at least returning back the levels they were at a few years ago.

Mr. Alcock: That is interesting. Could the minister just review that for me? Post-1988, one of the statements that came out in 1998 some of the identified adjustment would be taken care of through worker retraining and a series of adjustment initiatives that would come out of the federal level. Can the minister give us some sense of if it is declining, declining from what base? What has been the history over the last five years?

Mr. Stefanson: Mr. Deputy Chairperson, going back to 1985-86, total federal funding for training in Manitoba exceeded \$92 million. By 1990-91, total federal funding for training in Manitoba had fallen to just over \$60 million, but there has, over the last two years, been some additional federal funding for training in Manitoba as a result of redirection of increased unemployment insurance funds which I believe brings us back up still short of the \$92 million in '85-86, and that is the number that my officials are looking for right now.

* (1650)

Mr. Alcock: That is interesting. Was it de Grandpré who did the study on labour force adjustments as a result of FTA? You are going back to '85-86, so you are saying there was no bump up in '89, there was no additional, we have been declining since.

Mr. Stefanson: That is correct. There was no bump up, to the best of my knowledge, until subsequent to '90-91, so '91-92, when the redirection of UI dollars was put in place.

Mr. Alcock: Have you been able to track or quantify the extent of labour force disruption as a result of the implementation of the FTA?

Mr. Stefanson: Mr. Deputy Chairperson, the member for Flin Flon (Mr. Storie) asked a similar question the other day, because we know his position on this particular issue, but the short answer is no. There has been a series of different studies or reports done by the western Centre for Economic Research, the C.D. Howe Institute, the Royal Bank, the list goes on and on with different organizations that have done a review of the impact of the Free Trade Agreement on Canada.

Again, virtually each and every one of them when they look at trade issues also recognize that there have been a series of other issues within our economy that have had an impact on trade as well. The recession is obvious, introduction of the GST, our exchange rates and so on, but most of them

come to the conclusion that the Free Trade Agreement with the United States to various degrees has been of benefit to the economy of Canada.

Mr. Alcock: Well, I shall resist that invitation from the minister to debate this particular point given that we have approximately five minutes. Perhaps we will leave that until Monday when we have more time.

I do have one question on an area the minister has already referenced. I would just like to get an update on what is happening with TR Labs.

Mr. Stefanson: Mr. Deputy Chairperson, it is in the final stages of discussion, which I know the member is pleased to hear, and I expect to be able to make an announcement shortly.

Mr. Alcock: Mr. Deputy Chair, now when the minister says final stages, does this mean that we will see an announcement, a month, two months? It has been in final stages for quite a long time.

Mr. Stefanson: I am not so sure, Mr. Deputy Chairperson, who has used the expression final stages before, but I think it is the first time I am using it. Final stages means the next short period of time. We are not talking many, many months. We are talking the kind of time frame the honourable member just outlined.

Mr. Alcock: I will turn the microphone over to the member for Flin Flon (Mr. Storie). I would just like to thank the minister for agreeing to as wide ranging a discussion as we started to have, and I hope we can pick it up on Monday.

I would like to start back with that question of GDP and distribution. I appreciate the staff being flexible enough to stay with me on this. I know it makes it a little more difficult for them, but perhaps we could pick that up on Monday.

Mr. Stefanson: Mr. Deputy Chairperson, the member is more than welcome. My problem might be, I have requested a pair to be away on Monday, and if so granted I will not be here.

Mr. Jerry Storie (Flin Flon): Mr. Deputy Chairperson, unfortunately we are not going to finish Estimates today, so perhaps the minister will have to cancel his plans.

Mr. Deputy Chairperson, I know that the minister is anxious to gear up for north-south trade and getting us ready for NAFTA, but we still hold out the hope that they will follow their conscience on this

one and actually stand up and defend Manitoba's interests against NAFTA and do more than simply put out press releases on it.

But I did have something I would like to put to the minister as notice. The previous minister engaged a consultant to review labour force issues, a consultant by the name of S.L. Bond. The minister had already spent more than \$200,000 on this study at the time. There were no results; deadlines, commitments for the presentation of information and reports had passed.

The former minister, at one time, promised that he would get me a copy of that report when it was finally prepared. What I would like the minister to have for the next time that we do actually meet to discuss the Estimates is a copy of the report for me, as well as a final tally on what it has actually cost us for this report, given that we were already promised it a year ago and more.

Mr. Stefanson: Mr. Deputy Chairperson, I will look into the matter that the member for Flin Flon (Mr. Storie) has raised, without any commitment in terms of opportunity to release such without, at this point in time, knowing what is in it, and whether there is any information that should not.

But I will follow up on all aspects of what the member for Flin Flon just referenced, and he knows full well, I hope, that based on my track record on some other issues, if it can be released, it will be. At this time, I will table some of the information that we indicated on Monday night would be provided for some specific questions that the member for Flin Flon asked on particular issues.

Mr. Deputy Chairperson: The hour being 5 p.m., time for private members' hour. Committee rise.

* (1530)

ENERGY AND MINES

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Energy and Mines.

We will begin with an opening statement from the honourable minister responsible.

Hon. James Downey (Minister of Energy and Mines): I can do it two ways, Madam Chair. I can table my statement, if I can get a commitment from the member opposite that he will do the same.

[interjection] Fax the statement? Okay, I will fax it in person. It is not that long.

First of all, I want to acknowledge the House members, all the members of the House for allowing me to present the Energy and Mines Estimates today to accommodate a ministerial conference the first of next week, and I thank members for that convenience.

Madam Chair, I am pleased to present the 1993-94 Expenditure Estimates for the Department of Energy and Mines. The role and mission of the Department of Energy and Mines is to foster and promote environmentally sustainable development, economic development in the province based on Manitoba's energy and mineral resources.

The department is made up of three main divisions, Administration and Finance, which includes the Executive, Financial and Administrative Services division; the Energy and Mineral Resources division, which includes the Energy and Mineral Program Delivery branch; and Mineral Industry Support Programs, which include the Mineral Exploration Incentive Program, support for the Acid Rain Abatement Program in Flin Flon and the Manitoba Potash Project.

Financial and Administrative Services division—the role of the Financial and Administrative Services division is to provide centralized administrative services which support the department's programs. Our support services range from financial and personnel to computer services and administrative policy. The division has embarked on service, quality and an initiative aimed at improving the quality of service it provides to management and staff in the energy and mines area. The division reviewed these support services and we now actively pursue a new strategy to improve the efficiency and effectiveness of these administrative services.

Energy and Mineral Resources division is part of our government's commitment to examine our departments and to make them more efficient. We have reorganized the Department of Energy and Mines. Under our new structure, we are providing a more co-ordinated approach to the overall planning, development and delivery of energy and minerals programming in the department.

We consolidated two divisions, formerly the Energy and Minerals divisions into one Energy and Mineral Resources division. It will be headed by an

assistant deputy minister and includes: Marketing, Petroleum, Mines and Geological Services branch as well as an Energy Management branch. This reorganization is reflected in our 1993-94 Estimates structure.

Madam Chair, the closure of the Conawapa Project co-ordination office and the creation of the Energy Management branch are the two major changes reflected in this year's Estimates for my department. The Conawapa office was closed on January 15, 1993, following the termination of the power sale to Ontario Hydro and the postponement of the Conawapa Project.

The Energy Management branch was created by combining the former Energy Policy and Energy Conservation branches. This consolidation has successfully met our goal of developing a more efficient and effective operating unit. The new Energy Management branch will continue to carry out the responsibilities of the former branches. In order to achieve its goals in the upcoming year, the branch plans to pursue a number of promising initiatives. My department staff are preparing a revised draft of our energy policies and will be distributing this information to Manitobans for review and comment later this year as part of the "What You Told Us" document under our sustainable development initiative.

We are currently developing an energy act for Manitoba to assist in the implementations of our energy policies. This act will also enable us to establish and clarify the role, responsibilities and authority of the Energy department and to consolidate and simplify provincial energy legislation.

The Department of Energy and Mines is demonstrating a firm commitment to the principles of sustainable development through a number of proactive initiatives. As mentioned in the throne speech, we are working with the Department of Rural Development to complete a study on the feasibility of rural gasification and the development of a government policy and possible implementation mechanisms. We are also providing technical assistance to promote greater use of alternative energy resources, including a demonstration project of ethanol-fueled farm tractors, natural gas in-fleet vehicles such as school buses and wind-generated electricity.

The branch will continue to maintain and provide energy information to the public on all aspects of energy, including general information in the form of brochures, pamphlets, publications and fact sheets made available through our Energy and Mines Information Centre, as well as there will be many speeches made by the Minister of Energy on this subject.

In fact, Madam Chair, we recently released a new publication entitled Energy in Manitoba, which provides an overall description of energy resources we use in Manitoba. This very informative document is recommended reading for all ages.

In response to the growing demand for energy conservation, tips and techniques, the energy management branch is providing a technical information advisory service on all aspects of energy efficiency and alternative energy options.

We expanded our home energy saver workshops that are delivered throughout the province to include a component on new housing, and we are continuing to prepare and distribute new technical booklets on specific topics. We will continue to provide technical and financial assistance to Fort Whyte Centre for environmental education. The centre's energy encounters exhibit was open to the public last fall, and work is currently underway on a new energy demonstration project.

As in the fact, we will provide assistance related to energy efficiency informational materials to the Red River Community College, and we are expanding this service to include the Assiniboine Community College as well.

Madam Chair, as part of our province-wide commitment to partnerships, the branch continues to provide assistance and advice related to energy topics to other provincial departments, Crown agencies and associations. For example, we provide ongoing assistance to Manitoba Hydro for their Power Smart program, to Centra Gas for their natural gas vehicles and to the Manitoba Homebuilders Association to support the R-2000 program and the Advanced House Project. I am proud of the role we have played in these initiatives, and I am pleased to add that the Advanced House Projects are the first of its kind in Canada.

Manitoba is also the only province in Canada to host a fuel economic challenge under the Manitoba Trucking Association's pro-trucker program. I was

fortunate to participate in this event again this year, and we continue to see advances in improved fuel economy and reduced stack emissions.

Our energy management branch has also been busy working with the province's Departments of Housing and Government Services to provide advice and assistance on energy topics related to building, energy supplies and vehicle purchases. At the same time, we are working in partnership with the Department of Environment to provide information that will assist them in the completion of the State of the Environment Report and greenhouse gas emissions inventories they are working on.

We all recognize the mutual benefits of working with other levels of government to find ways of energy savings. For this reason, we are pleased to be working with the City of Winnipeg as they prepare their strategy, Plan Winnipeg. The branch will continue its role of making all Manitobans more energy conscious in acting as a catalyst and facilitator to encourage greater energy efficiency and the use of economical alternative energies in the province.

Madam Chair, I want to further add from my notes that I believe there is a tremendous opportunity in the energy field for a lot more research, R & D in many areas and many fields, and we will be encouraging the Department of Energy to broaden its scope working with Manitoba Hydro and other energy producers to in fact do just that.

I think we have a tremendous opportunity, as I said, to broaden our scope with production of energy in this province, and we will be encouraging a far broader view to be carried out in Manitoba for both economic development reasons and for energy conservation and production.

Madam Chairperson, the Marketing branch is actively involved in a number of initiatives to profile and promote the sustainable development of Manitoba's mineral, petroleum and energy resources. In the past year, we have met with senior executives in the mining, petroleum and investment communities throughout Canada. The success of these consultations has encouraged the department to focus on other national and international potential markets for Manitoba's minerals in the coming year.

The Manitoba Mining and Minerals Convention held in November of 1992 provided an excellent forum for highlighting existing and potential growth opportunities for mineral development in Manitoba. Planning is already underway to build on the success of this 1993 convention.

The branch has identified approximately 20 mineral commodity groups as having economic development opportunities currently or in the near future. Other initiatives undertaken in the past year include the production and publication of promotional materials such as "Stake a Claim" in Manitoba, maps for the Lynn Lake and Flin Flon regions, Mining in Manitoba '92, and technical geological reports. These positive examples of industry supports will again be provided in 1993.

* (1540)

The branch's information centre and library will continue to be a valuable source of energy, petroleum and mineral information for all sectors of the community. The Marketing branch will work closely with all facets of the mineral and energy sector in 1993 to facilitate a positive business environment for entrepreneurship. Investment and exploration are actively encouraged.

In keeping with this commitment, staff will continue to promote the following incentive programs: the tax holiday for new mines, the mining tax exploration incentive program, the prospectors assistance program and the Mineral Exploration Incentive Program.

At this time, Madam Chairperson, I want to acknowledge the support that the caucus and the cabinet of the government of Premier Filmon have provided to the industry through such programs as these. They are extremely important, and we are now seeing substantial evidence coming forward as to the use of these programs and the impact that they are having on the province of Manitoba. I will proceed to move along with my notes, as I know the member opposite has a hot speech that he wants to get off.

As well, Madam Chairperson, the Petroleum branch—

An Honourable Member: It is not often that you have this kind of incentive to keep it short.

Mr. Downey: Okay, I apologize, but it is important. I offered to fax it to you. I will move a little quicker—

An Honourable Member: We should get a hold of a fax machine here, it would save a lot of . . .

Mr. Downey: If you quit interrupting, I will get on with it.

The Petroleum branch's mandate is to administer legislation governing petroleum industry operations and to encourage and assist in the sustainable development of the province's oil and gas resources.

One of the branch's major initiatives has been the development of the new oil and gas act, Bill 3—on which I appreciated support last night to proceed through committee so we could move to third reading—which is currently before the committee of the Legislature. The act, when passed, will provide a comprehensive and up-to-date piece of legislation governing all aspects of oil and gas exploration and development activities in accordance with the principles of sustainable development. Operational regulations under the new act are currently being drafted and will be implemented in time with the passing of the bill.

Early in 1993, the Petroleum branch assumed duties under The Workplace Safety and Health Act with respect to petroleum industry operations. The move results in the more efficient and effective use of the Inspection branch, and we feel will result in enhanced safety in the oil patch. Work is continuing on a major project intended to automate petroleum oil information and developing new prospects. The petroleum industry relies heavily on automated information. A lack of comprehensive automated information on Manitoba wells has long been a barrier to attracting investment and activity to the province.

The branch is continuing its efforts and aggressively marketing Manitoba petroleum investment opportunities through participation and industry trade shows, conferences and technical meetings. As part of these efforts, we introduced a new enhanced royalty tax incentive to encourage horizontal drilling. The success of the innovative technique could have a major implication for the more efficient recovery of the province's petroleum resources. There are strong indications that these promotional initiatives will show positive results over the next few years.

The Crown oil and gas lease sale which took place on May 5 was one of the largest sales

recently held in Manitoba. Revenues of some \$411,000 were generated with 47 lease parcels covering 17,000 acres being sold. Drilling activity is up 200 percent as of mid-June 1993, with an increase from four wells in 1992 to eight wells in 1993. Drilling licences issued to date total 19 compared to only four last year—a positive sign.

Madam Chair, the total metallic and industrial mineral production in 1992 was \$1.05 billion, up slightly from last year. Approximately \$30 million was spent on mineral exploration, about the same as in 1991. Claim staking was up 38 percent, and the total area of mineral disposition in good standing rose 31 percent during 1992. This is encouraging for Manitoba in light of a considerable decrease in mineral exploration development across the rest of the country.

Positive results have been encountered at the Trout Lake and Callinan mines near Flin Flon, at the Ruttan west mine at Leaf Rapids, the Chisel north deposit near Snow Lake and along the southwest extension of the nickel belt. Renewed interest is being shown in the gold deposits around Lynn Lake. The unprecedented national boom in diamond exploration has spread to Manitoba and we expect drilling results soon. The large capital works program at Inco's Thompson operation is also proceeding. Part of the program includes a significant reduction of SO₂ emissions.

The new incentives implemented by the department over the last two years have been responsible for the relatively good level of activity in Manitoba as compared to other provinces. These incentives include the Manitoba prospectors assistance program that offers grants to prospectors exploring either their own properties or open Crown mineral land. Under the program, self-employed prospectors may be eligible for a maximum annual grant of \$7,500 on preapproved projects. At this point, 42 projects have been approved amounting to some \$200,000.

We also have a mining tax holiday, and the department is currently reviewing certain mineral deposits for designation of new mine status under this incentive. To date, we have already given new mine status for the Ferro Gold deposit and the NorAcne Gold property in the Snow Lake area. Increased interest in these programs is expected in 1993.

Another value-incentive program is the Mining Tax Exploration Incentive. This program is designated to assist mining and exploration companies in significantly increasing their exploration activities in the search for new mines in Manitoba. They are entitled to a deduction equal to 150 percent of the exploration expenditures in a given year that exceeds the average of these expenditures in the previous three years.

Our government has also implemented a substantial program of relocation assistance and training in co-operation with the federal government, HBM&S and Snow Lake to assist in the transition during mine closure in the Snow Lake area. The department is in the process of establishing a regional office in Thompson. I should repeat this for the member for Thompson (Mr. Ashton). The department is in the process of establishing a regional office in Thompson as part of our government's decentralization initiative. We have already appointed a regional manager and a secretary and other positions will be staffed during the year.

We recently completed the new mineral strategy under our government's sustainable development initiative. This new strategy incorporates the valuable public input we received throughout the consultation process.

I am also proud of our new Mines and Minerals Act and regulations. This act is the first of its kind in Canada to include sustainable development provisions that both protect the environment and encourage new mineral investment in the province. I am pleased to note that over the past year we have received very positive feedback on this legislation from the industry.

The department is also looking at other areas to improve procedures in order to promote sustainable development. One example is the department's new pit and quarry rehabilitation regulation and levy. These measures will allow government to clean up current gravel pits as well as old abandoned pits and quarries.

Madam Chair, Manitoba played a lead role in developing a commitment by Canada's Mines ministers in Whitehorse in September of 1992 to work with all stakeholders in addressing and resolving issues that currently undermine the social, economic and environmental sustainability and prosperity of the mining industry in Canada.

The Whitehorse Mining Initiative will address a broad range of issues under four key themes: land access use allocation, workforce-workplace community, environment, and taxation. The long-term objective is to move towards a socially, economically and environmentally sustainable and prosperous mining industry underpinned by political and community consensus.

I am very close to completion, Madam Chairperson.

In general, the Whitehorse Mining Initiative process is designed to identify or develop sustainable measures that can resolve issues and pave the way for a renewed mineral and metal sector.

Madam Chairperson, the department is making significant progress in the geological services area. This is partly due to the Canada-Manitoba Partnership Agreement on Mineral Development which provides industry with the information it needs to target its efforts towards finding new orebodies. Geological staff report an increased level of inquiries for information from explorationists in the northern sectors of the province and, together with their federal counterparts, are generating a continued outflow of new reports, maps and briefings to focus exploration to areas where mining reserves are being depleted.

In the full spirit of sustainable development, my staff have held numerous meetings with the Manitoba Mining Association aimed at identifying endangered spaces candidate areas. Good progress has been made, and several target areas with limited mineral development potential have been forwarded for consideration.

Staff have also devised a work plan that would see mineral resource assessments conducted in lesser explored regions. This in turn may provide new candidate areas for conservation under the Endangered Spaces Campaign.

Madam Chairperson, finally I would like to mention the ongoing mineral industry support programs our government has undertaken to stimulate resource development in Manitoba. These programs, which have been positively shaped by the mineral industry, include a joint venture between Potamine Potash Mining of Canada Inc. and the Province of Manitoba which was established to develop known potash reserves in the Russell area.

* (1550)

The Mineral Exploration Incentive Program is a \$12.5 million grant program aimed at encouraging exploration activity in Manitoba's mining and petroleum sectors. The program provides improved investment opportunities in resource exploration and enhances funding for junior exploration corporations. To date, 17 exploration programs have been given conditional grant allocations representing \$6.4 million of exploration activity.

Madam Chairperson, we are providing financial assistance to Hudson Bay Mining and Smelting for its environmental improvements to the metallurgical plant in Flin Flon. Modernization of the facility will result in the containment of SO₂ emissions within prescribed limits under The Environment Act.

In conclusion, Madam Chairperson, I would like to express my appreciation to all my staff in the Energy and Mines department for their hard work and their commitment to serving the people of Manitoba. I look forward to discussing the Estimates with the honourable critics, the members of the opposition. Thank you for that opportunity.

Mr. Steve Ashton (Thompson): Madam Chairperson, I will make a number of brief comments. In recognition of the fact that the minister does have to attend an important conference on Monday, I can indicate that I certainly will do my best to make sure that he is able to complete Estimates today. In fact, what I am going to suggest we do is I will make, in my introductory comments, my comments essentially on this department, and I will indicate a couple of areas I would appreciate a follow-up from the minister. He can either respond very briefly in concluding remarks or else I am quite prepared to have it dealt with in writing.

I just want to indicate there are a number of areas that are covered by the department. As a new critic actually I enter this department with a considerable amount of interest. It certainly is vital in terms of my constituency and northern Manitoba in its role both in terms of mining and also on the energy side.

I note, for example, the reference to decentralization of the department. This is one of the more logical departments that have located in Thompson. I indicated before, as I did with CEDF,

that I fully support decentralization in this particular department.

I know it is sort of unfortunate in a roundabout way that now, my understanding is, there is no need for an additional building for the Department of Energy and Mines staff in Thompson because of the fact that due to a reduction number of staff in the provincial building in Thompson, the provincial civil servants were now in a position where there is room in the provincial building for those Energy and Mines staff. So, essentially, we are gaining some employees in Thompson, and we are losing some.

I hope that the numbers of employees will be more significant in reality than, for example, in terms of Manitoba Hydro, where the minister probably is aware, 40 jobs were listed as having been relocated to Thompson. What happened there was that the jurisdiction for Kelsey was transferred from Winnipeg to Thompson.

It did not mean any of the staff ended up moving to Thompson, or a very small number. Staff still commute from Selkirk, Winnipeg, points south, to Kelsey. Most of them probably spend about an hour at the airport in Thompson, and that is the extent of it. But I am sure the promise of additional jobs in the North from Energy and Mines is a real one.

In our significant developments last year in this area, one obviously is the cancellation of the Conawapa dam and the cancellation of the Ontario Hydro sale. I have placed my comments on the record on this in Hydro committee and also in the Crown Corporations Council, my concern about the handling of the negotiations. Certainly it is going to have an impact on the province in terms of economic development.

We feel that there should still be an environmental review, particularly if the corporate planning that Manitoba Hydro is undergoing currently lists Conawapa as a likely site for development. We feel that should go ahead well in advance of any start-up resumption, to make sure that it meets all the environmental criteria that increasingly we attach to megaprojects. We will be continuing to raise this, Madam Deputy Speaker.

In the energy field, I would also like to indicate I welcome some of the comments put forth by the minister in terms of gasification. It is something that I think should be looked at, not just in terms of rural and northern communities. It certainly would

benefit many communities by providing a cheaper alternate source. In Thompson, for example, we have access only to propane, which is considerably more expensive. The natural gas is the same in many rural communities that have either propane or hydro, which still continues to be less cost effective.

I also welcome the comments from the minister, the fact that there is an attempt to look at gasification in terms of vehicles. British Columbia has a very aggressive program in terms of natural gas within vehicles. The use of natural gas has some advantages, not only in terms of cost potentially and use of Canadian resources—in this case we could use western Canada's resources—but also the fact that it is potentially better for the environment as well. I have some information from British Columbia. It was provided by a resident of Manitoba who was kind enough to contact me and provide me with this information. I would certainly point the minister to that particular area.

In terms of alternate energy sources, I would like to also point the minister to what is happening in terms of hydrogen power. British Columbia has recently announced a number of demonstration projects, is aggressively pursuing hydrogen power. It is something that I am sure is not new to the minister. In fact, we debated in this House, I believe in 1984-85, a resolution urging attention be placed on hydrogen development.

In fact, the former member for River East, Phil Eyer, moved a motion, and there was considerable debate at that time. I think it was very much ahead of its time. B.C. has very much a vested interest because hydrogen power can utilize their existing hydro resources and has, I think, tremendous potential, tremendous potential, particularly given the fact that we have only a finite amount of nonrenewable resources available in terms of oil and gas. I think the time for hydrogen will come, and I would urge the minister's department and Manitoba Hydro to look at aggressively pursuing demonstration projects. In fact, we might wish to look at some joint ventures with British Columbia. I do not see British Columbia as necessarily competition. I think we could learn from what is happening in other countries, and I would certainly stress that need.

I point out that the supply for the energy can come either from the construction of new plants but also could come from conservation as well. So

there is not any bias in this. It can come from the fact we have considerable hydroelectric potential, and I think it creates significant numbers of jobs in Manitoba, northern Manitoba in particular. I strongly encourage the minister to pursue that.

I want to talk just very briefly in terms of energy management and hope that the minister's department will continue with the restructuring to work with Manitoba Hydro, which has recently entered on particular emphasis on energy conservation. I think that is something whose time has come, particularly in terms of increased attention paid by other utilities as well. I see Manitoba has a potential to be a real leader in this area, and I point out again that the advantage of this is not only that it avoids the need for additional construction beyond that which is necessary but also provides power that can be used for export sales if that is within the ongoing mandate of Manitoba Hydro, which I certainly feel it should be if Manitoba's needs are met and it is economic.

I would indicate also in terms of that that I would strongly urge the minister and his department to look at some of the proposals that have been before it, particularly a very imaginative proposal put forward by the Carpenters Union, which has come up with a very interesting proposal to look at a major energy retrofit in this province that could employ numbers on the scale of a Conawapa development and would require, obviously, the support of Manitoba Hydro and the provincial government.

I could point, Madam Chairperson, to the high level of unemployment in the construction industry, high levels of unemployment generally. I think that it is far better to have people working than on UI and welfare, and I think in this particular case we could do a tremendous service to the environment as well by encouraging a major energy retrofit. I would point to my own experience in northern Manitoba, where many houses are not anywhere close to the kind of level in terms of insulation that is necessary for the climate.

I think that we have a golden opportunity here to take from the adversity of having the Conawapa plant cancelled, to take that and use the resources that might otherwise have been put into Conawapa for that purpose. I point out, this is a potentially economically viable venture, too. We are not talking about massive subsidization. I think that is something that is very important.

There are a couple of other areas I would like to talk about, particularly in terms of mining. We have had a debate in this House about the need for an expanded Mining Reserve Fund. I want to reiterate that again. There has been a considerable amount of mining revenue coming out of northern Manitoba in the last number of years. Historically that has been the case. The minister may have more accurate figures, but over the last number of years there has been upwards of \$400 million coming out of mining revenue. It is certainly down now because of lower prices, but it is something that is very, very significant.

I point out, Madam Chairperson, that we are seeing some disturbing signs in terms of mineral prices, mixed signs actually. Gold prices have in recent weeks been fairly healthy. I point out on the other hand, nickel has dropped significantly, and some of the trends in terms of base metals are of significant concern. We are seeing the impact with Flin Flon with the downsizing. Inco in Thompson has already indicated their plans to downsize the next number of years to 1,750 employees. We have seen the impact on communities in the last number of years, Lynn Lake, Snow Lake. We very much, I think, have to look at the need to have the resources available to help communities in times of difficulty and also to reinvest in terms of the human capital in those communities and also investment capital.

I point out that the minister's report in terms of the exploration incentives is very indicative of the kind of problems you run into in terms of programming. I note that there was a decrease in the grant funding because of the less than anticipated uptake of the program. We are in, Madam Chairperson, for some critical years in the next number of years. Increasingly Canadian mining firms are looking offshore for exploration. The days, for example, when Canada produced 95 percent of the western world's nickel supply are long gone. South America particularly is attracting a lot of capital, Chile, in particular. Other mines have been established historically in Indonesia. Of course there was the fiasco that Inco ran into in Guatemala in the 1970s, but the trend is towards greater globalization.

* (1600)

We have to be aggressive, and I point there to the comments I made in the discussion on Manitoba Mineral Resources. I think there is a role

for Manitoba Mineral Resources. Certainly there is a role for some of the types of incentives that have been brought forward by the government. While we may disagree from time to time on the extent or the nature, I think it is very clear that the payoff on exploration is not immediate for private companies or indeed for MMR, but the payoff for the province in the long term is significant, and you need to have that continuing process of searching for new reserves.

I would also point to other developments in the mining industry, I mentioned in terms of downsizing. There are a lot of technological changes taking place. I know the last time I had the opportunity to work at Inco was 12 years ago. I have been back to the plant a number of times. I would not recognize it today, certainly the area that I worked just shortly before being elected. Underground mining in particular has undergone a massive change in terms of moving to vertical mining, elimination of many of the stopes, the puller stopes for example, a complete shift in what is happening, and that is something that we have to be aggressive with too.

If we are going to remain competitive, I think we need to be on the technological edge. I think technology is increasingly playing a part. So does good labour relations, and I would point to the fact that there has been a significant shift over the years in terms of labour relations. I sometimes feel that we in this House miss out on the fact that there are attempts by both labour and management to work co-operatively, and I think sometimes we miss that point in this Legislature.

There are a number of other issues that I plan on raising. I certainly appreciate the minister's comments in terms of this area. I also have some comments in terms of oil and gas. There are some encouraging signs this year in comparison to last year which was quite a tough year for southwestern Manitoba. We are hopeful that if prices are maintained, because that is the key factor really, there may be some significant ongoing development of new wells to replace those that have been taken out of service.

I note the minister has announced that, and on the odd occasions the information is there. Certainly, I want to indicate that we feel there is a lot of potential in Manitoba, southwestern Manitoba in particular in terms of the oil and gas industry.

I would note that we in the opposition certainly supported the minister's new bill which brings in a number of different areas under the one package, and we certainly were fully supportive of that with some minor reservations that we feel are important for the industry.

I could say very much more, Madam Chairperson, but I would appreciate if the minister has any comments in response to this, either if he has time in terms of comments, or if he wants to make those comments later, it is certainly acceptable to my side.

Just in general, I would say there are some critical years ahead in terms of particularly energy and particularly mines. I think this department, though it is a small department, can play a very key role particularly by working with stakeholders in the industry, employee groups, et cetera, communities involved. I really would urge the minister to stress the strategic planning aspects of the department. They are absolutely key, and I know there have been some eliminations of SYs, et cetera, but I realize that there are tough decisions being made between different departments. I think it would be a mistake to significantly cut back in terms of Energy and Mines because of the key role it can play for the economic development of Manitoba. Thank you.

Madam Chairperson: Does the critic for the second opposition party wish to make an opening statement?

Mr. Paul Edwards (Leader of the Second Opposition): Thank you, Madam Chair. I want to follow the same pattern as my friend the critic for the New Democratic Party in the sense that I want to make some opening comments. I want to put some comments on the record.

Of course, due to the vagaries of this system, we have not a lot of time to adequately, I would suggest, go through this in some detail. I do understand that the minister has a very important commitment Monday of next week, and so it is important that we get through the Energy and Mines Estimates.

Madam Chair, let me just say by way of general comment that it has always been of some concern to me that we do not have more mining activity in the province of Manitoba and that we do not make more of our enormous resource base in terms of job creation, in terms of economic growth in this

province. We have an enormous wealth. We have one of the wealthiest provinces in the country in terms of our deposits, and we also have a great advantage in terms of the smelting industry, that is, our hydroelectric power and the availability of that resource, that power resource, and I look to, of course, the province of Quebec.

Now, there are lots of problems with their mining industry and their mining program, but they have had enormous success in attracting mining smelters to their industrial heartland, really, the St. Lawrence Seaway. They have set up those industrial parks which were dedicated to the large smelting—pardon?

Some Honourable Member: They have the advantage of the St. Lawrence Seaway.

Mr. Edwards: Yes, I understand that one of the advantages is the seaway. However, as I understand it, and I do not purport to be an expert in this area, but they had enormous success in attracting many of the smelting operations to that area, and of course that creates enormous wealth in that province and jobs.

Of course, the mining industry is very cyclical and that causes a problem. It needs to be highly capitalized up front; I understand that. The result of that is that mining companies, before they commit those large sums of money, look for supplies large enough to keep them going over long periods of time.

But, Madam Chair, I believe we have those resources in this province. I believe they are there, and I believe even though certain markets are down in terms of the particular metals, the fact is that there should be a lot more happening in this province than is. I would look forward, and I know the minister has the same goal as we all do, to promote responsible, environmentally conscious mining operations in the province to create wealth and create jobs. I am simply disturbed that we have not been able to do that in any large way and capitalize on what I see are our very real assets in this province, that is, the very substantial ore deposits, and secondly, the power resource which we have in abundance.

So, Madam Chair, having made those general comments, I am looking from the minister for some direction as to where we can look to go to attract and promote mining development in this province. I do not know that we have seen from this

government a clear articulation of how we can better attract investment into the province. I know that there is a lot of pressure on government because of the high capitalization cost to simply cough up the money and to commit taxpayers' dollars to these ventures. I am dubious of a number of those initiatives simply because a lot of them come with fairly high risks.

* (1610)

I had the opportunity a couple of nights ago to sit in on the review of the Manitoba Development Corporation Annual Report and had a real eye opening. That was the first time I had realized how much money we had lost at New Flyer Industries. Now, whatever the ramifications of that were, what we got for those dollars, that was \$107 million that will be lost in that. That is an enormous amount of money. One has to, I think, learn from that and wonder whether our dollars are not better invested in other ways.

Madam Chair, I understand that the mining companies are also looking for very large government investments in many cases before they come into the province, but I do want to canvass and want to hear from—and perhaps now is not the time I am going to get that obviously with these times—but what I do want to canvass is what we can do to spur investment in the mining industry, because I would believe we have enormous resources. I know these companies are multinational, they go anywhere and everywhere and they are, of course—[interjection] Yes, chilly as the Minister of Health (Mr. Orchard) indicates currently. I have no doubt that they will go wherever they can obviously make the most money, as they should. I see the mining industry in this province being increasingly narrowed down to HBM&S and Inco.

Of course, we had Falconbridge to a much larger degree than we do now, and I know there are many other smaller companies in the field, but we have very few large operations. I would like to see, of course I think we all would, some plan to attract, to have that type of large investment in our province.

Madam Chair, as well, I also understand that you may have a wonderfully rich ore deposit, and if there is no road to it or no river near it or no way of getting to it, it imposes another large capital cost to build the infrastructure necessary. That has all kinds of time implications and cost implications, but

again, I think that we still do have the ore deposits in locations that they should be explored more than they are. Again, I do not purport to be an expert, but I would like to hear from the minister a mission statement as to where he thinks we can go to develop our deposits, because there are abundant deposits and I would like to see more activity.

The other comments I have, Madam Chair, the Manitoba Mineral Resources corporation I understand was before the committee a few days ago and there was a clear contemplation of selling off the assets of that corporation. I would like to know how that fits into the overall scheme of what the department is trying to do in this field.

I was not in attendance. My colleague, the member for River Heights (Mrs. Carstairs) was at that meeting, but that is what she conveyed to me in general terms was that there certainly was a willingness to sell off those assets. Whether or not there are directed efforts to do that, I do not know. Whether or not that is part of a concerted effort to sell off those assets, I believe approximately \$27 million in assets, currently the Manitoba Mineral Resources has. Some of that is equipment and other things but a lot of it I think is just straight mining claim rights. I wonder what we could do with those resources to again spur investment. I do not want to sell those off if they are simply going to be warehoused by large corporations and not used. If they are ore deposits that are there to be tapped, we want to find some way to attract that investment and get that development occurring sooner rather than later obviously, if possible.

So I do not know, again, particularly the relationship in terms of the mission of that corporation and this department, but I assume that there is a concerted effort which is cohesive and co-ordinated between the two as to where the province can attract more investment and more jobs in this industry.

Now the other questions I had, and these are general in terms of the new mines act. It would be interesting to know what the experience has been with that thus far, whether or not many of the concerns which came forward have been borne out. I would be interested to hear from the minister whether or not he is contemplating amendments to that, whether or not they are necessary at this point, or what kind of a review, an assessment plan there is in place to monitor that act and monitor

whether or not it is going to be necessary to make amendments.

I know that there was a considerable amount of consultation with the industry prior to bringing that in. I would hope that consultation would continue in terms of the assessment to the actual ramifications of the act.

Madam Chair, as well, I see that the Marketing, subappropriation 23.2(c), in this current year has decreased. Now it is good to see a cost savings where they can be effected. However, from the comments that I have made earlier, the minister will know that I think marketing is a very important part of this.

I wonder what results, what the cost of cutting, although albeit not a large cut, but what the cost of cutting that is going to be because that is a particularly important part of this department. That is the area which promotes development of the mineral and petroleum resources throughout the province.

I also wonder what the relationship and discussions are with Manitoba Hydro, because I think they are a key partner in terms of development of mining resources in this province. We must be able to tell those who would invest in our province that we will be competitive, hopefully advantageous, in terms of the power cost.

I know there are thermal plants in the United States who are willing to sell this power for, I think, 17 mills in some locations in the United States. Currently, I believe Manitoba Hydro is selling power to North Dakota in some circumstances at 15 mills. I know that even some of the large users have come to us, have come to our office, have complained—potential investors—complained that they do not feel Manitoba Hydro is being competitive, is offering them a low enough rate to warrant large-scale investment in this province.

I wonder if we could not develop better partnerships in terms of marketing with Manitoba Hydro to ensure that asset that we have is used to market our province as a place to invest, because I think it is one of our ace cards.

I would like to know what co-ordination there is between the Marketing division in the department and marketing of Manitoba Hydro to ensure that we are not only competitive but, hopefully, in an advantageous position in terms of offering companies investment in our province that is going

to attract it on the type of scale that other provinces have been successful in doing, most notably Quebec.

Now, Madam Chairperson, finally I want to say that the whole area of Energy and Mines is an area that is going to increasingly be and has been at the forefront of environmental concern and environmental restraints. This ties in with some of my discussions with the Minister of Environment (Mr. Cummings) on other occasions about how we can better have the environmental review process work.

I am very aware and very receptive and sympathetic to developers who are now saying, why should I invest in these provinces, this country when I have no clue as to how long it is going to take me to get some approval, how much it is going to cost and whether or not I will get it anyway?

The reality is, while it is our duty to ensure that it is done, it is also our challenge to offer to people a process which is workable, gets an answer and does some assessments that are credible, does them in a reasonable time frame and does them at a reasonable cost.

I understand the balance that has to be struck. I have spent a number of years practising law, acting for a number of companies, some mining companies, and I know that frustration. We cannot tell them, practising lawyers or people in the field cannot tell them anything but, well, you know, we will do our best; it could cost any number of millions of dollars or hundreds of thousands of dollars, and we cannot tell you when it is going to end.

It is frustrating to have that, because other licensing processes traditionally have some framework, have some predictability to them. The criteria are much more clear. So I understand that there is that reality in the private sector. I also believe that it is important to do full environmental assessments.

I said that in Conawapa, I said that on the Assiniboine River diversion. We say that on all of these major projects. It is important to do it up front and get a credible answer. So we have opposed attempts by this government to work around that process, get through the back door, if you will, instead of meeting it head on and just making it work.

* (1620)

I was very pleased to see, of course, that there was a move by the provincial and federal governments on the Conawapa issue to join the processes. We have this joint, shared jurisdiction in the environment which is a noose around our neck. It is a real problem.

It is a problem because we have two sets of regulations and laws. They often conflict, let alone do not mesh. They often conflict with each other. We have all kinds of problems with who is in charge where and overlap and duplication.

The more that in this country we can tie that together as national standards and a national process, the better off we will be. I do not think that means the province forfeiting jurisdiction. I think it means the province and the federal government sitting down and understanding that we must give investors, business and governments who want to invest some more security of how the process is going to work.

Because right now it is very ad hoc. Proof of that has been the many examples in this province in the last number of years. That is why I have recommended, our party has recommended that, for instance, on the Assiniboine diversion, and this applies to any other mining developments, other things which might come along, that where there is really even a small amount of overlap with the federal government, the federal government should be approached and should be asked in the strongest terms to participate, to join with the province in a joint review. We should only do this once on these projects.

The problem with Assiniboine River diversion or many other projects is that had you done the provincial review, even if you had gone through it, regardless of what the result was—and I think that there is no question it would have been in favour of the project, perhaps with some modifications—but the opponents had a very easy way to further delay this for probably years, which was simply to go to court and trigger the federal involvement and the EARP guidelines, the EARP guidelines, and they could have done that easily because there are all kinds of overlapping areas: migratory birds, transboundary waters, fisheries, inland fisheries.

It makes it very easy for people to frustrate these processes, and I hear that frustration voiced by the Minister of Natural Resources (Mr. Enns) and others every day, but they make it easy for those

people to do that by not getting it together and having one full, credible process. Do it, do it right, and do it once.

Madam Chair, I believe that we would do a great service to investors in this country, and in this province in particular, whether it be in the mining industry or others or the governments themselves, by using the Canadian Council of Ministers of Environment to sit down and develop a cohesive strategy and set of rules and guidelines across the country for provincial or federal projects.

We need some consistency in this country, and that would, I think, be the best thing, not just for the environment and the environmental review process, but I also think for the investors, for private industry. That would be a great thing, to give some predictability and have these various pieces of legislation make some sense together, because right now they do not. I have to tell you, it is great news for the lawyers that there is lots of confusion out there, because who gets the work for years and years and years?

Right now, virtually any project with any environmental ramifications, you are going to need some guidance, and people are driven to lengthy, very expensive processes which, of necessity, involved teams of lawyers in cases. So I am not arguing in favour of streamlining the process for the benefit of the professional lawyers, because I think that they understand that it would be in the best interests of their clients, but this creates years and years of work, believe me, on even some of the small projects.

So I think it is time that we streamline this, and I think the Department of Energy and Mines has a role to play in encouraging the environment officials to get it together and streamline the process so that there is some predictability, that we only do these reviews once, and that they have credibility and are done in a way that the public will accept, because right now the public will not accept the type of ad hoc decision making that is done at the political level on a case-by-case basis. That is, in my view, not just disadvantageous to the environmental community, to the environment itself; it is disadvantageous to the proponents of these projects.

Madam Chair, those are my comments at this point. I do regret that we are pushed for time. I had said that at the beginning of my comments. I

do acknowledge, and I do thank the minister because he has made himself available when questions have arisen. I believe that goes a long way in allowing us to recognize that we have to move through this with some expedition this time around, but I know that he will remain open on a case-by-case basis to deal with questions from the appropriate critics.

So with those comments, Madam Chair, I will conclude and ask the minister for responses to these concerns, either in the House or in person or in writing. Thank you.

Madam Chairperson: Would the honourable minister's staff enter the Chamber.

Mr. Downey: Madam Chair, I would just like to introduce my deputy minister, Mr. David Tomasson, who is Deputy Minister of Energy and Mines, and as well, Mr. Garry Barnes, who is the director of administration for the Department of Energy and Mines.

I will assure the member, the Leader of the Liberal Party (Mr. Edwards), that I can give a brief response right now, very quickly, to some of his questions, but make sure we have a follow up more fully in writing to him as to the concerns that he has written. As well, to the member for Thompson (Mr. Ashton), I want to say I appreciate the manner in which he has, as well, dealt with it. We have had other opportunities to discuss certain issues.

I will, at the outset, Madam Chair, just say to the Leader of the second opposition party that most mining companies—when he makes the comments that most mining companies are looking at the province to invest, that is not really quite the way it is. They are looking for an environment in which they can invest here as far as investment is concerned, and I will at the outset say the programs that I have put on the record that we have introduced have been well received.

I will just give him some background as to what has happened. We are, this year, at a record high for numbers of claims staked and permits issued for mining development in Manitoba. For the first six months, we are over 1,500 claims staked and permits issued, plus we have gone from 2.2 million hectares under permit and staked to 2.8 million hectares. Again, a record high for the province of Manitoba. We have seen, under our investment program, investment of something like a million to a million and a half dollars of provincial grant money,

and that has in fact triggered some \$4.5 million of mining investment. So I am extremely pleased at the results of the programs that we have put in place.

The environmental process, as the member has raised, is an issue, and that is one of the issues that the national Mines Ministers' Conference raised and are working on within the Whitehorse Initiative. I have co-chaired, up until this spring's meeting of the Prospectors and Developers Meeting, the Whitehorse Initiative, of the federal ministry and the provincial ministries on the Whitehorse Initiative. That again is one of the deals or concerns that we are dealing with, and that is the environmental process, in fact, that is in place. When one sees what happened in B.C. recently, where they have basically shut down the windy Craggy area—it has been very controversial—we hope that under our sustainable development process in Manitoba and working with the public and working with the mining sector, we are able to see a development of both the mining industry and also protection of an endangered spaces area. That I have addressed in my notes as well.

I have given a current update as it relates to the mining activity. We have three certainly very interesting activities in the gold mining sector with the potential return of the development at Snow Lake, which I referred to earlier. We have Pioneer Metals that currently have just completed a study on their property at Sherridon, the Puffy Lake mine activity and, of course, Cazador, which we talked about the other day in Estimates of MMR, which are working to obtain the Farley Lake property so they can in fact proceed to reopen the LynnGold. All of these are, of course, driven not only by policies of provincial government, but also the fact that the gold price has increased substantially over the past few months.

* (1630)

Let me say as well that we have had extreme interest in the Split Lake area with an Australian company known as Westminer who are doing some drilling activity for nickel deposits. The Falconbridge Annual Report has identified resources and potential in the Williams Lake area which are very encouraging and we would watch that with extreme interest.

Let me say as well the exploration, in general, is projected to increase some 15 percent this year

over last year, last year's being approximately \$30 million in exploration, this year an anticipation of some 15 percent increase, which again is encouraging.

Let me just give a brief report on the potash industry. We have partnered, of course, with EMC, and a visit to the parent company last fall has encouraged them to advance by one year the 3-D seismograph in the Russell area. Some \$300,000 to \$400,000 will be spent there this fall working to identify a shaft location and other necessary preliminary work.

It certainly is our objective to see between now and the year 2000 the opening of a potash mine in that community. Of course, a lot of things are dependent upon that, the fact that potash prices have to be adequate. The work has to be done environmentally, that is necessary, and all things have to come together, but I can tell you it is our objective to make sure that we have, in fact, ourselves positioned so that we in fact can take advantage of the next opportunity for a world-class potash mine, if in fact that can be accomplished over the next period of time.

As far as the MMR is concerned, and the member raised the Manitoba Mineral Resources, we again discussed that in Estimates the last few days, and the member is quite free to read the comments that were made. They are still the same on Hansard and I will refer him to that.

Mr. Nell Gaudry (St. Boniface): They do not change from one day to the other?

Mr. Downey: That is right, they have not changed from one day to the next, for the member for St. Boniface.

The Manitoba Mineral Resources, as I said, I have made my comments known on that. The Mines Act, there is an ongoing assessment as to how it is working. I am encouraged that with the sustainable development portions built into it that it is the most progressive mines act in Canada and look for it to yield results.

I say, as well, just when we are talking about that, that one of the national concerns—and the member talks about environment and other issues—speaking of environment, the important point that has to be made is that, what has happened in Canada since 1988. In the Canadian mining sector in 1988, there was approximately \$800 million to

\$900 million spent on the prospecting and the looking for reserves in this country.

A lot of things have happened since that time. One of them has been the discouragement, certain policies of certain governments that have discouraged investment in this country, and they found themselves going to South America and other foreign lands where they have in fact an environment which is more conducive to mining.

So what has that done to Canada? That has dropped the investment by the mining companies from some \$800 million to \$900 million to half—\$400 million to \$500 million of investment was last year. That is a significant impact not only on the provincial economies, but on the national economies. There is an alarming view being brought forward by the mining sector wanting the mines ministers to speak out on their behalf. Madam Chairperson, we have and we will. Again, I look forward to further discussions as it relates to that at our mines ministers' conference come this September in New Brunswick.

The member makes a good comment. The second opposition party as well as the opposition member I think make very strong and good comments as it relates to the energy development in Manitoba. Hydro, I believe, is extremely competitive. The member refers to what has happened in Quebec. As far as we are concerned, the published rates of Manitoba Hydro, we are the most competitive in Canada, if not North America.

What I think we have to do though is continue to strive to develop policies that will encourage new industry, new heavy electrical users to look at Manitoba because we have the lowest rates and to see what we can do to further encourage new investment through the use of hydro. As well as looking at alternative power sources, the member for Thompson (Mr. Ashton) mentioned hydrogen. I think it is extremely important that we be fully up to date and do what we can in the area of new energy sources and how we use our electric power to develop it.

As well, we certainly look at the whole area of wind power, gasohol, alternative types of energy that can be produced and developed here in Manitoba. I am pleased that we have a department that can do that, and we are working co-operatively with the private sector and other Crowns to do it.

I would be remiss, Madam Chairperson, in the few minutes I have left if I did not touch briefly on the oil industry in Manitoba. I am extremely pleased with the responses to the oil and gas activities, the incentives that have been put in place. We see, as I said in my opening comments, a 200 percent increase in the drilling activity this year over last year. We are seeing some successes with some of these programs that have been introduced, and there is no reason to think that should not continue. I am encouraged by some of the horizontal drilling that is taking place in Manitoba and will encourage that activity to take place to the utmost of my ability.

The report that was brought forward by the member for Thompson as it related to the Woodworkers Union, the department met with the union plus wrote letters of support to both Manitoba Hydro and to Winnipeg. So it is a suggestion that is worthy of consideration, and we will proceed to try to see what the responses will be in that area.

Again, Madam Chairperson, I want to just thank the positive—I say positive responses from the opposition critic and also from the Leader of the second opposition party. It is that kind of constructive criticism that gets things done in this province. I am pleased to be the minister responsible for a department who are as well enthusiastic, and I can say that the Marketing branch within the department have been very aggressive.

I believe that it is utmost important that we develop orebodies, that we produce those orebodies, that we process that ore that comes out with the electrical energy that we have in the province to create employment and to generate greater wealth in this province.

I, therefore, Madam Chairperson, would ask for the passage of the departmental Estimates.

Madam Chairperson: We are on page 46 of the Estimates manual.

1.(b) Executive Support (1) Salaries \$69,800—pass; (2) Other Expenditures \$35,700—pass;

1.(c) Financial and Administrative Services (1) Salaries \$605,000—pass; (2) Other Expenditures \$232,700—pass.

Item 2. Energy and Mineral Resources (a) Division Administration (1) Salaries \$112,600—pass; (2) Other Expenditures \$47,000—pass.

2.(b) Energy Management (1) Salaries \$839,700—pass; (2) Other Expenditures \$272,900—pass.

2.(c) Marketing (1) Salaries \$718,100—pass; (2) Other Expenditures \$353,400—pass.

2.(d) Petroleum (1) Salaries \$738,500—pass; (2) Other Expenditures \$231,100—pass.

2.(e) Mines (1) Salaries \$1,537,500—pass; (2) Other Expenditures \$650,300—pass.

2.(f) Geological Services (1) Salaries \$1,433,000—pass; (2) Other Expenditures \$862,100—pass.

2.(g) Canada-Manitoba Mineral Development Agreement (1) Salaries \$459,400—pass; (2) Other Expenditures \$280,600—pass.

2.(h) Conawapa Project Co-ordination—no amounts.

* (1640)

Resolution 23.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,536,200 for Energy and Mines, Energy and Mineral Resources, for the fiscal year ending the 31st day of March, 1994.

Item 3. Mineral Industry Support Programs (a) Mineral Exploration Incentive Program (1) Salaries \$64,300—pass; (2) Other Expenditures \$72,300—pass; (3) Grants \$2,000,000—pass.

3.(b) Acid Rain Abatement Program - Flin Flon \$3,841,000—pass.

3.(c) Manitoba Potash Project \$189,500—pass.

Resolution 23.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,167,100 for Energy and Mines, Mineral Industry Support Programs, for the fiscal year ending the 31st day of March, 1994.

At this time, I would request that the minister's staff please leave the Chamber so that we may give consideration to item 1.(a) Minister's Salary.

Item 1. Administration and Finance (a) Minister's Salary \$10,300—pass.

Resolution 23.1: RESOLVED that there be granted to her Majesty a sum not exceeding \$953,500 for Energy and Mines, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

This concludes the Estimates for the Department of Energy and Mines.

What is the will of the committee?

An Honourable Member: Next, AJJ.

Madam Chairperson: At this time, I would request if the minister is here, the critics? Okay.

ABORIGINAL JUSTICE INITIATIVES

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates for Aboriginal Justice Initiatives. Does the minister wish to make an opening statement?

Hon. James McCrae (Minister of Justice and Attorney General): Madam Chairperson, whatever comments I make at this point will be brief indeed. I am here to discuss with the honourable members opposite the government's work in the past year and some of the plans that we have for the future with respect to initiatives that we want to undertake to make justice delivery more relevant for aboriginal people in our province.

Certainly we know that there is a tremendous need for governments right across this country to address, in as co-operative a way as we can with aboriginal people in their communities, issues related to problems that became very well known as a result of the report of the Aboriginal Justice Inquiry report. But anybody who has been involved at all with delivery of justice services in aboriginal communities and in the rest of our communities as it relates to aboriginal people knows that those services, while no one is claiming any bad motives, have certainly not lived up to the legitimate expectations of aboriginal people.

There is a sense that services are, and the system is, foreign and strange, and certainly has shown many, many examples of being inappropriate to the people we are supposed to be serving. So I look forward to a discussion with honourable members this afternoon.

Madam Chairperson: Does the critic for the official opposition wish to make an opening statement?

Mr. Oscar Lathlin (The Pas): First of all, I want to start off by saying that before the Aboriginal Justice Inquiry was commissioned—some three years ago now, I guess, close to three years ago—the aboriginal people of course knew what the situation was like in terms of their relationship with the judicial system, the legal system. For years, prior to the launching of the inquiry, we had made presentations through various forms, through

assemblies, through meetings with government ministers and so on, by way of submitting proposals to government, by way of just writing letters back and forth, and, as I said, meetings with aboriginal community councils, chiefs in councils and so forth.

I also wanted to say that it was not only the aboriginal people who were aware of what the situation was like before the AJI, the relationship between aboriginal people and the legal system. It was not only the aboriginal people who were making those kinds of remarks, or those assertions at that time. There were also a lot of nonaboriginal individuals, groups, who were saying the same thing. But eventually when the AJI was commissioned and the report was released, those assertions by aboriginal people and others were, as we thought they would be, confirmed by the findings of the Aboriginal Justice Inquiry, although some aboriginal people were a bit skeptical or doubting as to what good the aboriginal justice inquiry would do in terms of making any real changes to the way the aboriginal people are treated by the legal system.

A lot of us had hope, at least I did, I had high hopes that the AJI would finally lead to some resolution of some of the problems that we as aboriginal people were having with the legal system.

I say legal system, Madam Chair, because that is exactly what it is. It is not really a justice system as far as aboriginal people are concerned, it is really a legal system. After the report was released, our optimism and our hope for any real change, for me anyway, very quickly came to an end when I saw what was happening even before the report was released. Then, especially so after the report was released, I became very disappointed, discouraged, disillusioned, that now that the government had a very real opportunity to forge ahead and make real changes to the legal system and the relationship it had with aboriginal people, it was disappointing, to say the least. It has been disappointing ever since.

I know the Minister of Justice (Mr. McCrae) and the government have been doing things in the way of coming up with programs or pilot projects that they claim will go a long way to improving the relationship between the aboriginal people and the legal system, but I am afraid, Madam Chair, that

kind of tinkering with the system is not really going to improve the situation.

As a matter of fact, as we are sitting here today the situation has not really changed from three or four years ago when we called for the inquiry. Things have not really changed. The Minister of Justice, for example, I know has a proposal from the Swampy Cree Tribal Council, several proposals, but I will just mention two of them.

* (1650)

One specifically is the case of a resident of Moose Lake who had been fatally injured by RCMP from The Pas in Moose Lake, and it has been the position of that family in Moose Lake that the government ought to have a good second look at the incident in Moose Lake. I for one am supportive of the proposal by the tribal council on behalf of that particular family from Moose Lake. I await what actions the Minister of Justice (Mr. McCrae) will be taking, but if he were asking for my advise, I would certainly advise him that the situation be looked at again in terms of whether the legal system was properly discharging its responsibility.

I also want to mention another specific proposal by the Swampy Cree Tribal Council. That is the justice—I cannot remember the exact name of the proposal, but I know it has been kicking around in the ministry for quite some time now.

Just on Tuesday of this week, I met with the Swampy Cree Tribal Council in Easterville and Chemawawin, where they were having their annual general meeting. I was listening to the executive director making his report to his board. The comments that he made were something to the effect that now, some two or three years later—he said, the proposal that we first submitted does not resemble the one that is there now, with all the changes and the watering down that has taken place since the proposal was received by the Ministry of Justice. So naturally, they are quite disappointed.

There was reference to the Aboriginal Justice Inquiry report at the annual general meeting, primarily from the point of view that they are extremely disappointed in that no real action was taken by the government to implement at least some of those recommendations.

So those would be my opening remarks, Madam Chair. Thank you very much.

Madam Chairperson: Does the critic for the second opposition party wish to make an opening statement?

Mr. Nell Gaudry (St. Boniface): Madam Chairperson, the critic is not available right now. I am sure he will be shortly. When we continue, I think like we did with the previous departments—that he will be allowed to make short comments if he wishes. So I would be prepared to continue on with the Estimates. Thank you.

Mr. McCrae: Madam Chairperson, just to respond to some of the comments of the honourable member for The Pas (Mr. Lathlin), I really sincerely regret that he feels that whatever hopes that he had had come to an end. It is a terrible sort of state of mind to have to live in all the time, I think. [interjection] The honourable member says, it is a reality. I find that very regrettable, because we have indeed been trying very hard to work on some initiatives which we feel will be useful, which will result in aboriginal people feeling differently about the system as it is known.

I am sorry the honourable member feels that way. To be in a sort of a permanent state of despair is something that is very troublesome for me. I am trying very hard to be positive all the time. I am trying very hard to be open, to be co-operative, to work with aboriginal communities through the people in my department. The instructions I give to the people in my department are to spare no effort in trying to work consultatively and co-operatively with the aboriginal communities with which we have been dealing.

I guess I am disappointed that the honourable member feels that way, but I guess I can take some comfort in knowing that there are a lot of people who feel differently. I really encourage the honourable member to look closely, as we discuss this part of the Estimates, at some of the things that we are working on, to understand and believe me when I tell him that our consultation process is a meaningful one, that we do not, for example, with our aboriginal court model, which we feel is going to be extremely important to the future of this province—

Maybe I would ask him to try to take some heart in knowing that of all the dozens of communities we have been consulting, the information that has been coming back to me, that working with Brian Henderson, our director of Regional Courts who

has been engaged in this consultation, the feedback from those communities has been extremely positive.

We have open minds. I think I gave to the honourable member the package of information that we put out as a discussion paper in those communities, and none of it is written in stone. We are very open to discussion with those communities. I wish the honourable member would take heart when he looks at the possibilities that will flow from Judge Giesbrecht's inquest report.

We have a co-operative effort going on in child welfare right now that we hope will really result in less perception and/or reality of political interference in dealings with children and the safety of children, and that we will have, hopefully, better-trained people in the future to look after children who are in need of intervention.

I wish the honourable member would look on those things, perhaps, a little more positively. I am not telling him to put aside the fact that we are working in a political milieu here. There is always going to be that.

But really and truly, once we are finished the discussion of these Estimates, I would hope the honourable member would try to take a more positive outlook and at least give us some credit that effort is being made. No one, certainly not me, is going to come along and say, there, we have fixed the problems identified by the Aboriginal Justice Inquiry. I am not that kind of a person.

I know that the problems are real, they have existed for more than a century and that it is a big, big job to try to clean up the mess that we all collectively have left us with right now.

As I will point out, we have made some significant efforts and made some significant changes in some real people's lives, I suggest. Those people will tell the honourable member that for them it has been more than just a tinkering with the system.

I would have liked to have attended the opening of the Moose Lake Detachment a few weeks ago. I was not given a pair to do that. I regret that, because I worked personally to make that happen. I was proud of that, because I was proud of what the people in Moose Lake were prepared to do for themselves, and I wanted to be a partner in that. I was not allowed to go to the opening of that

detachment. Well, for whatever reason that happened. I will just mention it, and I will not say anything more about that.

But that is something that the people of Moose Lake asked for. They asked for a detachment because they had serious problems there. They had a healing circle, and I think if you watch the CBC you can see that the people of that community were finally coming to grips with problems in that community and wanting to do something about it themselves. They wanted partners, and we wanted to be a partner, and we became a partner through the provision of better RCMP services there.

* (1700)

I wish the Moose Lake area well and I hope to continue working with them but I also will, as we go through the discussion of these Estimates, want to talk to the honourable member about other initiatives that are going on, about how we are trying very hard to work with the Dakota Ojibway tribal people who have programs already in place and we just want to improve them and keep them going and keep the funding up for them. It is hard because fiscal realities dictate that these things are difficult to deal with. But I have been a steady and unbending supporter of the DOTC and their efforts at policing and their efforts on probation services, and I intend to continue to be that way and to work realistically with them.

Madam Chairperson: Order, please. The hour being 5 p.m. and time for private members' hour, committee rise.

Call in the Speaker.

IN SESSION

Committee Report

Mrs. Louise Dacquay (Chairperson of Committees): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

Committee Change

Mr. Edward Helwer (Gimli): I move, seconded by the member for Portage (Mr. Pallister), that the

composition of the Standing Committee on Law Amendments be amended as follows: the member for Roblin-Russell (Mr. Derkach) for the member for Fort Garry (Mrs. Vodrey).

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

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

DEBATE ON SECOND READINGS—PUBLIC BILLS

Bill 200—The Child and Family Services Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Wellington (Ms. Barrett), Bill 200 (The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille), standing in the name of the honourable Minister of Family Services (Mr. Gilleshammer). Stand?

Is there leave that that matter remain standing? [agreed]

Also standing in the name of the honourable member for Interlake (Mr. Clif Evans), who has one minute remaining. Stand? Is there leave that that matter remain standing? [agreed]

Bill 202—The Residential Tenancies Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Burrows (Mr. Martindale), Bill 202 (The Residential Tenancies Amendment Act; Loi modifiant la Loi sur la location à usage d'habitation), standing in the name of the honourable member for Portage la Prairie (Mr. Pallister). Stand?

Is there leave that that matter remain standing? [agreed]

Bill 203—The Health Care Records Act

Mr. Speaker: On the proposed motion of the honourable member for St. Johns (Ms. Wasylycia-Leis), Bill 203 (The Health Care Records Act; Loi sur les dossiers médicaux), standing in the name of the honourable member for Emerson (Mr. Penner). Stand?

Is there leave that that matter remain standing? Leave? [agreed]

Bill 205—The Ombudsman Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Kildonan (Mr. Chomiak), Bill 205 (The Ombudsman Amendment Act; Loi modifiant la Loi sur l'ombudsman), standing in the name of the honourable member for Niakwa (Mr. Reimer). Stand?

Is there leave that that matter remain standing? [agreed]

Bill 208—The Workers Compensation Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for Transcona (Mr. Reid), Bill 208 (The Workers Compensation Amendment Act; Loi modifiant la Loi sur les accidents du travail), standing in the name of the honourable member for Niakwa (Mr. Reimer). Stand?

Is there leave that that matter remain standing? [agreed]

Bill 209—The Public Health Amendment Act

Mr. Speaker: On the proposed motion of the honourable member for St. Johns (Ms. Wasylycia-Leis), Bill 209 (The Public Health Amendment Act; Loi modifiant la Loi sur la santé publique), standing in the name of the honourable member for St. Norbert (Mr. Laurendeau). Stand?

Is there leave that that matter remain standing? [agreed]

Bill 212—The Dauphin Memorial Community Centre Board Repeal Act

Mr. Speaker: On the proposed motion of the honourable member for Dauphin (Mr. Plohman), Bill 212 (The Dauphin Memorial Community Centre Board Repeal Act; Loi abrogeant la Loi sur le Conseil du Centre commémoratif de Dauphin), standing in the name of the honourable member for Gimli (Mr. Helwer). Stand?

Is there leave? [agreed]

Bill 216—An Act to amend An Act to Protect the Health of Non-Smokers

Mr. Speaker: On the proposed motion of the honourable Leader of the Second Opposition (Mr. Edwards), (An Act to amend An Act to Protect the

Health of Non-Smokers; Loi modifiant la Loi sur la protection de la santé des non-fumeurs), standing in the name of the honourable member for Gimli (Mr. Helwer). Stand?

Is there leave? [agreed]

* * *

Mr. Speaker: Are we proceeding with Bill 210? No, okay. Are we proceeding with Bill 214? No, okay.

PROPOSED RESOLUTIONS

Res. 42—VIA Passenger Service

Mr. Oscar Lathlin (The Pas): I move, seconded by the member for Concordia (Mr. Doer),

WHEREAS the Royal Commission on National Passenger Transportation has released its report entitled Directions: The Final Report of the Commission on National Passenger Transportation; and

WHEREAS the report targets many VIA routes for elimination including The Pas-Lynn Lake and Winnipeg-Churchill; and

WHEREAS the report itself states that the Winnipeg-Churchill route has suffered reduced ridership due to the decision by VIA to eliminate tour operations, and

WHEREAS in fact, the number of tours on that route declined from 35 per year to none due to the change; and

WHEREAS increased fares, along with a change in the ticket price structure which eliminated a 40 percent discount for return fares, also contributed to the drop in ridership as noted by the report; and

WHEREAS freight service on the VIA train is vital to the communities on the bayline, many of whom depend on this service for virtually all the goods shipped in and out of their communities; and

WHEREAS many of these remote communities have no road access; and

WHEREAS as the report also notes nearly all the ridership involves travel to and from remote locations on The Pas-Lynn Lake route; and

WHEREAS in the absence of all weather roads, most of these bayline communities are almost totally dependent upon the VIA trains; and

WHEREAS the loss of the VIA trains would have a devastating impact on the viability of both the Port of Churchill and the Churchill rocket range,

potentially causing the loss of hundreds more jobs; and

WHEREAS the cost of supplying all weather roads to the communities affected by the withdrawal of the VIA trains would far exceed the cost of maintaining the service.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Government of Canada to support VIA passenger services to remote communities and to reject the recommendations of the report dealing with VIA service in Manitoba; and

BE IT FURTHER RESOLVED that this Assembly request that VIA Rail restore tour package operations and return discount packages that encourage Canadians to utilize VIA Rail; and

BE IT FURTHER RESOLVED that this Assembly direct the Clerk to forward copies of this resolution to the Prime Minister of Canada and to the federal Minister of Transport.

Motion presented.

Mr. Lathlin: I am very pleased and thankful, Mr. Speaker, to be able to rise this afternoon to debate this very important resolution, because this resolution debate comes at a time when over the past weekend we have experienced very serious events due to weather conditions in rural and northern Manitoba. This resolution is being debated at this time because the events of the past week, in my mind, have once again shown how vulnerable northern Manitoba is to losing communication and transportation links with other parts of the province.

* (1710)

As members will know, parts of the VIA Rail line were washed out in the major floods that struck our province this past weekend. According to reports that I have been reading in the paper and on television, the reports indicate that it will take quite a long time to restore and repair the rail line that has been washed out. While the rail line is being restored and repaired, Mr. Speaker, the people along the bayline, who are dependent totally on the rail line for moving goods and services in and out of their communities, are going to appreciate the rail line much more over the next few weeks while the rail line is being repaired.

At the same time, for those people who do not travel the rail line on a regular basis, but do on

occasion take the rail service, either as passengers or shipping goods on the rail line to points north, those, too, will probably develop an appreciation for the rail line while it is being repaired.

The damages from the flood will, of course, probably total in the millions, Mr. Speaker. Similarly, the damages experienced or incurred from the forest fires in the community of Lynn Lake and area will also be extensive. VIA service in many northern communities is not a luxury, not a service that can be regarded as a luxury item, or an alternative in many of these communities.

As I have said before, for many of these communities, there are no other transportation links, except by air charter. As you and I know, air charter service is extremely expensive to use for travelling or for communications purposes in the North. Just to give you an example of how expensive it is, every time I have to travel by air from The Pas to, say, Norway House, it is around \$1,500 just to travel there and back. So it is an extremely expensive proposition.

For those residents who depend upon VIA in the North, then it means that the suggestion made from time to time, and especially at this time, that those routes be cancelled is, of course, a very threatening situation. It causes a lot of anxiety for those people who live along the bayline and no doubt creates a similar anxiety for others who may use it on a casual basis or for those businesses who have to ship their goods over the rail line. It causes a great deal of anxiety.

Now I have been on the VIA trains, of course, in my lifetime in northern Manitoba many times, as have several of my colleagues here in the Legislature. Some of them have on occasion travelled the train from Winnipeg to Dauphin or on to The Pas and Thompson and Churchill. I can tell you today that these are not luxury trains, nor are most of the people who travel on them rich business people enjoying the view.

In fact, Mr. Speaker, the train acts both as a passenger train and also acts as a shipper and transporter of many valuable supplies, not to mention food, as I mentioned before. More than half the people travelling these routes use VIA, since it is the only way they can travel back and forth out of their home communities.

I remember particularly when I was young and working up North and having to use the—

An Honourable Member: How long ago was that?

Mr. Lathlin: Some seven years ago, for the benefit of the Minister of Highways (Mr. Driedger).

Seven years ago, when I used to travel the rail line myself, working in the North, I would always find it interesting because you get on at The Pas—and I remember the first time I travelled to Lynn Lake. When I got on at The Pas, I asked the question of how long the travel time would take, and somebody told me it was going to take 12 hours. My response very quickly was, but that is how long it took me to travel from Winnipeg to The Pas by the same train. So, of course, the response came that from hereon in the speed of the train was going to reduce very significantly, and do not expect to be in Lynn Lake until 12 hours have passed.

I also remember travelling to Thompson, Gillam and Churchill every now and then, Mr. Speaker. Again, you get on in The Pas, and it takes nearly two days to get to Churchill by train, but all along the way, starting right from Cormorant, which is only approximately 40 miles north of The Pas, people get on the train and travel on to Pikwitonei, Thicket Portage, and it goes off to Thompson, comes back and then on to Gillam and Churchill, but all along the way, people, businesses, would bring their supplies and goods on board all along the way. The train does not really stop at designated places like The Pas, Gillam and so on. It stops wherever there are people. It stops wherever there are trappers. It stops wherever there are fishermen, and it stops wherever there are construction workers working along the rail lines. So a lot of people utilize that railway.

This is particularly important as we go from here because in recent years, as VIA has cut back advertising the existence of the route, particularly the route to Churchill, it has become for those people, not only in northern Manitoba, but for those people—especially the agricultural people living in Saskatchewan and Alberta are beginning to, well, they are not beginning, they have always seen Churchill to be a very important community in the sense that goods and services, grain and so on could be shipped from there quite cheaply.

Sadly, I have regularly met people who thought the train to Churchill was eliminated in 1989, Mr. Speaker, along with all the other cuts to VIA Rail. If

the federal government does eliminate the railway, the bayline, they will not only cause great hardship, as I said, for hundreds of people along the bayline, but they will also cost this province millions of dollars in lost tourism. Additionally, the loss of the VIA Rail bayline route would put into jeopardy both the grain elevator at Churchill and plans for the reactivation of the rocket range.

When I was in Churchill some four weeks ago, people there were talking about the rocket range, and I guess the people whom they were talking to—those people who were willing to come into Churchill to work on the rocket range very clearly told the people in Churchill that unless the Port of Churchill and unless the rail line is protected and maintained, the work on the rocket range would become very difficult, if not impossible. So it is then very important to maintain the railway.

The rocket range, as I have said, is very important to the people of Churchill, because it has a lot of potential to create hundreds of jobs, both in northern Manitoba, and also in this city, Mr. Speaker. If it goes ahead, then the city of Winnipeg, and indeed the whole province of Manitoba, will benefit, again another reason why the provincial government and the federal government should get together and ensure that the railway is maintained.

* (1720)

The rocket range proposal is just now beginning to develop, of course, as we all know, and once it does get going, it will bring more business along the bayline. In fact, it can save both the bayline and the port, as those people who are thinking of coming into Churchill have pointed out to residents of Churchill.

So, Mr. Speaker, it makes absolutely no sense then, given that situation, to allow the bayline to die when there is such an obvious need for it currently, and there is such an enormous potential for it in the future. There has been a major commitment of northern Manitobans to develop the bayline and the Port of Churchill over the past 50 years, and, in fact, I am honoured to be in Churchill at the end of this month where the 50th anniversary convention of the Hudson Bay Route Association will be celebrated in Churchill. So, as I said, I am happy and honoured to have been invited to that particular celebration.

Mr. Speaker, it would be a national tragedy if the federal government would shut down the VIA service to northern Manitoba. I, for one, can tell you today, and others here, that the New Democratic Party is committed to fighting to save these routes in the upcoming federal election. Rather than abandoning the North, VIA should be encouraged to restore tour package operations and discount packages for the North to boost ridership and cut losses.

The North has a lot to offer in tourism potential, Mr. Speaker, so I urge all members to support this resolution and pass it today.

Thank you very much for listening to me, Mr. Speaker.

Mr. Speaker: The honourable member's time has expired.

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, first of all, I want to take this opportunity to compliment the member for The Pas for bringing forward this resolution.

We have looked at it relatively closely and have no argument with most of the things he is presenting. I want to just indicate right now, and maybe send a copy, I am going to have a slight amendment at the end of the resolution.

The first 11 WHEREASes I have no difficulty with. We tried to make it a little bit more punchy, which I think the member can probably accept, and I am prepared to forward a copy of it before I move it later on. So he can have a look at that. Maybe give it to both of the opposition members.

Mr. Speaker, the member for The Pas has just outlined some of the difficulties in sort of a modest way we are facing with the VIA Rail services as well as with the Port of Churchill and the rail line as such. In the five and a half years I have been the minister responsible for Highways and Transportation, the Churchill issue has been one of my, I suppose, most frustrating issues I have been dealing with. With all the WHEREASes that the member basically has outlined there, we certainly have no argument with that. The VIA passenger line to Churchill is a very important part—and I will not repeat the importance of it—of the isolated communities up there.

Many times, I have made presentations to the federal government, to the National Transportation Agency, to the Royal Commission on National Transportation. We have made endless

presentations to them, always pushing hard for the retention and upgrading of Churchill, not only the VIA Rail end of it, but also the general line and the Port of Churchill.

I have to say that actually our lobbying has fallen to some degree, at least in my view, on deaf ears. We have not been that successful. I had occasion just the other day—I want to mention this to the member for The Pas, that I had an invitation from the VIA people here to come and do a testing of their cuisine here in their silver and blue new updated cars they have now. They do a lot of training, and a lot of young people get employed in serving on these trains. The maintenance is taking place. For Manitoba, it is a very important element, economically, the establishment of VIA here as the maintenance centre.

But I want to just maybe broaden this out a little bit to give an indication of the importance of what is happening at Churchill. I know many people from time to time say, well, let it close or sell it, but I want to say that the Premier (Mr. Filmon), myself and many of my colleagues, as well as opposition members, members in this House, by and large, feel very strongly that our Churchill line is a very unique line.

The member is correct. I think it is one of the few rail lines where if you are on the train, if any individual stands beside the rail, puts up his hand, the train stops and picks you up. It can be anywhere. It does not have to be at a station, which is sort of unique. But aside from the rationalization, I know some of it has to take place, and VIA Rail certainly has done that.

Things have been going a little better for VIA Rail, but we know the federal government has made a decision to cut the subsidization on VIA Rail over the next five years to the point where, unless they are going to be self-sufficient to some degree, basically more cuts will take place.

I have grave concerns about that because if VIA had been given a chance—and we have to understand that the line running east-west, for example, in Alberta through Jasper and those areas where the line is running, you cannot book now. You cannot get on. You have to book a year in advance to be able to get on, because it is very successful there.

Across the Prairies, of course, the demand is not as heavy as there, but many of the tour packages

our travel agencies are promoting promote this kind of thing where people come in. A lot of tourists come into Winnipeg, for example, take the VIA line down to Vancouver, points over there. I think it is coming back again, so I feel confident that the east-west line is possibly going to be sustained. My concern is about the Churchill line, and that is why the resolution basically is here.

It goes much deeper than just VIA Rail itself. We have been promoting the idea, as the previous administration did, in terms of having a rail car, a rail bus. That whole history—if somebody ever wants to read it, there is a big screwed-up mess, pardon the expression, because we could have had it at that time. But there are so many enemies of this Churchill line, really, that sometimes I have felt very alone in terms of promoting it.

We have CN that basically would like to shut the line down. They make no bones about it. They would give it to the province for a dollar.

* (1730)

You know, there are the St. Lawrence Seaway people who would just as soon see the Port of Churchill being shut down. For this year itself, I had terrible trepidations that if it was not for a federal election coming up this fall that some maybe dramatic action would have been taken by Ports Canada, by CN, by the federal government. We have a reprieve at the present time, and I am encouraged by the fact that with a change of Prime Minister, and that is no reflection on the previous Prime Minister, but obviously, I think, the fact is that our Premier is a very strong supporter of Churchill and the port. I could go on for hours maybe just going through some of the history in the province that has developed over a period of time.

I think we are in a very crucial time right now. The resolution, for whatever impact it will have, I think, is timely. We are in a very critical position. I know that the port is not going to close this year, in spite of the fact that they are losing money, in spite of the fact that Ports Canada has been asking us to participate as a province in some of these things to continue to operate the port. That in itself is not enough.

I think everybody knows the arguments and the fights that I have been having with the Wheat Board on an ongoing basis, that if we moved more than 500,000 tonnes through the Port of Churchill that the port would be viable. CN has said, well, it will

cost them \$150 million to upgrade the line. I beg to differ on that point as well, because we know that with the cryo-anchors that are being used right now that we have had studies taking place where it will cost maybe \$30 million, \$40 million to stabilize the line.

I also believe that in spite of the fact that CN is reducing and depreciating the boxcar fleet to the point where they feel they cannot even deliver any amount of grain that is going to be going to Churchill, I firmly believe that we could use the hopper cars. We have used the hopper cars up through Limestone and that area, filled with cement, and still they tell me that they cannot use it for the balance of the line. The most sensitive line is up to Limestone. From Limestone north you have a much more stabilized permafrost, which we could stabilize even more with the cryo-anchors. The steel itself is strong enough to carry the hopper cars.

But it has been such an uphill battle all the way down the line that I have felt tremendously frustrated. When you talk to people that have been working for CN that have been involved in some of the if I can call it gerrymandering of information, when they finally retire from there, they come back and say, well, those things, we basically were in a position where we had to promote that kind of thinking. When they talk truthfully from the heart, they admit that we could be running hopper cars down to there, that a lot of things have gone wrong, they have not marketed it properly, many things have gone wrong in terms of what has happened out there.

I feel very strongly in support of Churchill. I mean, I am not one of the biggest fans to go down there at certain times of the year; it gets pretty cold out there. But I think it is something so unique, if many of the landlocked countries could have a port of this nature, they would go crazy with the things they could do with it.

But because we have the activity on the Pacific coast, we have the St. Lawrence Seaway, with all the strong lobbyists out there and, Mr. Speaker, I want to tell you that the future of the St. Lawrence Seaway in my mind has some major problems coming down the line. If they are going to continue operating the St. Lawrence Seaway, ultimately mega, mega millions of dollars will have to be spent on that line.

The cost here, basically, has not been that dramatic, and it provides a service for the isolated communities. We have pushed very hard; we have looked at options. Mr. Speaker, I am jumping a little bit, because there are so many things a person could talk about. We have looked at options of road, to provide some kind of access for these communities. We have considered some of the costs if the line gets shut down.

To the member for Swan River (Ms. Wowchuk), for example, who has adjourned the debate on my short-line rail legislation, I want to encourage her to look at it very carefully, because whether that would be an option for the future or not, but at least it will be in place there.

I can tell you, Mr. Speaker, that I have had private organizations coming up and saying they are interested in taking over the system. I say, no way. There is a federal responsibility. I am not going to let the feds off the hook on this thing. They have an obligation to provide these kinds of services, and I think the House itself, regardless of politics, have all been supportive on going in the same direction. That is why I appreciate this kind of resolution coming forward. I think sometimes maybe how we go at it might be a difference of opinion, but the end result of what we like to accomplish, I think, is the same.

I recall where we had an all-party committee at one time trying to work together, and invariably in the House, politics does enter into it ultimately, and it did not function quite the way I had envisioned. But there are many challenges there, and I feel encouraged, I repeat again, I feel encouraged by the support of the Premier (Mr. Filmon), and the Arctic Bridge concept that is being worked on. For the first time, we have a committee set up that is working very, very hard on this potential trade, because to leave it the way it is, is a death knell for Churchill.

Unless we come up with some new ways of making it viable, either by trade with European countries, Russia specifically with the Arctic Bridge, that we have two-way traffic coming through there, and it used to be at one time. Just look at the gradual demise over the last 15, 20 years of Churchill from what it used to be. If this continues, it is going to be a short time, ultimately, within a year or two that major decisions get made unless we can come up with some positive things.

Mr. Speaker, I sometime want to take the opportunity to get into a different debate on this whole thing, because I think we are not far apart. The reason I basically want to move an amendment—and like I say, the first 11 clauses of the amendment, WHEREASes, we have no problems with.

I would like to move, seconded by the member for La Verendrye (Mr. Sveinsson), that Resolution 42 be amended as follows—instead of reading the whole thing, I want to go to the one area after the 11th WHEREAS, and just add:

WHEREAS VIA service has been the subject of scrutiny by the government of Manitoba for some time; and

WHEREAS the government of Manitoba has vigorously opposed reductions in rail passenger services.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Government of Canada to support VIA passenger services to remote communities by calling for the upgrading of service, including the use of rail buses to increase frequencies in local service between remote communities; and

BE IT FURTHER RESOLVED that this Assembly encourage VIA to be more aggressive in the marketing of their services.

Mr. Speaker, I have not addressed all of the concerns that I would have liked to, but I feel possibly maybe the members opposite can live with this amendment.

Mr. Speaker: Order, please. On the amendment of the honourable Minister of Highways and Transportation (Mr. Driedger), seconded by the honourable member for La Verendrye (Mr. Sveinsson), I am having a little difficulty accepting the honourable minister's amendment because of the documentation that I have in front of me, but I think, and Hansard will prove me right, that in the remarks of the honourable minister, I believe, in his words were, instead of reading the whole thing off, I think what the honourable minister has actually tabled is the resolution, if and when the amendment was adopted, how it would read.

I am just informing the House here, because the honourable minister has actually, you read the entire resolution of the honourable member for The Pas (Mr. Lathlin), and at the bottom, the honourable minister has actually added onto it, the

amendment. I believe that is what the honourable minister has actually read into the record. So, therefore, I will find the honourable minister's amendment in order, basically because you did not read off the resolution—just for clarification.

Therefore, it was moved by the honourable Minister of Highways and Transportation (Mr. Driedger), seconded by the honourable member for La Verendrye (Mr. Sveinsson), that Resolution 42 be amended. The honourable minister's amendment is in order.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I just wanted to rise and say a few words on the amended version of the resolution.

I was listening, both to the member for The Pas and the minister responsible, Mr. Speaker. I, too, concur. I think that everyone inside this Chamber believes in the intent and the gestures that are being made in the resolution. VIA Rail has played a very important role in the development of many different regions throughout the country. When we had the royal commission that made the report, there were a number of concerns that were raised, and I think that there are a number of things that the committee itself, in its deliberations dealing with what line should be shut down did not necessarily factor in.

I think, if government took a very proactive approach at trying to demonstrate that, yes, it is a feasible line, and I think someday it could be a very feasible line, given the right circumstances and given the right initiatives that in fact one would not even have to subsidize it in any fashion.

* (1740)

But it has to be provided the opportunity to be able to develop into that sort of a situation. That means that government does have a role to play. VIA Rail, through the national government—and I would suggest to you, even the provincial government has an interest in looking for those alternatives that would in fact ensure that this does take place.

So I just wanted to add those few words, saying that, yes, we in the Liberal caucus do support the intent of the resolution and feel just as equally as strong as other political parties inside the Chamber that the Port of Churchill and the community of Manitoba, as a whole, needs to ensure that the bayline does continue on in its operations.

Just to comment very briefly, if there is anything disappointing about the resolution, I think the resolution itself or the amended resolution would have been just as effective had you dropped out the one WHEREAS, the "WHEREAS VIA service has been the subject of scrutiny by the government of Manitoba for some time"

I noted that the member for The Pas (Mr. Lathlin) went through in the drafting of the resolution and in no way condemned the provincial government, and I think it would have been a bit higher of the minister responsible to have left that particular WHEREAS out of it.

But with that one little exception, Mr. Speaker, we agree with the resolution in its entirety.

Mr. Speaker: Is the House ready for the question? The question before the House is the amendment of the honourable Minister of Highways and Transportation. Is it the pleasure of the House to adopt that motion? [agreed]

Now, the question for the House is the amendment of the honourable member for The Pas, as amended. Agreed? [agreed]

An Honourable Member: Six o'clock.

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

Some Honourable Members: Agreed.

Mr. Speaker: The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, July 8, 1993

CONTENTS

ROUTINE PROCEEDINGS			
Presenting Petitions		Emergency Home Repair Program Lamoureux; Ernst	5252
Children's Dental Program		The Pas Health Complex Lathlin; Orchard	5252
Santos	5242	Nonpolitical Statement	
Dewar	5242	North American Boardsailing Championships Helwer	5254
Reading and Receiving Petitions		Matter of Urgent Public Importance	
Children's Dental Program		Home Care Program	
Maloway	5242	Chomiak	5254
Dewar	5242	Lamoureux	5256
Student Social Allowances Program		Orchard	5257
Cerilli	5243	Speaker's Ruling	5257
Santos	5243		
Chomiak	5243		
Reid	5244		
Presenting Reports by Standing and Special Committees		ORDERS OF THE DAY	
Economic Development, 8th Report Reimer	5244	Committee of Supply	
Public Utilities and Natural Resources, 6th Report Laurendeau	5244	Chairperson's Ruling Lamoureux, Point of Order July 5, 1993	5259
Oral Questions		Employee Benefits and Other Payments	5259
Home Care Program Doer; Orchard; Chomiak	5245	Internal Reform, Workforce Adjustment and General Salary Increases	5260
APM Management Consultants Chomiak; Orchard	5247	Industry, Trade and Tourism	5260
Criminal Injuries Compensation Fund Edwards; McCrae	5247	Energy and Mines	5274
Home Care Program Wasylycia-Leis; Orchard	5249	Aboriginal Justice Initiatives	5289
Student Social Allowances Program Friesen; Gilleshammer	5250	Private Members' Business	
		Proposed Resolutions	
		Res. 42, VIA Passenger Service Lathlin	5293
		Amendment	
		Driedger	5295
		Lamoureux	5298