

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 30, 1989.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF BILLS

BILL NO. 80—THE CIVIL SERVICE SUPERANNUATION AMENDMENT ACT

Hon. Gerrie Hammond (Minister of Labour) introduced, by leave, Bill No. 80, The Civil Service Superannuation Amendment Act; Loi modifiant la Loi sur la pension de la fonction publique. (Recommended by His Honour the Lieutenant-Governor)

Mr. Speaker: The Honourable Minister is tabling a message from His Honour the Lieutenant-Governor.

BILL NO. 79—THE MUNICIPAL ASSESSMENT AND CONSEQUENTIAL AMENDMENTS ACT

Hon. Jack Penner (Minister of Rural Development) introduced, by leave, Bill No. 79, The Municipal Assessment and Consequential Amendments Act; Loi sur l'évaluation municipale et modifications corrélatives. (Recommended by His Honour the Lieutenant-Governor)

MATTER OF PRIVILEGE

Mr. Jay Cowan (Churchill): Mr. Speaker, before proceeding into Oral Questions, I rise on a matter of privilege and would seek the floor.

I am rising on a matter of privilege because I feel that information, which was given to the House last Thursday during the emergency debate on the LynnGold operations, was in fact misleading information, and because it was false information it did interfere with our ability as legislators each and everyone of us—no matter whether we sit on Opposition sides or Government side—to involve ourselves in this matter of extreme urgency and importance to not only the residents of Lynn Lake and the outlying communities but to all residents of this province.

Mr. Speaker, as you are aware there are three conditions that must be met with respect to a matter of privilege. The first is that it is brought to your attention at the earliest possible moment; the second is that there is a prima facie case that indeed the privileges of a Member, or Members of this House, have been breached and interfered with; and the third that it be concluded with a substantive motion.

I am bringing this matter to your attention now, which I believe to be the earliest possible occasion for two reasons. Firstly, we just now received the copy of the

Hansard for October 4 where the statements by the Minister of Energy and Mines (Mr. Neufeld) are contained. I reference you to just one of many decisions respecting privilege and their relationship to Hansard to a decision by Mr. Speaker Walding with respect to a matter of privilege. Mr. Walding ruled that when a matter of privilege is moved in this House, there are as Members noted two facts to be satisfied. One of them, it is the first available opportunity, and it clearly is since there was a slight delay with Hansard over the last few days.

* (1335)

Well, in fact, Mr. Speaker, there has been a delay with Hansard, which has just now put this information available to us. There is also another reason why it is now only possible to truly determine whether or not the Minister was telling the full truth on Thursday when he spoke in this House, or whether he was not telling the full truth when he spoke in this House.

That relies upon a letter of October 4 which the Minister indicated contained the offer of \$24 million which was made to LynnGold operations. This letter was not available to us, Mr. Speaker, until this morning when it was put out by Public Information Services. I will just read the comments on the letter, and this is from Dwight MacAulay dated October 27, and it is to the newsroom from Information Services: "Attached is a letter from Ian Haug, Deputy Minister of Manitoba Energy and Mines to Mr. Robert Buchan, vice-chairman, Dynamic Capital Corporation re: mining operations at Lynn Lake. Please note that the letter of October 4 does not include the \$7 million in bridge financing that was deemed necessary once the preliminary Strathcona Minerals Services report was released. That is included in a reference on pages 5/6 of this report (attached)."

So by the own admission of the Government, through Information Services, the offer that was made on October 4 did not contain \$24 million, and for the Minister to claim, and I am quoting from the Free Press, Neufeld then claimed the offer was contained in an October 4 letter to Robert Buchan, vice-chairman, LynnGold parent Dynamic Capital Corporation, shows there is an inconsistency with the facts at the very least, and we did not get the full truth during the emergency debate when we requested it, Mr. Speaker. So I believe this letter, combined with the fact that we now just have Hansard before us, makes this the earliest possible opportunity.

Secondly, is there a prima facie case that there was a breach of our privileges as Members? Well, in order to do our work as Members, we must have full accurate and complete information available to us. We rely upon the Government, Honourable Ministers in the Government, when they stand in this House to provide us with full factual and complete information, not to provide us with half stories, not to provide us with information that does not hold out to be true but to provide us with truthful information.

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If we do not have truthful information, Mr. Speaker, we cannot conduct our responsibilities as Members in this House in an effective and meaningful way. Therefore, any attempt by the Government to mislead us, or to give us less than factual information, is indeed a breach of our privileges, and it is in the time-honoured traditions of this House that many decisions have been made by Speakers preceding yourself with respect to the need for complete factual information from a truthful perspective by all Members when they stand in this House.

So Mr. Speaker, I would suggest by stating there was a \$24 million offer made on October 4 when in fact there was not, the Minister of Energy and Mines (Mr. Neufeld) has breached our privileges by making it difficult, if not impossible, for us to do our job which is to provide constructive criticism to the Government. I am certain they would like us to provide constructive criticism based on truthful statements by themselves rather than on half-truths or misstatements. So I believe, in fact, there has been a breach of our privileges.

The motion contains some unparliamentary language. I make that point and in doing so I reference you to a ruling by Madam Speaker Phillips of July 6, 1987.

My original motion was to suggest that the Minister of Energy and Mines (Mr. Neufeld) had misled the House with respect to the offer of \$24 million to LynnGold, which by the way just to confirm, that offer never really did exist, that offer was also repudiated. The suggestion that there was such an offer was also repudiated by George Faught of LynnGold Resources in a news release on October 27 when he said, and I quote, contrary to recent press release LynnGold has not received a proposal on a \$24 million bail out offer from the Manitoba Government. So the question is: was there an offer made?

Just to clarify that, before I go into the motion, I want to read to you from Black's Dictionary on Legal Definitions, when they say "offer" they say a proposal or a proposal to do a thing, and they also say that an "offer," as an element of a contract which this would be, is a proposal to make a contract. It must be made by the person to whom -(interjection)- Mr. Speaker, I would ask the indulgence of the Minister of Finance (Mr. Manness) who suggested on Thursday that we would all be entertained by the Minister of Energy and Mines (Mr. Neufeld) when he stood up and put on the table the offer that his Government had made to LynnGold when no such offer -(interjection)- existed.

* (1340)

Mr. Speaker: Order. Order, please. We are not debating the issue here. The Honourable Member for Churchill.

Mr. Cowan: The point is, an offer as an element of a contract is a proposal to make a contract. It must be made by the person who is to make the promise, and it must be made to the person to whom the promise is made.

Obviously, if the Minister had an offer in his mind, or proposed in his mind, it was never communicated

to LynnGold Resources and for that reason there never was an offer, and what the Minister told the public was indeed a falsehood. The reason I believe I am forced to say this was a deliberate action, going back to Madam Speaker -(interjection)- I am sorry, Mr. Speaker, I did not hear the comment from the First Minister.

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

Mr. Cowan: I just think that if the First Minister wants to make comments from his seat he would have the courage to stand and put them on the record.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. This is a very serious matter. The Honourable Member for Churchill.

Mr. Cowan: If I heard the First Minister correctly, he asked me, so I believed the company? Well, I can tell him that in this case, I believe the company because I have seen his Government bungle this negotiation throughout. Secondly, the union and other members in the community in Lynn Lake who were kept fully apprised of the negotiations by the Minister according to his word also confirmed that they had never heard of an offer \$24 million until it was made in this House by the Minister during the emergency debate the other day. So yes, I believe the company, and I believe the collaborating evidence of the union.

Let me go on. With respect to the motion, and I quote from the ruling by Madam Speaker Phillips, the motion offered by the Honourable Leader of the Opposition refers to the Minister having misled the House rather than having deliberately misled it.

A Member raising a matter of privilege which charges that another Member has deliberately misled the House must support his or her charge with proof of intent. No such proof was presented by the Honourable Opposition Leader.

Mr. Speaker, I believe in order to be in keeping with that ruling I must word my motion that there was a deliberate attempt to mislead or there was a deliberate misleading of the House, and I do that with some concern with respect on parliamentary language, but I am indeed doing only to try to follow the practices and precedents of this House.

The motion is a motion to censure, Mr. Speaker. It is important because this Government, and not just the Minister of Energy and Mines (Mr. Neufeld) but this entire Government, has so totally bungled the negotiations with respect to the continuation of the LynnGold operations at Lynn Lake that they have put into jeopardy, through their own incompetence and their own ineptitude, the future of a whole community, and we -(interjection)-

Mr. Speaker: Order, please. The Member is given an opportunity to bring forward whether or not there was sufficient evidence that an alleged breach of the privilege of the House or of the Member has been breached. The Honourable Member for Churchill is

attempting to make that argument, I believe. The Honourable Member for Churchill, I believe, to conclude his remarks.

Mr. Cowan: I will conclude with the reference to why this censure is necessary then read the motion. This censure is necessary because this Government must be censured for its incompetence. We do that not to punish or criticize them but to show them that they have a responsibility to act more competently; that they have a responsibility to make an offer when they say they make an offer; that they have a responsibility to be fully factual and truthful to this House. If they do not they should be censured, and that should encourage them in the future to be more forthright, honest and more competent in their dealings.

So I move, Mr. Speaker, seconded by the Member—

* (1345)

An Honourable Member: You are not concerned about the people in Lynn Lake.

Mr. Speaker: Order, please. The Honourable Minister will have an opportunity—(interjection)—Order. Order, please. The Honourable Member for Churchill.

Mr. Cowan: Mr. Speaker, the Minister of Energy and Mines (Mr. Neufeld) said from his seat that I am not concerned about the people of Lynn Lake. If I were not concerned about the people of Lynn Lake, the outlying communities and the future of the North of this province, I would not be making this motion. This motion is necessary because of their incompetence.

I move, seconded by the Member for Flin Flon (Mr. Storie), that this House censure the Minister of Energy and Mines for his contempt of the privileges of the Members of the Legislature by deliberately misleading all Members by stating that an offer totalling \$24 million of provincial aid had been presented to LynnGold officials when no such offer had been communicated to them.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Before a ruling, I will permit limited and strictly relevant debate concerning whether or not the matter has been raised at the earliest opportunity and that a prima facie case has been presented by the Honourable Member for Churchill (Mr. Cowan). The Honourable Member for St. Norbert.

Mr. John Angus (St. Norbert): As regards to the timeliness of the Member for Churchill's (Mr. Cowan) motion, an opportunity to bring a very important matter of privilege before the House, I will leave that for your discretionary powers. As far as the specifics of the motion, I will leave that as well for your interpretation.

Dealing with the matter of a Member's privilege, Mr. Speaker, it is very serious when it is suggested or proposed that a Member has deliberately misled the House. I would prefer to believe the Minister has not

deliberately misled the House. However, there are apparently two stories: one that the Minister told in the House, and one that apparently the facts are indicating. It appears that the Minister either was derelict in his duty in terms of being uninformed that his offer had not been communicated, or it was communicated improperly, or for some other reason the company did not receive.

Those are the options that I would prefer as to the fact that whether or not the Minister deliberately misled. I find that a very, very serious charge and would suggest to you that as this Member of the Official Opposition, from this side in the emergency debate that was supported by all Members of the House on the seriousness of the issue, we were put in a very awkward position of not having the Minister make any comments until very, very late in the debate, and when he did make his comments he did make the statements that he had made that offer.

I believe that there is some serious room for a serious investigation, because there is something very definitely wrong with the information that is coming available, and it makes it very, very difficult for us to do a serious and honest job in criticizing any resolve to this very difficult issue. Thank you.

Hon. James McCrae (Government House Leader): I make no argument about the timeliness of the Honourable Member raising this matter, and of course the Honourable Member concluded his comments with a motion, so I make no argument with respect to that. The argument would rest on the question of whether he has made a prima facie case that somehow the Honourable Minister of Energy and Mines (Mr. Neufeld) has misled the House, and of course the key requirement for a finding of a breach of privilege would be that misleading having been deliberate.

* (1350)

The Honourable Member made some reference to unparliamentary language. Unfortunately, I did not hear all he had to say, but normally unparliamentary language comes under the heading of order as opposed to privilege, and I would think that would have to be dealt with separately and not a matter of a question of privilege.

We know from our experience in this House that the Honourable Minister of Energy and Mines (Mr. Neufeld) is a very open Minister of Energy and Mines. The question that he would somehow do something deliberately to mislead is indeed a very, very serious matter to raise, and one has to look into the matter and ask oneself what is it about the Honourable Member for Churchill (Mr. Cowan) that would make him want to raise such an issue when the record of achievement of this Minister has never included that of deliberately misleading this House or showing any contempt whatsoever for the privileges of Honourable Members in this House.

So the Honourable Member for Churchill certainly has not satisfied me or any objective person listening to what he had to say. What he has raised is very often

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routinely raised in this House especially during Question Period as a point of order to put the other side of the case on the record.

Your Honour, you have ruled repeatedly on those matters that differences of opinion or differences of interpretation are never a point of order. I suggest in this case also that I would invite you to find this particular question revolves around more a difference of opinion on the part of the Honourable Member for Churchill (Mr. Cowan), whose agenda may not be the same as the agenda of the Honourable Minister of Energy and Mines (Mr. Neufeld), who is attempting to do what is the right thing for the people of Manitoba and the right thing for the people of northern Manitoba, and hopefully to bring about a satisfactory resolution to a very serious problem.

To muddy the water with the kind of comments made today by the Honourable Member for Churchill, I suggest does no service whatsoever to the people of northern Manitoba, nor indeed to anyone in the Province of Manitoba. I ask you, Your Honour, to look very carefully at the comments made, certainly those comments as recorded in Hansard as well as the comments made by all Honourable Members who have spoken today, and we trust that you will deal with the matter in the most appropriate way.

Mr. Jerry Storie (Flin Flon): This is a particularly important motion and not one that any Member takes lightly. I simply wanted to indicate, Mr. Speaker, there are three conditions that were outlined by my colleague, the Member for Churchill (Mr. Cowan).

One of the conditions was the question of whether the misinformation had been deliberate, and I think it is important to note on the record that comments from the Minister reported in northern papers in Thompson, Flin Flon, and other communities makes it quite evident that the announcement that an offer had been made was a deliberate act. The intention of that act was to try and convince northern people, and particularly the people of Lynn Lake, that this Government was serious with respect to the negotiations.—(interjection)—

Mr. Speaker: Order, please; order, please. There appears to be a problem with Hansard. I believe I am also hearing remarks coming from the Honourable Government House Leader (Mr. McCrae) and the Minister of Finance (Mr. Manness)—Hansard—the Honourable Member for Flin Flon.

Mr. Storie: Mr. Speaker, the question of whether this was deliberate and intentional, I think has to be addressed from two perspectives: 1) Clearly, the Minister made those remarks. He and he alone should have access to knowledge about whether such an offer was made. Clearly, the evidence has come forward from the company and from reports in the media that the Minister did not present the correct facts. Mr. Speaker, we—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please. I would like to thank all Honourable Members for their advice to the Chair, and assisting me to make a ruling on this matter, which I will take under advisement, and I will report back to the House at a subsequent sitting.

ORAL QUESTION PERIOD

Personal Care Homes Standards Enforcement

Mrs. Sharon Carstairs (Leader of the Opposition): This weekend, I was given a copy of a new book by Maria Bohuslawski, a former reporter with the Winnipeg Free Press and now with the Ottawa Citizen. The Book is entitled End of the Line—Inside Canada's Nursing Homes.

Mr. Speaker, it is an incredible indictment of our nursing homes in that it describes Manitoba's nursing homes on the basis of 17 inspection reports, access through Freedom of Information as, and I quote, "dangerous, dirty, depressing, and depersonalized." In light of this, can the Minister of Health tell the House today why the nursing home branch has a policy of consultation, advice and education but ignores enforcement?

* (1355)

Hon. Donald Orchard (Minister of Health): Maybe my honourable friend, from her position of opposition, wishes to leave the impression that every personal care home in the Province of Manitoba provides substandard care to those residents under its care and comfort. I choose to believe, and this is not because I am Government, that our standards of care in our personal care homes are leading in the nation.

I have not read this embrace-to-the-bosom book that my honourable friend has read, but I choose not to believe some of those allegations in the book because inspections take place, standards are enforced, some of the highest standards in Canada. That has been in existence for approximately 15 to 16 years. The personal care homes have been an ensured service or part of the ensured service spectrum of health care services in the Province of Manitoba.

My honourable friend wants to lay the blanket accusation to all Manitobans who have loved ones in personal care homes that they are not being well cared for, let her do that as Party policy of the Liberal Party not anybody else.

Inspection Policy

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, I very carefully identified 17 inspection reports. Let us go through some of those inspection reports. Let us take depersonalization. The impersonal atmosphere of many nursing homes, these are from inspectors reports, quote, moved without explanation of why; hands and face washed in silence; walking residents from dining room to own room in silence; staff members stood directly in front of resident but did not acknowledge her; wheeled to dining room in silence; food placed in front of the resident in silence.

Mr. Speaker, those are all examples of depersonalized service. Can the Minister of Health tell us why this Government still insists on informing nursing homes before an inspection is done, and why do we not do it as it is done in Ontario with spot inspections?

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Hon. Donald Orchard (Minister of Health): My honourable friend again is not correct in her assumption that inspections are made with advance notice from the department. That is not a correct statement that my honourable friend made. My honourable friend has indicated that a report says that some staff member has not spoken to a resident under given circumstances. That may well be true with an individual staff member, but surely my honourable friend is not wanting to take her Liberal paint brush and paint every single caring person working in a personal care home with that kind of a broad brush.

I reiterate to my honourable friend, if she simply took the time to visit personal care homes, as many people on this side of the House have done, she will find, unannounced, that the individuals residing in those homes are cared for on balance very carefully, very prudently and with love and affection and with staff who care for those individuals.

Mrs. Carstairs: Can the Minister of Health inform the House why this ministry does not carry out inspections at the same time if in a given year an accreditation check is made of that nursing home? Can he explain why Ontario has insisted that inspections must take place regardless of accreditation standards but we have not?

* (1400)

Mr. Orchard: My honourable friend is wanting to leave the impression, whether she understands what she is doing or not is another matter, (a) that there is no inspection by the standards officers in the Manitoba Health Services Commission of personal care homes in the province. That is wrong. There are inspections. My honourable friend wants to leave the impression that all inspections are given advance warning to the homes. That is a wrong allegation by my honourable friend, and if she is not careful the Member for Churchill (Mr. Cowan) will have her up on a Matter of Privilege.

Complaint Process

Mrs. Sharon Carstairs (Leader of the Opposition): Staff officials of the Minister's department have said the Manitoba branch does not keep records of complaints about nursing homes, and when they do receive complaints they do not necessarily visit the homes. We may phone, the official said.

Can the Minister explain why, when they receive a criticism from a parent, a family member or a relative, they do not visit in person but phone thereby obviously getting information to the owner's advantage?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, if there is a serious allegation as to the standards of care provided in personal care homes, those allegations are investigated very seriously. However, I cannot say as to whether an inspection personally takes place if someone complains that the person accompanying the resident from the dining room back to the room has not spoken to them.

I simply cannot confirm whether that nature of complaint is investigated by the personal care home

administration and the Manitoba Health Services Commission, but let me reiterate lest Manitobans get the impression that the personal care homes in this province, whether they be privately owned or publicly non-profitably run, are excellent cases of care for our senior citizens, not the doom and gloom picture that my honourable friend wants to paint as Liberal Party policy.

Inspection Report Access

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, in the Province of Ontario inspection records are accessible in local public libraries so family members can verify whether an inspection has taken place as a result of their complaint.

Can the Minister of Health (Mr. Orchard) inform the House why inspection reports are only available if you access Freedom of Information in the Province of Manitoba?

Hon. Donald Orchard (Minister of Health): I cannot give my honourable friend an answer to that, but I will provide her an answer to that. Let me indicate to my honourable friend that inspection reports, should they uncover anything that is not according to the standards of care set by the commission, remedy is not only demanded but insisted upon and delivered upon.

The personal care home standards in this province are good standards. They may not fit with my honourable friend's desire to paint the province as something that does not care for their seniors, but that is a narrow Opposition perspective my honourable friend ought to reconsider before making such unjustified allegations against management, staff and boards of directors of personal care homes throughout the Province of Manitoba.

Standards Enforcement

Mrs. Sharon Carstairs (Leader of the Opposition): The Minister indicates that immediate action has taken place. Can he therefore explain why a 1987 inspection report noted that one nursing home took no steps to implement recommendations dating back to 1982 even though many of these recommendations, quote, relate to unsafe conditions and practices, many issues relate directly to the quality of life of the residents, unquote?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, no, I cannot, because my honourable friend has not presented, (a) the name of the home; (b) the nature of the complaints. If she can provide that, I will certainly find out for her why, from the period of 1982 to 1987, remedy did not take place.

I simply indicate to my honourable friend that is a significant period of time. If some of the complaints involved a capital reconstruction that was under consideration, that may in part explain some of her allegations she has made here today. My honourable friend ought to provide a little more detail if she has it, and if she is so concerned about the nature of a five-year delay from 1982 to 1987 instead of quoting

from some novel written by an individual who wishes to indicate certain shortcomings in the health care system, which is viewed by many—

Mr. Speaker: Order.

Parent-Child Centres Funding

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Speaker, it is always interesting to listen to Liberals pursue this line of questioning when they support user fees in our health care system.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, order. The Honourable Member for St. Johns.

Ms. Wasylycia-Leis: I have a question on this Government's family policy. We know about the day care fiasco, and today we have all learned how this Government will not support services for parents who choose to care for their children full time in the home.

Last Thursday, the Minister of Family Services (Mrs. Oleson) and the Minister of Education (Mr. Derkach) met with parent-child centres and informed them that they have no responsibility for ensuring long-term core funding for these centres, even though these centres provide valuable supports for children, and they provide valuable backup for parents who are trying to be good parents.

My question to the Minister of Family Services is: does she realize how important parent-child centres are for the health and welfare of families in Manitoba today, and can she explain why she is holding up funding, refusing funding, for these very important centres so that they can continue to operate year in and year out?

Hon. Charlotte Oleson (Minister of Family Services): The Member indicated that we had told them we would have no long-term support for them. That was not the case. We met with the parent-child centres and indicated to them that anything we would have to look at from either department was for next year's budget.

It is interesting to note, Mr. Speaker, that the Member who was up berating me for not funding these centres was in Government for some period of time. That Government did not see fit to fund these parent-child centres, these street-front operations that are giving support to parents. They are very worthwhile programs, but they had not been funded by the department except indirectly, in some cases, some small support from the Child and Family Services agencies.

Ms. Wasylycia-Leis: Mr. Speaker, that is utter baloney. The Minister knows -(interjection)-

Mr. Speaker: Order. Order, please. The Honourable Member for St. Johns, kindly put her question now, please.

Ms. Wasylycia-Leis: Given that the Minister—

Mr. Speaker: Order. Question, please.

Ms. Wasylycia-Leis: Given that the Minister used her excuse previously about studying this issue, I have a letter from her dated April of last spring indicating she was studying them and would be prepared to consider them for the budgeting process.

Mr. Speaker: The question is?

Ms. Wasylycia-Leis: Will this Minister commit herself today, on behalf of her Government, to some ongoing long-term funding so that these parent-child centres will be able to tap the support of other agencies and will be able to ensure that they survive two and a half weeks from now when they will close if this Minister and this Government do not step in and act on behalf of families?

* (1410)

Mrs. Oleson: As the Minister of Education (Mr. Derkach) and I met with the group the other day, we indicated to them our support to work with their agencies to discuss their current funding with the current funders. The Member should be aware, having been in Cabinet, that I cannot give guarantees of funding for next year's budget in this House today.

Ms. Wasylycia-Leis: Mr. Speaker, this Minister has refused to act on behalf of working parents when they choose the formal day care system, and now she is refusing to act on behalf of parents who work full time in the home.

Mr. Speaker: The Honourable Member for St. Johns, with a question now, please.

Ms. Wasylycia-Leis: Given the message that this Government is sending to Manitobans, that it is against the—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order. Order, please. The Honourable Member for St. Johns will put her question now, please.

Ms. Wasylycia-Leis: Yes, Mr. Speaker. This is a serious matter and I hope that the Members realize that.

Mr. Speaker: Of course, they do. Your question?

Ms. Wasylycia-Leis: I would like to know, from the Minister of Family Services (Mrs. Oleson), given that they will have to close their doors in two and a half weeks, if this Government does not come forward with a firm commitment to long-term funding—

Mr. Speaker: Order, please. Order.

Ms. Wasylycia-Leis: Will this Minister, on behalf of her Government, give that commitment in the next short while so that those centres will not be forced to close their doors?

Mrs. Oleson: Mr. Speaker, I can give the Member the assurance that my department and the Department of Education are discussing with the current funders the funding of those operations. That is what I can commit to her today. That is what is being done at this time.

Ms. Wasylycia-Leis: If such a firm commitment has been made to these groups, why have the parent-child centres been forced to hold a press conference today to appeal broadly and loudly about the predicament that this Government has left them in? Why is \$100,000 or \$200,000 too much of an investment for our families, for parents who have chosen to care for their children in the home, and for caregivers right across this province? Why is that too much money for the health and welfare of the future of this province?

Mrs. Oleson: Mr. Speaker, the group knew when they left my office on Thursday that we could not have an answer for them Monday; however, I understand that the Member for St. Johns (Ms. Wasylycia-Leis) and others were at the press conference so they have first-hand knowledge of this, but I do not know how it is so easy for the Member to sit there and say, just \$200,000 when her Government was unable to fund them when they were in Government.

Personal Care Homes Menus Provided

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, it is with regret that I listen to the Minister of Health's (Mr. Orchard) comments in which he refers to a book that took three years in the writing and accessed Government documents as the basis of its evidence as a novel. It is really a shame that his administration is a fairy tale.

Mr. Speaker, one of the issues—

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

Hon. James McCrae (Government House Leader): First the Honourable Member for St. Johns (Ms. Wasylycia-Leis) and now the Leader of the Opposition (Mrs. Carstairs), in her second round of questioning today, we find that these questions are becoming more and more like speeches everyday. I say to you, Mr. Speaker, that questions like this are almost bound to elicit lengthy responses, lengthy and emotional speech-making responses, which are the same kinds of things we are getting from the—

Mr. Speaker: The Honourable Government House Leader has a very good point. Order, please. The Honourable Member for Thompson, on the same point of order?

Mr. Steve Ashton (Thompson): Mr. Speaker, on the same point of order. I think if you were to check Hansard you would find that the length this afternoon, this Monday, has been in terms of the answers, I think the

Honourable Member opposite should also be aware of the fact there has been some agreement, in terms of lead questions, that the preambles are to be expected to be somewhat more lengthy.

So before the Member starts off the week by suggesting the Opposition is responsible for delays in Question Period, I would suggest he talk to his own Ministers and try and cut down on the lengthy answers.

Mr. Speaker: Order, please. The point was raised, lengthy questions do tend to lead to lengthy answers.

Mr. Speaker: The Honourable Leader of the official Opposition, pose her question now, please.

Mrs. Carstairs: Mr. Speaker, can the Minister of Health (Mr. Orchard) explain to the House why his own inspectors, after a visit to a nursing home and inspecting the meals of that nursing home, said that "she found that the home had a non-nutritional delivered menu," and said "the only similarity between what was on the menu and what was served was one of the desserts."

Can he explain to the House why menus prepared and delivered to his department are not provided to the residents of these personal care homes?

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

Hon. Donald Orchard (Minister of Health): Mr. Deputy Speaker, since my honourable friend, the Leader of the Liberal Party, wants to smear the reputation of every personal care home in the Province of Manitoba, by quoting from the novel she has before her, would she care to be more specific, identify the personal care home, the time of the inspection, and the action that was subsequently taken?

What she is doing today is totally irresponsible and shows how desperate the Liberal Party has grown to create an issue in this House.

Sanitation Standards

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Deputy Speaker, it was our hope today to get the Minister to address, as he used to do when he was in Opposition, the inadequacies of standards in our nursing homes.

Can the Minister tell the House today what new sanitation standards he has introduced in that inadequacy of sanitation standards are listed throughout this book? He himself did nothing when we had a major flu epidemic and in fact kept the figures and deaths hidden.

Hon. Donald Orchard (Minister of Health): Mr. Deputy Speaker, I really regret the sleaziness of my honourable friend's, the Leader of the Opposition, comments about hiding anything from the people of Manitoba. That issue was dealt with.

To leave the impression that sanitary standards are below what is necessary, to assure the health of

individuals in our personal care homes, again besmirches the reputation of many, many institutions delivering quality care to the citizens of Manitoba who are residents of those personal care homes.

Now my honourable friend says that there are lowered standards, or some accusation now she has dug out of this book. Mr. Deputy Speaker, let my honourable friend, the Leader of the Opposition, come to Estimates, if we ever get there and debate these issues in the personal care home standards. I am sure that the research she is now using, from the novel she has in front of her, might be found indeed wanting.

Mrs. Carstairs: Mr. Deputy Speaker, if it was only one report which showed inadequacy, it would be one nursing home too many in the Province of Manitoba. Instead, we have documented evidence of 17 of them.

* (1420)

Standards Enforcement

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Deputy Speaker, when will this Government take action to ensure that any inspector's report which shows inadequacy of treatment for our senior citizens living in personal care homes will be enforced and enforced immediately?

Hon. Donald Orchard (Minister of Health): Mr. Deputy Speaker, again I simply say to my honourable friend, the Leader of the Opposition, she has cited 17 alleged incidents, 17 out of—I cannot even venture to say how many inspection reports would be out there, whether it would be 1,000, 2,000, 3,000, I have no idea.

What is important in this issue is that when complaints about standards are received and identified, action is taken. What my honourable friend wants to leave on the record is an allegation that when standards are uncovered to be wanting that no action is taken.

That is not a correct assertion and all my honourable friend is wishing to do today is raise the fear of every Manitoban who has a loved one in a personal care home, to raise the fear that those people are not adequately cared for.

Mr. Deputy Speaker, that may be the narrow vision of the Liberal Party from Opposition, but it is not the actual fact of how we care for our seniors in personal care homes throughout Manitoba. I reject her allegations as nothing but fearmongering and attempting to create an issue where none exists.

Parent-Child Centres Study

Ms. Avis Gray (Ellice): Mr. Deputy Speaker, the parent-child centres, which we know provide excellent support services to inner city families, held a meeting with the Ministers of Education (Mr. Derkach) and Family Services (Mrs. Oleson) last week.

The centres have been attempting to negotiate with this Government for the past year and one half. Last

year they were told to wait until this budget year. This year they were told, by this same Government, they wanted to study the parent-child centres.

My question is to the Minister of Education. Why did the Minister refuse to give a definitive answer to the centres, and instead ask that the parent-child centres be studied? The study has already been done and the results the Minister has access to.

Hon. Leonard Derkach (Minister of Education and Training): Mr. Deputy Speaker, may I say that the Member opposite is wrong on both counts, in her analysis of the situation.

Number 1, the child care centres that I have responsibility for are funded through the compensatory program which is attached to the school system. All three centres have received funding through the compensatory program, and they were applied for by the divisions. Those centres are being funded today and we are monitoring those programs. Those are the programs that we are monitoring, looking at and are the three programs that my department funds.

With regard to the street based child-parent centres, that does not fall within my jurisdiction and within my mandate. That is outside of my department's mandate.

Ms. Gray: Well, we just have seen an example of one of the many problems of this Government. The two ministries cannot seem to decide to work together and like to pass the buck. No wonder the parent-child centres were so upset they had to have a press conference this morning.

Funding

Ms. Avis Gray (Ellice): A supplementary question to the same Minister of Education (Mr. Derkach). The Minister told the parent-child delegation that stamping their feet and having tantrums like other organizations would not do them any good.

Can the Minister of Education tell this House today: what does he suggest the steps are that this group take, given that they have been refused the courtesy of an answer from the Minister of Education and his colleague, the Minister of Family Services (Mrs. Oleson)?

Hon. Leonard Derkach (Minister of Education and Training): Again, the Member for Ellice is wrong (Ms. Gray), but nevertheless I will try to explain in fact what the response was for her benefit.

First of all, we did indicate to the group that those people who were in to see us were those who represented the street-based, or community-based, parent-child centres. Those, Mr. Deputy Speaker, fall under the jurisdiction of the Minister of Family Services (Mrs. Oleson) and not under the jurisdiction of the Department of Education or my ministry.

For that reason, I explained to the group that those parent-child centres now in the school system are funded through a special program for the inner city or the core area part of this city. Mr. Deputy Speaker, those we are monitoring.

With regard to the community-based child centres, I indicated to them that in order to resolve the problem that is before them, it is important that the groups work together with the Department of Family Services, and indeed with the school divisions, in order to be able to resolve the matter in an appropriate way.

Simply holding news conferences or other forms of demonstrations was not going to resolve the matter. The way to resolve it was to be able to communicate with those people who have jurisdiction for those areas such as the Department of Family Services and the various school boards.

Ms. Gray: Mr. Deputy Speaker, with a final supplementary to the same Minister. Can the Minister indicate to us today given that he feels the parent-child centres should work together, does he see it as his responsibility, as the Minister of Education, to work in concert with the Minister of Family Services (Mrs. Oleson) to ensure that a very excellent inner-city program does not close at the end of November? Does he see that as his responsibility to take initiative?

Mr. Derkach: Well, Mr. Deputy Speaker, once again I will tell the Member for Ellice (Ms. Gray) for her edification that we did indicate at that meeting that in fact we would consult with the funding groups involved in the funding of those child centres to see whether or not the funding indeed would be cut off in November, or would it be continued till the end of the fiscal year as the group indicated to us at the meeting. We indicated that we would work co-operatively to ensure that indeed a resolution to this problem would be achieved in the long term.

Northern Tax Allowance Boundary Line Revision

Mr. Gary Doer (Leader of the Second Opposition): Mr. Deputy Speaker, recent figures of profits and taxes in this country show that Alcan Canada made \$306 million in profit and did not pay a cent in taxes. Yet in tax reform we get this proposed GST that is going to affect municipalities, families, and hospitals.

This weekend we learned again of Tory tax fairness in terms of the federal Government's proposal, under a committee report, to rip away from 330 Manitoba communities the remoteness allowance that is now in place in terms of our tax system.

The committee is chaired by a person named Rene Brunelle of Moonbeam Ontario, a former Conservative Cabinet Minister from the Province of Ontario, appointed by Michael Wilson and came up with this ridiculous report, Mr. Deputy Speaker, that will indeed cause hardship for many Manitobans.

My question to the Premier is: what action has the Government taken in light of this report in dealing with the federal Department of Finance and the effect of this report on Manitobans?

Hon. James Downey (Minister of Northern and Native Affairs): Let me first of all clearly indicate to the House

and the people of Manitoba that communication has gone to the federal Minister of Finance expressing our position on it several months ago, Mr. Deputy Speaker. I have to say that I am disappointed in the results and the response that has come forward in the last report from the federal Minister.

* (1430)

Mr. Doer: Given the decision a couple of months ago it was dealing with two Manitoba communities and a very important decision, the report that was made public this weekend deals with almost all northern communities, 330 communities.

My question to the Premier is: what action has this Government taken on the release of this report on the Friday of last week, and how does the Government expect to reverse this decision in light of the fact that the Minister of Northern and Native Affairs (Mr. Downey) was unsuccessful in the previous decision of the federal Government dealing with this same issue?

Mr. Downey: Mr. Deputy Speaker, I think it is first of all important that we as a Government fully assess the report that the Minister of Finance has. I know my colleagues, the Minister of Finance (Mr. Manness), the Premier (Mr. Filmon), and other Members of Cabinet will be taking into account what the full impact of the recommendation is, Mr. Deputy Speaker.

Northern Tax Allowance Boundary Line Revision

Mr. Gary Doer (Leader of the Second Opposition): The full impact will be that 330 communities will have families losing \$504 per year, Mr. Deputy Speaker. The full impact of this study is that places like Thompson or Wabowden that cannot get doctors, nurses and teachers, all across northern Manitoba will be in a severe recruitment problem and quality of life problem with the change in this taxation.

My question then is to the Premier: what strong action is the Government taking in light of this report's impact which is fairly predictable in terms of reversing the federal Government's decision and reversing the recommendations that will contain disastrous effects for northern Manitobans in terms of the recommendations in this report?

Hon. Gary Filmon (Premier): Mr. Deputy Speaker, I have indicated publicly, on a number of occasions including about a month ago, when I was in Thompson and spoke there publicly about our opposition to this federal Government move, that was at that time being considered.

Since the task force has now made the recommendation that confirms this policy to the federal Government, we will once again contact the federal Government to tell them that the policy is wrong-headed and that the policy does not take into account the tremendous additional costs that people have living in Thompson -(interjection)-

Mr. Deputy Speaker: Order, please. The Honourable First Minister.

Mr. Filmon: The Member for Fort Garry (Mr. Laurie Evans) never gets an opportunity to ask questions because his caucus will not allow him to embarrass them again. I wish that he would just stop all of his nonsense from his seat and try and convince his Leader and his caucus that he has enough intelligence to ask a question and not just shout from his seat.

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Honourable First Minister.

Mr. Filmon: The federal Government in typical fashion from Ottawa do not understand the additional costs, inconvenience, and expenses that accrue to people living in northern Manitoba. We think it is wrong, and we think that this policy is wrong-headed. We have said so before, we will say it again, Mr. Deputy Speaker.

Personal Care Homes Parainfluenza Reporting

Mr. Gulzar Cheema (Kildonan): Mr. Deputy Speaker, last year 34 personal care home residents lost their lives. Those deaths occurred because there were no safeguards in place to prevent the spread of infectious diseases such as influenza and parainfluenza.

Can the Minister of Health (Mr. Orchard) tell us what measures he has taken to ensure that a similar outbreak does not occur this year so that we do not lose more senior citizens?

Hon. Donald Orchard (Minister of Health): Mr. Deputy Speaker, with as much kindness as I can muster towards my honourable friend, a medical doctor and critic for the Liberal Party in this Legislature, the statement he has just made about no policies and no guidelines being in place is absolutely unequivocally and wretchedly false. It is the most irresponsible preamble to a question that I have heard from a physician and a critic.

There are such policies in place and they have been in place for a number of years which when parainfluenza breaks out, should it happen, staff are not allowed to go between homes, visitors are curtailed so that if they visit two homes the spread of the parainfluenza is not enhanced. Those policies have been in place, were acted upon, and my honourable friend is absolutely, totally and completely irresponsible in making those kinds of allegations.

Mr. Cheema: Mr. Deputy Speaker, it has been more than six months and this Minister has clearly shown today he does not understand the issue of personal care homes at all. It is just zero.

Public Health Act Amendments

Mr. Gulzar Cheema (Kildonan): My question is this: will the Minister of Health commit today to amend The Public Health Act regulation to require the personal care home deaths to be reported to the Chief Medical

Examiner so that we can prevent all the preventable deaths in Manitoba?

Hon. Donald Orchard (Minister of Health): That issue is before the Chief Provincial Examiner and my colleague the Minister of Justice (Mr. McCrae).

Mr. Deputy Speaker, let me reiterate for my honourable friend who says that I as Minister have done zero for the personal care homes. At least I do not stand up and question and put false information on the record as my honourable friend and his Leader are wont to do on the personal care home system of Manitoba, designed to do nothing but attempt to raise the political fortunes of a flagging Opposition Party; more importantly, in doing that, to raise unneeded fears amongst those seniors who are in personal care homes and more importantly to their families who rely on the professional caring staff and administration to look after those loved ones in the personal care home system.

That happens, Mr. Deputy Speaker. The spurious allegations by the Liberal Health Critic and his esteemed Leader are doing nothing but fearmongering and raising false, false, false accusations in this House.

Communicable Diseases Reporting

Mr. Gulzar Cheema (Kildonan): His anger tells that he is losing the battle. He does not understand the issue at all. At least he could do the simple thing. Can he tell the health officials to include all the communicable diseases, and those diseases must be reported whether they are outside the personal care home or inside the personal care homes?

Hon. Donald Orchard (Minister of Health): I believe if my honourable friend, and I will stand to be corrected and I will indeed apologize to my honourable friend if I am wrong in this assumption, but, Mr. Deputy Speaker, it goes back to my honourable friend's accusation from some eight months ago, where my honourable friend made the allegation that due care and caution was not taken by administration and staff in personal care homes throughout this province when unfortunately an outbreak of parainfluenza broke out.

My recollection, and I will stand to be corrected if I am wrong, was that all of the procedures were followed by those homes. The outbreak of parainfluenza, which is the common cold if one wants to put it in layman's terms, was contained. My honourable friend, in his allegations, is saying that nothing was done. That is an absolutely false accusation by my honourable friend and I wish he would retract it.

LynnGold Resources Inc. Government Proposal

Mr. Jerry Storie (Flin Flon): Mr. Deputy Speaker, the people of Lynn Lake were treated to a spectacle of seeing the Minister of Energy and Mines (Mr. Neufeld) contradicted by officials from LynnGold at a community meeting, and the union.

* (1440)

My question is this: has the Minister subsequently provided an offer, a legitimate offer, to LynnGold Resources in writing, and can he tell us whether this offer has been reviewed, whether he has had any further negotiations beyond his original proposal which was clearly unacceptable to the company?

Hon. Harold Neufeld (Minister of Energy and Mines): We stand by the statement we made last week. We have made an offer. The offer totalled \$24 million and we will stand by that offer. The company issued a news release on Friday in which they denied that we had made that offer. A logical thinking person would not have gone to the people and apparently put false information on the table. A logical thinking person would not have gone to the press and had a news conference. He took one person's word for it, a person whom I have never spoken to. I have never spoken to the man who made the news release. The second person on the news release, Mr. Peter Goodwin, has not been involved in any of the negotiations since approximately the middle of August. It has been a Mr. Bob Buchan who has been involved in the negotiations. He was not contacted. As well, had we not been prepared to go through with the offer, would we indeed have made that offer public?

I must say, Mr. Deputy Speaker, as well, at the public meeting in Lynn Lake we were well received. The union representative not once denied that we had made the offer. The union representative together with the company were in our office a week ago last Friday, and they were told about the offer. The union representatives went directly from our office to the office of the NDP Caucus where they delivered the message. The NDP Caucus was well aware of the information that was put forward. The NDP Caucus then—

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Order, please. Order.

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

Mr. Steve Ashton (Thompson): Mr. Deputy Speaker, time is of the essence. The Minister has gone on at some length trying to justify his actions. I would ask you to call the Minister to order and have him do the impossible, trying to defend his actions some other time, not during Question Period, when it is wasting our Question Period time.

Mr. Deputy Speaker: The Honourable Member does not have a point of order.

Time for oral questions has expired.

COMMITTEE CHANGES

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, I have a committee change. I move, seconded by the Honourable Member for Springfield (Mr. Roch), that the

composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Honourable Member for St. Norbert (Mr. Angus) for Wolseley (Mr. Taylor); and the Honourable Member for Transcona (Mr. Kozak) for the Member for Selkirk (Mrs. Charles).

I also move, seconded by the Member for Springfield, that the composition of the Standing Committee on Municipal Affairs be amended as follows: the Member for Fort Rouge (Mr. Carr) for Wolseley (Mr. Taylor); and the Member for St. James (Mr. Edwards) for Selkirk (Mrs. Charles).

Mr. Deputy Speaker: Agreed? Agreed and so ordered.

The Honourable Member for Gimli.

Mr. Edward Helwer (Gimli): Mr. Deputy Speaker, I move, seconded by the Member for Lac du Bonnet (Mr. Praznik), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Helwer for Enns; and Connery for Neufeld.

Also, I move, seconded by the Member for Minnedosa (Mr. Gilleshammer), that the composition of the Standing Committee on Municipal Affairs be amended as follows: Ducharme for Cummings; Ernst for Derkach; and Penner for Downey.

Mr. Deputy Speaker: Agreed? Agreed and so ordered.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): I move, seconded by Honourable Minister of Culture, Heritage and Recreation (Mrs. Mitchelson), that Mr. Deputy Speaker do now leave the Chair, and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented.

MATTER OF GRIEVANCE

Mr. Harry Harapiak (The Pas): Mr. Deputy Speaker, as allowed by the Rules, I want to take this opportunity to use my grievance. This is the first time that I have taken the opportunity to use a grievance in the eight years that I have been in the House, and I move to take the opportunity to use a grievance to speak on behalf of my constituents and all of the people who reside in northern Canada and talking about the task force report of tax benefits for northern and isolated areas that was tabled in the House of Commons and—

Mr. Deputy Speaker: Order, please. Order. The noise level in the House is such that I am having difficulty in hearing what the speaker has to say. The Honourable Member for The Pas.

Mr. Harapiak: Mr. Deputy Speaker, there are a number of communities that would be affected. Up to this time there were about 330 communities that qualified to get that \$5,400 taxable benefit because of the fact

that they lived in northern parts of Canada and they recognized that there is a higher cost of operating in northern Canada so the people were entitled to that benefit.

Under this task force that was struck by the Minister of Finance, Mr. Wilson, it was very clear that they had people on the task force who had no idea the conditions that people living in northern Canada were subjected to. The people who were on the committee were a former Tory Member, Rene Brunelle of Moonbeam, Ontario, who was the chairman of the task force, vice chairman Michael McGillivray from Prince George, B.C., and Edward O'Toole from Corner Brook, Newfoundland.

It is unfortunate that he did not have somebody there from central Canada who lives in the northern part of the country so they could bring to that task force an idea of what the northern people are faced with as additional cost in order to survive in northern Canada.

Under the task force that was tabled there is a list of communities that remain to be qualified for the benefits. When you look at the map that was tabled with the report you can see it was a map that was drawn right across the northern part of the province, just catching a small portion of the northeastern part. Therefore, most of the areas where the people are residing have been eliminated completely.

It is very clear, Mr. Deputy Speaker, that the people on that task force had no idea of what northern Manitoba or northern Saskatchewan or northern Alberta consisted of, because they certainly would not have been drawing an arbitrary line across the northern part of Canada the way they did if they would have visited some of those communities and seen the costs that these people are subjected to in order to survive.

Under this provincial Government things have continued to deteriorate in northern Manitoba. There has been a number of mining operations that have been shut down. The first is the Puffy Lake Mine in Sherridon that was started up under the administration. Under this administration the Puffy Lake mine has shut down, which has put over a 100 miners out of work. This has really affected a community like Sherridon.

Sherridon was at one time the community that Sherritt Gordon Mines operated out of, but when the price of minerals dropped the complete community was moved by tractor train to the community of Lynn Lake. That has continued to be a thriving community until recent times, and then the mine closure at McMillan mine is now with us and it is causing a lot of upheaval in the community of Lynn Lake.

The Minister of Energy and Mines (Mr. Neufeld) was supposed to have made an offer to MacLellan Mines. It is difficult to see, Mr. Deputy Speaker, if it was a legitimate offer or not, because clearly the mining operation at MacLellan Mines would not be looking at this offer as not being legitimate if they had had contact from somebody from the Government to say, yes, it is a legitimate offer and we stand by it.

* (1450)

It took an emergency debate in this House which the Member for Churchill (Mr. Cowan) brought forward on

Thursday of last week to make it possible for Members of this Legislature to put their suggestions on the record. Therefore, the Minister finally went down to Lynn Lake and had a discussion with MacLellan Mines at Lynn Lake, but it was because of the discussion that we had, the emergency debate that we had in this House, that it came to light that the Government was offering \$24 million. MacLellan Mines were not aware that offer was on the table prior to that emergency debate taking place in the House.

It is unfortunate that this Minister would not have become a bit more aggressive and gone to that community and gave them that offer on a much earlier basis so that the community of Lynn Lake would have not gone through that whole process of the upheaval of business communities closing down, businesses closing down because of the fact that the last major employer in that area was going to be closing its doors.

From listening to the people express their concerns in northern Manitoba, many businesses were considering closing down their operations after having been operating for many years. They were going to close down because of the fact that the last major corporation was going to be closing its doors.

I know that the community of Lynn Lake is a service center for many of the Native communities along the Lynn Lake line and also from north of Lynn Lake. I think it would have been devastating for those people if their last area that they get their supplies from had been shut down.

I think that it is unfortunate that the Minister and the Government would have not become more aggressive and gone and spoken to the people that were involved with MacLellan Mines to show them that it was a legitimate offer and they were serious about making the offer so they could have gone out and responded to that offer that was out there.

It is interesting to get back to the statement of the Task Force on Tax Benefits for Northern and Isolated Areas. He said when he took on the responsibilities of the task force he had little knowledge of the complexities of the program. I think from the report they have brought forward, they also have little knowledge of the complexities of living in the North—not only of the program itself, but they had little knowledge of what it takes to live in northern Manitoba.

I think they did not take the opportunity to travel to many of the areas of the North to see some of the difficulties that the people are subjected to. All they were concerned about is the difficulty that Revenue Canada has to administer that tax. I think their main objective—from reading through their release—was to quickly reduce the number of people who qualified for that tax, and therefore they were going to be eliminating it.

I think that it is really ironic that in 1986 the communities of Wabowden and Thompson were eliminated because of the fact that Thompson is a fair sized trading centre, so they were eliminated from the benefits of the tax. The community of Wabowden, which is an hour's drive away from Thompson, was also

eliminated because of its proximity to the community of Thompson.

It is unfortunate that task force members would not have taken the opportunity to drive to a community like Thompson or Wabowden to see the difficulties that they are facing, how much more the cost of living is in northern Manitoba, and how much more it costs to operate, not only for individual families, but also for businesses.

This tax was put in place in the first place, Mr. Deputy Speaker, to encourage economic development in the North, and I am sure that if they were worried about it, they should have gone out there and spoke to some of the people whom they represent. The business community would have told them quite firmly that they do not feel that this tax should be eliminated at this time. It should be encouraged to be expanded so the communities of Wabowden and Thompson could have qualified. They were eliminated in 1986, but after there were several presentations made and several petitions made to the federal Government.

The federal representative from Churchill, Rod Murphy, was very aggressive in carrying that message to the federal Government of how strongly the Northerners felt about that benefit that they felt should be there. After strong lobbying by all of the people who where, Mr. Deputy Speaker, in 1988, after hearing from the people from northern Manitoba, from Thompson, from Wabowden, it was reinstated. They once again qualified for that tax. Now with the task force report, it looks like they are going to be eliminating not only Thompson and Wabowden, but all of the other communities that qualified for that taxable benefit.

I think it is unfortunate that our provincial Government would not have made a presentation to the federal task force to show the benefits that do accrue to Manitobans because of that tax benefit. When you multiply the \$5,400 that is eligible for a family unit, then I think you multiply that by the thousands of taxpayers in northern Canada and the thousands and thousands of taxpayers, then you see how big a benefit this would be.

It is very clear, Mr. Deputy Speaker, that very early in their deliberations the task force did not have a very good understanding of what the original intent of that policy was. They tried to make the cut-off line in a long geographical line, which would be very simple to administrate, and they made the line along an area where there was no—so they would not be coming near any communities. They felt that if one community was in close proximity to another, which qualified when the other one did not, then there would be people disenchanting with the Government because they were not getting the benefit when the community close by was.

So what do they do? They moved this line way up to northern Manitoba where there are no people living—not only northern Manitoba but northern Canada where there are no people living—and they put the line way up there. Therefore, it is eliminating all of the areas that are—Mr. Deputy Speaker, it is unfortunate that the Member for Portage la Prairie (Mr. Connery) would not take this seriously just because his constituents

are not affected by this decision. That means it is not one reason that he would not stand up and look after some of the other constituents in Manitoba. After all, he is a Minister of the Crown and, as Minister of the Crown, he should be concerned about all Manitobans, not only the people of his constituency. People there are showing that it is difficult to survive in northern Manitoba. So he should take the initiative now and become a little more aggressive than he has been in looking after a constituency other than his own.

He has a lot of problems in his own constituency because of some of the decisions that have been made by the federal Government, so he should now go to him. He is used to talking to him because of them closing the forces base in Portage la Prairie. He has gone that route before, that he should now take the initiative and speak up for other Manitobans that have been affected by those heartless, federal Tories that are affecting the province to such a great degree.

Mr. Deputy Speaker, the chairman of the task force said that he spent a great deal of time listening and talking with Canadians through all walks of life. They visited 79 communities. It is unfortunate that they did not take the initiative to travel to some of the northern communities that are affected. I think that they drew that line and they made sure they stayed well within the southern line so that they would not be talking to the people who are directly affected, because the message they would have received would have been much stronger than what they received from the areas they did take the time to go and listen to the people.

* (1500)

It is unfortunate some of the things that have been happening at the federal Government level. I think that this on top of the goods and services tax, which is a consumptive tax, which is going to be affecting those people who are least able to live with it, is going to be taxing the northern people to a much greater degree than it is in the South. Once again, they lose the tax benefits for Northerners, and now the transportation costs, although at this stage—of course, we never know, because they still have not made their final decision of how the goods and services tax will be implemented.

Now we are hearing some rumblings that it may apply to food but at a much lower level. Then Northerners will be hit with a much greater blow than they had anticipated in the first place. At this time the goods and services tax does not apply to food products, but the transportation costs do. Anybody who has had anything to do with northern Manitoba realizes that any supplies that we get in Manitoba, there is a large transportation cost and, therefore, even though it does not apply directly at this stage, it will affect the cost of foods that are delivered to northern Manitoba to a great degree. I think that now with the -(interjection)- Mr. Deputy Speaker, I think it is going to be affecting the people of northern Manitoba to a greater degree than we had.

Just speaking on the goods and services tax, we have never seen an issue that has riled up the people of Manitoba to such a degree as this goods and services

tax has. We have had meeting after meeting where people have come forward to put presentations, speaking against the goods and services tax. That goes to all sectors of our community. Not only is it affecting the wage earner but it is also affecting the small community people. The Chamber of Commerce, who are usually right in the same corner as the Conservative Government, has come down and condemned the goods and services tax. They see that it is going to be very detrimental to the taxpayers of Canada, so they promote very strongly and oppose the goods and services tax.

Mr. Deputy Speaker, we spoke earlier about the closing of the Puffy Lake Mine, which has affected the many people of northern Manitoba. In addition to the Puffy Lake Mine there has been the Tartan Mines which have been affected by some of the decisions that have been made by this Government.

I guess when we talked about taxation during the last federal election, the federal Minister of Finance, Michael Wilson, said he is going to come up with a much fairer tax system and that the tax system had to be reformed. Well surely he did not plan on coming forward with the goods and services tax at that time. I think one of the areas that he should have gone after, when he talks about a fairer tax system he should have gone after corporations like Alcan. Alcan has just reported that last year they made a \$360 million profit and they paid no taxes whatsoever. That is the area that Michael Wilson should have gone after.

An Honourable Member: Would not those dividends be taxed though?

Mr. Harapiak: If we had a minimum corporate tax, like they have in the United States, I think that is one area that is one area they should look at. If we had a minimum corporate tax of 20 percent, then that would eliminate the need for a goods and services tax as they are putting forward. (interjection)- Well, the Minister of Northern Affairs (Mr. Downey) says you are all for a flat tax. I think it would make much more sense if they have a 20 percent goods and services, a minimum corporate tax than going after the goods and services tax where we are hitting the people who are - (interjection)-

An Honourable Member: You know you are not paying any tax on that \$25,000.00.

Mr. Harapiak: Mr. Deputy Speaker, the Member for Portage La Prairie (Mr. Connery) is once again bringing up issues that are important and it is unfortunate that he does not - (interjection)- The Task Force Committee recommended that only people living in truly northern Manitoba, truly northern areas should be eligible for the tax benefits. I name the areas of the Yukon, the Northwest Territories, and Labrador, as well as northern regions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. They include the map. As I mentioned earlier, the map certainly did not hold well with anybody from my constituency that was affected by it.

It eliminated my constituency completely. There are people that live in northern Manitoba who have a difficult

time making ends meet. This decision affects all northern constituencies, not only the North, but some of the rural constituencies as well, because the Swan River Constituency is—I hope that the Member for Swan River (Mr. Burrell) will get up and speak on this decision by the federal Government to change the tax system because the Constituency of Swan River will be affected to a great degree, as well as the constituency of Dauphin. There are people in that area who will be affected as well, people that are living in legitimately northern isolated areas that taxable benefits were—it was a decision that the federal Government had made in the first place, that these people lived in isolated areas and should be eligible for tax benefits that are now going to be eliminated. You can, when you take away the \$5,400 that is eligible per family, then I think you can have a good idea of, if you multiply that by the thousands and thousands of people who are affected, I think it is going to be a big loss to the northern parts of our country.

Mr. Deputy Speaker, there are many other decisions that have been made by the federal Government which are affecting northern Canada. Some of the ERDA, which dealt with transportation, the transportation to Churchill under previous administration, that there was a decision made that the Port of Churchill was extremely important to the survival of the rural Manitoba and there was part of a commitment that was made to have a transportation system that would bind the country from sea to sea. I think that northern extension to Churchill Manitoba was part of that commitment that was made to the North, and I think there were some good decisions made at that time where they would upgrade the Churchill line and also upgrade the Port of Churchill itself which would allow for greater utilization of that port.

There was a lot of money put into research into how some of the unstable parts of the railway could be stabilized when the cryo-anchors were studied, and it showed that the cryo-anchors could be used to very great benefit to the railroads in northern Manitoba, and they had some very positive results from that testing that was done on the railways. As a matter of fact, the Department of Highways is taking the results of that research that was done by the railways and the federal Government and is now using some of that research to stabilize the road to Thompson between Wabowden and Ponton, and research like that should be utilized by other areas. Just because it was done on rail does not mean that the research could not be utilized in other areas. The program that was put in place between Ponton and Wabowden has stabilized that highway and I think it is important that it do.

Mr. Deputy Speaker, the Member for Portage la Prairie (Mr. Connery) wants to know if I would use my full 40 minutes and I want to assure the Minister that I would like to ask leave to continue because there are so many grievances in northern Manitoba that I would hope that they would give me leave to continue with my grievance.

When you talk about the northern communities, the communities that are being affected by decisions made in the mining community, I think it is ironic that at a time when there is a windfall of \$300 million by revenue

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to the provincial Government, that they are hesitating to come forward and bring forward some support for those communities to take them through this period when the prices of gold are down, that it is not possible for MacLellan Mines to operate. I think it is very ironic that this Government, which is supposed to be a Government that is supported by the business community, will not take the initiative and get involved and support this operation while there is an opportunity to salvage it. I think once this community is shut down it is very difficult to once again re-establish the business community which is so necessary, Mr. Deputy Speaker, some of the other areas that are so necessary for sustaining those communities, and as a Government that is committed to helping the North survive, this Government certainly is not living up to its promises that they have made to help northern Manitoba survive.

The Minister of Northern Affairs (Mr. Downey) quite often makes comments about how supportive they are of northern Manitoba. I wonder where the Minister of Northern Affairs's voice was when this issue was brought up in Cabinet. The Minister of Energy and Mines (Mr. Neufeld) said he brought it forward to Cabinet, but obviously there was no support for the proposal. Otherwise they would have been able to go forward with MacLellan Mines and say, yes, there is \$24 million on the table and let us support that.

It is unfortunate that the Minister of Northern Affairs maybe was not present at that Cabinet meeting. Otherwise I am sure that the Minister of Northern Affairs would have been fighting. The Minister of Northern Affairs has made a lot of noise about helping in northern Manitoba but, unfortunately, has not been coming through with programs that will be beneficial to Northerners.

* (1510)

One of the other areas, the ERDA agreement that is expiring in March of '89, is the Forestry Agreement. I think that Forestry Agreement is extremely important at this time, especially because of the fact that northern Manitoba was burnt out this past summer. While I am speaking on that subject I would like to acknowledge all of the volunteers that helped during that time of crisis. The people of the small business communities would come forward and assisted in every way possible to try and curtail the fires, and I know that they have come forward in a true frontier way that northern Manitoba is made up, that they come forward and help to a great degree to stop those fires.

But now that the fires have been put out, I think it is extremely important that an agreement like that Forestry Agreement be in place so we can be a lot more aggressive in the reforestation program that needs to be done in order to ensure that in future years that forest is in place to sustain the operations like the Abitibi operation in eastern Manitoba, as well as the Repap operation in The Pas.

I think it is important that we also have environment hearings to address the whole idea of forest harvesting over the next little while—over the next five-year period with Repap. I think it is important that people of northern

Manitoba have an opportunity to find out what plans are going to be in place for harvesting because especially with the devastating fires that took place a lot of Repap's area has been affected so I think this ERDA Agreement would be of great support if it was put in place.

The Northern Development Agreement as well, Mr. Deputy Speaker, are agreements that have helped northern trappers during the time of the fires, and I am sure that many of the areas that people of northern Manitoba were trapping, those whole areas have been burned out. So I think it is important that there be a Northern Development Agreement to address some of those needs.

They could probably be covered by, true, the Emergency Measures Organizations and Manitoba Disaster Assistance, but I think it is important that we go and assist the trappers at either finding some other source of employment or trying to re-establish their traplines because that is the traditional way of many Northerners and aboriginal people. They manage to survive by trapping and fishing and I hope that the Minister of Northern Affairs (Mr. Downey) would once again become aggressive and make sure that the Northern Development Agreement is renegotiated, rather than expiring in March of 1989—that he will announce very shortly that there is a new agreement that is in place, and he has been successful in bringing forward a lot more dollars than there is there at the end of this program.

One that they have closed down is the Limestone Training Agency. That helped many Northerners take advantage of the employment opportunities in northern Manitoba. In previous years the aboriginal people did not have an opportunity to become employed on hydro projects because they were not trained, and they were very critical of previous construction sites because they would -(interjection)-

An Honourable Member: And the unions kept them out.

Mr. Harapiak: Well, the Minister of Northern Affairs (Mr. Downey) says the unions kept them out. When the unions had an opportunity to become involved in negotiations, the unions were very supportive of the Limestone Training and Employment Agencies, and they helped the aboriginal people get trained and become employed, and now -(interjection)-

Mr. Deputy Speaker: Order, please.

Mr. Harapiak: Mr. Deputy Speaker, the Member for Portage la Prairie (Mr. Connery) is concerned about the number of people who came from B.C. and other provinces to work. I can assure the Member for Portage la Prairie that it was not anywhere near the number of people from out of the province that were working on the Limestone construction site as there was under previous construction sites because there was an opportunity for people to become trained, and they showed that when they are given an opportunity to be trained they are as productive as any other workers there are, and they proved it this time.

Now there is a nucleus of trained people so when Conawapa comes on stream, and I understand that Conawapa will be coming on stream because we are very close to signing an agreement with Ontario Hydro. At least if we were Government I know that that agreement would have been signed because it was very close to being signed because they are in need of it. They are recognizing how much safer it is to generate hydro energy by water rather than by having nuclear sites as they have there.

I would hope that the Minister of Energy and Mines (Mr. Neufeld) would, once he has this crisis out of the way dealing with McLellan Mines, will announce the construction of the Conawapa which will be necessary for supplying the hydro needs for not only Ontario Hydro but for our own consumption. So therefore I think that - (interjection)- Well, Mr. Deputy Speaker, I hear Members of the front bench hollering that we are not going to give it away. I can tell you that we did not give Limestone away. We were selling at cost was the - (interjection)-

Mr. Deputy Speaker: Order, please.

Mr. Harapiak: In previous years the energy was sold at a rate that will be a return to Manitobans and I know that when the Minister of Energy and Mines in our Government brought forward some legislation dealing with the Heritage Fund, I know it would not have taken many years before there was money flowing into that Heritage Fund and we would have been able to develop a lot of things in northern Manitoba with the funds that would have been put into that Heritage Fund through the money that would have been generated through Limestone.

I know that there are plans right now for the construction of the road to Conawapa so even though I know that this Government is anti-development when it comes to energy development, they have no choice but to move ahead with the development of Conawapa because that is going to come.

I ask the Minister of Agriculture (Mr. Findlay), how are the plans progressing for Conawapa because from what I understand the road has already been tendered to Conawapa so it must be a fairly positive sign that somewhere along the line you are going to be able to screw up your courage and make the announcement that we are going to go ahead with the Conawapa.

The Member for Portage la Prairie (Mr. Connery) once again says it is the NDP's difficulty with negotiations. I can tell the Member that because of the fact that we moved ahead with the construction site when we did that we saved many millions of dollars for the taxpayers of Manitoba by moving ahead with the construction when we did. Not only was it constructed at a time when there was not much construction going on in the country so we had some very good bids for the construction of the site, but we did—I have five more minutes—

One other area that the federal Government has been hurting the people of northern Manitoba is in the changes they have made in the Unemployment Insurance Commissions's decision.

The Member for St. James (Mr. Edwards), when he talks about the construction projects that went on under the NDP were only for a six to eight week period and that was only long enough to qualify the people for unemployment insurance. I guess the Member for St. James, they admit quite often that they do not know anything about northern Manitoba so they took a tour of northern Manitoba to apprise them of some of the difficulties that are faced. I think that if they would be educated to a little more degree on what the difficulties there are in northern Manitoba in creating employment, he would see that the decisions we made when it came to creating employment was the right decisions.

We make no apologies for the success that we had under the Jobs Fund. The Jobs Fund was very successful and I know that the Minister of Northern Affairs was one of the most vocal Members of the Opposition at that time who called it the "fraud fund." I think he would have to acknowledge that we had good results with the Jobs Fund, the community infrastructure was put into many communities which helped those communities have a quality of life that is somewhere near what the rest of the people enjoy in southern Manitoba. I am surprised that they continue to harp on the Jobs Fund and condemn the results that we had.

The Member for St. James says that we took advantage of that, the only reason we created some short-term jobs was to allow the people to become eligible for unemployment insurance. We make no apologies for that.

The Minister of Northern Affairs (Mr. Downey) said we were abusing the system. We certainly were not. When we were dealing with an economy that was slowed down, we were dealing with a recession, then certainly we would take advantage of creating jobs on a short-term basis and then the people would qualify for unemployment insurance. I will tell you that brought in many thousands of dollars to northern Manitoba.

The Member for Portage la Prairie (Mr. Connery) is always concerned about people wanting to work and he says if people wanted to work, they could find work. I could tell you that any opportunity we had to put a project into northern Manitoba, there was no shortage of people who were willing to come forward and work. If those people could have gotten a job for six months or a year they certainly came forward and grabbed that opportunity to take that job.

When there were jobs in Limestone there was no shortage of Northerners who would take advantage of the opportunity to go and work at Limestone. As I mentioned before, they turned out to be productive workers and we make no apologies for the - (interjection)-

* (1520)

The Member for Lac du Bonnet talks about a line, I guess that is one of the difficulties that the task force was faced with, the line. They did not want the line coming anywhere near some community where they could say, well, you are so darned close, you are only 25 miles away, why do you not give us the line? I know

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there was a difficulty in that the northern preference was a difficult line but at least we made decisions that were creating employment in northern Manitoba and we did create jobs for the people up North.- (interjection)-

Well, the Minister of Northern Affairs (Mr. Downey) continues to dwell on the fact that we created short-term jobs. In those communities it is difficult to create jobs of a longer term. Wherever there is an opportunity to create jobs, we are utilizing the resources that are there. We utilized those resources but when there was no opportunity for long-term employment then we - (interjection)-

Mr. Deputy Speaker: Order, please.

Mr. Harapiak: Mr. Deputy Speaker, would there be leave, I wanted to put a few more comments on the record, so I am wondering if the Members can give me leave.

An Honourable Member: How long?

Mr. Harapiak: Twenty minutes.

Mr. Deputy Speaker: The Honourable Member's time has expired. The Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Mr. Deputy Speaker, I would also like to use my opportunity to grieve as is provided in the Rules. The Member for The Pas who proceeded me, I think, outlined many of the issues that I want to touch on in my grievance today, but I want to start by talking about the current circumstances of the community of Lynn Lake because their situation is not only critical but it is beginning to look like a tragic situation, a situation which has become somewhat of a farce because of the bungling of this Government, because of the ineptitude of the current Minister and perhaps because of the unwillingness of the Conservative Government generally to support northern Manitoba.

We know that the Minister has had some difficulty grasping the details of this negotiation and that was no more evident than when the Minister was in Lynn Lake and was contradicted by officials of LynnGold about the nature of the negotiations. Mr. Neufeld was told in no uncertain terms that the substance of the offer, as indicated by the Minister, was wrong, that in fact LynnGold had never received the kind of offer that the Minister referred to.

While that concerns me greatly, I believe that what is of more concern to the people of northern Manitoba and the people of Lynn Lake is that this supposed offer from the Minister of Energy and Mines (Mr. Neufeld) was in fact a PR gesture, it has been a PR gesture from the beginning because fundamentally this Government and this Minister does not believe that the Government should be involved, that the Government should take any active part in supporting or promoting economic development in northern Manitoba. They fundamentally do not believe that and that is why these negotiations have run amuck, that is

why they have run afoul because the Minister himself does not believe in what he is supposed to be doing.

Mr. Deputy Speaker, I want to say that it is indeed unfortunate that this Government did not take the lead from the previous NDP Government when they came to office and had an opportunity in the first budget to introduce a mining community development fund which would have been supported from revenue generated through mining in northern Manitoba. I have talked to hundreds and hundreds of people in northern Manitoba and when I have said, does it not make sense to establish a reserve fund, a major reserve fund, to support communities, to support individuals, to support mining companies in the event of a downturn in the mineral industry, does that not make sense?

(Mr. Bob Rose, Acting Speaker, in the Chair)

Mr. Acting Speaker, I can tell you that overwhelmingly people say, yes, setting aside such a reserve fund makes good economic sense, good practical sense, and good politics. This Government had that opportunity and the Minister of Energy and Mines (Mr. Neufeld) and this Government decided that they were not going to take that opportunity. Instead, what did they do? Well, over the last two fiscal years the Province of Manitoba has received some \$300 million in windfall revenue from mining companies in this province.

This Government had the audacity to criticize the previous Government's proposed 2 percent increase in mining tax and then add a 1.5 percent surtax basically on the 1988 income of Manitoba companies. They have decided not to spend any of that in northern Manitoba. Mr. Neufeld has been very careful in the offer that he supposedly has made to LynnGold resources and he has made sure that the offer includes conditions on LynnGold shareholders which are totally unacceptable and I do not believe necessarily reasonable.

Mr. Acting Speaker, I believe the case can and will be made in communities in northern Manitoba, that this Minister was never serious in saving the community of Lynn Lake, that the offer was never a serious offer and the Minister of Northern Affairs (Mr. Downey) knows that. The Minister of Northern Affairs is trying to pretend that it was a \$24 million offer. The \$24 million includes loan monies for the company. It includes an asset that the province has owned which is overvalued in the opinion of many in terms of the offer that has been made and then we have the other conditions which were attached to this agreement which are totally unacceptable and are designed to scuttle this deal.

The Minister of Northern Affairs has done nothing, Mr. Acting Speaker, to protect the interests of the people in that area. Certainly the Minister of Energy and Mines (Mr. Neufeld) has been a negative force when it comes to negotiations to salvage the community of Lynn Lake and to put some life back into that community.

Mr. Acting Speaker, the Minister of Energy and Mines has also said publicly on many occasions that this is the final offer. He has made one and one offer only to this company. If anyone was sincerely interested in salvaging negotiations to save a town, they would not say here is my offer, take it or leave it. You do not approach

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sensitive negotiations in that way. This Minister has never been sincere. This Government has never been sincere with the people of Lynn Lake and that is why there is so much confusion, that is why there is so much contradictory information floating around about this agreement, and that is why the Minister was contradicted in front of the people of Lynn Lake with respect to the offer that is on the table, because there was no sincerity to begin with.

Mr. Acting Speaker, the people of northern Manitoba, the people of Lynn Lake resent the fact that this Government is claiming financial success on the wealth it has created in northern Manitoba from mining, and is not sincerely interested in promoting the economic development and the diversification of northern Manitoba. It is tragic, it is certainly tragic for the people of Lynn Lake but unfortunately it is going to be tragic for many, many more communities as the mining industry withers and dies and any hope for diversification disappears.

So what has been the history, what has been the history of this Government with respect to the issues that are important to northern Manitoba? Well, we have seen the closure of Puffy Lake mine and I want to put on the record again that the Minister of Energy and Mines (Mr. Neufeld) lifted not one finger to salvage the Community of Sherridon where those miners lived, not one finger. When it was pointed out to him that this company was in trouble, that he should have officials meet with the company and see if there was some technical support that could be offered to the company or financial support or something else that could be done, nothing was done, 140 jobs disappeared.

Mr. Acting Speaker, I want the Members of this Chamber to put that in perspective, 140 jobs to Sherridon is like about 400,000 jobs disappearing in Winnipeg. It meant the closing of the community, in effect.

After we have the closure of Puffy Lake Mine, Pioneer Metals Mine, and the closure of the community of Sherridon, in effect, then we have Tartan Lake, and did we see any pro-active initiatives on the part of the Government when it came to salvaging a 90 jobs or 88 jobs in the Tartan Lake operation? No, we had a Minister who steadfastly maintained that mining communities come and mining communities go and it really was not going to have any impact.

* (1530)

Mr. Acting Speaker, the Member for Rossmere, the Minister of Energy and Mines (Mr. Neufeld) should go to those communities, should go to Flin Flon and ask the business people in that community and the business people in Cranberry, and the business people in The Pas whether the shut down of a mine and the loss of a hundred jobs has any impact on a community.

I want to tell you, Mr. Acting Speaker, that that is absolute patent nonsense. Now, we have 250 jobs at stake in the community of Lynn Lake and we have a Government that seems to not have control of the negotiations, a Minister who does not have control of the facts, a Minister who does not even know apparently

who he is negotiating with, and we have a community that is on the brink of disappearing. We tried in committee many weeks ago to get the Minister of Energy and Mines (Mr. Neufeld) to look at the cost of my enclosure. The Minister goes before the public and says, well, we put up \$24 million supposedly, we are proposed to put up some provincial support. He only talks about it as a cost to the taxpayer. We have asked, I have asked the Minister to put on the table what the cost to the province is going to be if this community closes.

Let us just do some quick numbers. If there are 200 homes in the community and their equity is gone, those people have invested \$10 million; if the business community is going to loss, in effect, all of their equity in their businesses, this is another \$10 million. The wages on an annual basis for 250 people, if you assume \$30,000-\$40,000, is another \$6 million a year. Never mind what the—and if you can calculate from that the federal, provincial tax, the retail tax that the province gains from all of the business operations in all of the sale of goods and services in the region, we are talking about tens of millions of dollars easily on an annual basis.

So the Minister is not being forthright when he talks about the cost of restructuring or the cost of structuring a deal that will salvage this community. We are not asking, and I do not believe that the people of Lynn Lake or the steelworkers or the community are asking for the Government to open its pockets and provide unlimited resources to this community. I do not think they are asking for that. I think they want to know, is there some—what is the cost of closing this community, not the emotional cost. I am talking about the dollars and cents cost of closing this community. What would it take for the Government to ensure the longevity of this mine? What would it take for the Government to ensure that this mine continue to operate and 250 people be employed for another two years or three years or four years? Is there a case to be made for increasing the kind of contribution that the province is considering at the present time? It is not good enough for the Minister to say, here is my offer, take it or leave it. Close the lights when you leave the community. That has been his approach and it is not acceptable.

My concern and the reason for my grievance is not solely with the situation at Lynn Lake, or the closure of the Puffy Lake mine or the Tartan Lake mine. My concern goes deeper. That is that this Government has not shown any initiative when it comes to the range of concerns that are apparent in northern Manitoba. We have seen the close, we have seen that fact that there is no strategy being developed on the part of the Government to assist mining communities, to assist mine workers, to assist mining companies, where there is no strategy. That is made more apparent by the fact that this Government has failed to renegotiate a mineral development agreement.

The failure of this Government does not end there. This Government has not resigned a transportation agreement, a \$25 million federal provincial agreement which the previous Government had to support the development of transportation options in this province,

and particularly support the community of Churchill and the Churchill line. This Government has not renegotiated a forestry agreement with the federal Government, a \$27 million agreement that is to support reforestation efforts. I want you to think for a minute about the devastation of northern forests over the last year. The Minister of Northern Affairs (Mr. Downey) is chirping from his seat, and I will get to the Minister of Northern Affairs who is not prepared to act on behalf of northerners and has not been since he took over the portfolio.

Mr. Acting Speaker, the Forestry Agreement expired in March of 1989, as did the Transportation Agreement, and I have to ask the question: what is this Government going to do to support woodlands companies in the area to reforest, what is he going to do to support communities in their effort to reforest and reclaim some of the land that was scorched by this summer's fires? What is he going to do to ensure that these companies, and the northern parts of the province, can maintain in perpetuity a forest harvest of the magnitude that is currently available?

Mr. Acting Speaker, what about the Northern Development Agreement, \$186 million agreement, that supported the access program, supported the nurses training, social work training, and education training of Northerners in northern Manitoba, by and large. The \$186 million agreement was lapsed, and we have no indication from anybody, from the fed, provincial, Minister of Northern Affairs, the Minister responsible for the Agreement, or the Minister of Education (Mr. Derkach), who has a say in the Northern Development Agreement.

We have had no indication that there is any intention of renegotiating such an agreement. They do not show any interest in it, Mr. Acting Speaker, and the fact is that northern people are finding out all too soon how damaging a Tory Government can be for northern Manitoba, how damaging -(interjection)- they are all laughing.

I can tell you that there are three communities that have been directly affected by this Government's policies and lack of action; that there are going to be, and this is no surprise to anyone, hundreds of millions of dollars drained out of these communities because of other Government policies that this Government appears to support. They include of course the taxation question and the GST but I will deal with those later. There is another agreement, which has not been signed, that there has been no action on, on the part of this Government, and that is the Mineral Development Agreement.

These four agreements, the Forestry Agreement, the Mineral Development Agreement, the Transportation Agreement, and the Northern Development Agreement, in total represent some \$250 million that was working to develop the economies of northern Manitoba, the communities of northern Manitoba, and to offer individuals the development of our human resources. Mr. Acting Speaker, this Government has been a dismal failure when it comes to meeting the needs of northern Manitoba.

We have seen the closure of the Limestone Training Office in Thompson, we have seen the reduction of

staff, and we have seen the total absence of a policy of Affirmative Action, which would support the hiring of Native people, that goes throughout the North, not just the Limestone Training Office.

Mr. Acting Speaker, we have seen the callous treatment of people who did an excellent job for the people of northern Manitoba when it came to offering training opportunities. We have seen the lack of willpower on the part of this provincial Tory Government to be critical, to be constructive, when it comes to their federal counterparts.

While this Government has ignored the needs by and large of northern Manitobans perhaps with the exception of the LynnGold situation, where they pretended to be interested but bungled negotiations, but they have been silent when it came to a number of other issues that affect northern Manitoba.

Number one, Mr. Acting Speaker, were the changes that the federal Government made to what are called the E-12 Guidelines, with respect to post-secondary education, a devastating change for Native people in northern Manitoba who are just beginning to access educational opportunities. It is devastating because what it is now saying to the many, many students who have gone through high schools, or are in the process of finishing high school, is your opportunities are now red circled.

Basically where there were 300 or 400 Native people taking advantage of post-secondary education opportunities, and we all admit that it is one of the ways for our Native people or our First Nations to improve their circumstances is to develop educational opportunities, and that has been closed. That door has been closed.

We have seen some lip-service of concern, with respect to those changes, but I know, and the people in northern Manitoba know, including the Native organizations, that there is no fundamental disagreement between the federal Tories and the provincial Tories when it comes to these kinds of programs, but it is an important loss.

* (1540)

I want it to be noted on the record that it is a loss, and the cost to the Province of Manitoba is going to be millions and millions and millions of dollars over the years, because these opportunities have not been made available. You cannot expect, no one in this Chamber can expect, people without the experience or without the education, without the background of knowledge, that they need to contribute to the province, to have that unless they have educational opportunities. These have been seriously curtailed by the federal Government's actions.

Well, Mr. Acting Speaker, the federal Government also decided in its wisdom to impose a goods and services tax on Canada. I want to say for the record that I and many municipal officials in northern Manitoba, including the Mayor of The Pas who attended one of the many meetings we have had to discuss with the public the impact of the goods and services tax, said

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categorically that northern Manitoba, the regions of the country, is going to be negatively impacted by this tax more than any other region.

It does not take a genius to know that even though the federal Government maintains at this point they are not going to apply the 9 percent tax to food, that it is going to be applied to food. If you live in Pukatawagan, and your goods are transported from Winnipeg to The Pas by truck and by train from The Pas to Pukatawagan, that you are going to pay the tax on the transportation side of it alone. Every good that is transported into northern and remote communities is going to be taxed. Let there be no doubt the cost of living in northern Manitoba is going to rise, and it is going to rise dramatically.

The tax is going to affect the operations of many, many non-profit groups in northern Manitoba as well. One group presented a brief to us in Flin Flon from the Friendship Centre and they said that their calculations were that even after the rebate system, which the federal Government supposedly is going to put in place, that it is going to cost them, on their operating budget, some \$2,800; \$2,800 may not sound like much to the Minister of Northern Affairs, but the fact of the matter is that represents a dozen different courses that could be offered. It represents programs that could be available for young mothers and for children through the Friendship Centres that are not going to be offered.

Mr. Acting Speaker, the Friendship Centre also indicated that if they were to be in the process of constructing a new building, which they are, the goods and services tax would have added \$100,000 to the cost of construction. So let there be no doubt that this is a consumer tax that is going to affect not only average working people but every agency that is out there providing services to the public on a non-profit basis, as well.

So where has the Government been? Well, we have heard that the Minister of Finance (Mr. Manness), who still supports consumption taxes, has not categorically rejected the idea of a goods and services tax, who has not categorically rejected the idea of applying the tax to food. Where is the Government?

I can tell you they are not on the side of Manitobans. They are not on the side of Manitobans and, despite some mumbblings of discontent, I can tell you that the discontent is political discontent, not fundamental principle discontent, with the idea of a goods and services tax.

Mr. Acting Speaker, we have now perhaps the latest and most blatant example of federal Government, not only indifference, but callousness toward northern Manitobans. That comes with the announcement yesterday, by the task force appointed by the federal Government, to look into the question of the northern tax allowance. Not only is this whole debate tinged with a certain cynical aspect, but it is also going to be tinged with a certain degree of bitterness, and that is because of the history of this northern tax allowance.

Many people in this Chamber will know that the Member for Thompson (Mr. Ashton) and myself, and

the M.P. for Churchill, fought almost a two-year battle to have the communities of Wabowden and Thompson included in the northern tax allowance, to have those communities, which are clearly northern communities—

An Honourable Member: Do you have that exemption on your wages?

Mr. Storie: No, I do not.

An Honourable Member: You do not?

Mr. Storie: Mr. Acting Speaker, the fact of the matter is that we fought for two years to have the communities of Wabowden and Thompson included under the federal guidelines for the northern tax allowance. In November, just before the federal election in 1988, the Honourable Jake Epp writes and says: oh, good news, Thompson and Wabowden are going to be included. Some two months later after the election Mr. Epp writes again: oh, I am sorry, it is not going to be included. Then they announce that a task force is going to study the whole issue of benefits for northern residents, northern Canadian residents, and now we find some year later that the intention of the Government is probably as it was all along, and that is to remove the benefit.

I just spoke of the cost of this Government's policies on northern Manitoba. I did not talk about the closure of the Motor Vehicle Branch in Flin Flon. This is the new Filmon Government's approach to decentralization.

An Honourable Member: That was a decision when you were the Minister, come on, do your research.

Mr. Storie: Nonsense, nonsense. Mr. Acting Speaker, this is the Filmon Government's approach to decentralization, close offices. The Northern Development Agreement in Thompson has also been closed, without a word of whimper from the Minister of Northern Affairs (Mr. Downey).

This new initiative on the part of the federal Government, we would like to know where the Minister of Northern Affairs stands on this issue. Has he said one word to his federal colleagues about the elimination of the northern tax allowance? Does he take this issue seriously, or is he like his colleague, the Minister of Energy and Mines (Mr. Neufeld), and pay lip-service to it? Put out the necessary P.R. releases and write the obligatory letters expressing his concern without any genuine intention to act with northern Manitobans, with the New Democratic Party, and to get the federal Government to categorically refute the proposals that came forward, absolutely uncalled for and even vicious recommendations, from that task force.

I want to spend a minute talking about the consequences of the elimination of the northern tax allowance. For many northern residents, families in northern Manitoba, the taxable benefit could have been as much as \$5,400.00. If you consider for a minute the number of families in the North, in my riding and the ridings of my colleagues, we are talking about the sucking of hundreds of millions, perhaps that is an exaggeration, tens of millions of dollars, without a word

of exaggeration, from the northern economy. So if you add up the damage that has been done, by successive Conservative policy directives from the federal and provincial Governments, you see that northern communities are losing hundreds of millions of dollars, both because of the elimination of programs, the implementation of new tax regimes, and the insensitivity of the Government to providing services and programs in northern Manitoba.

What does all this mean for the average resident of northern Manitoba? If you consider the elimination of the ERDA Agreements, the Economic Regional Development Agreements, we know that there are going to be fewer jobs available for Northerners. We know that. Anyway, you do not have to be a genius to know that when 450 mine jobs disappear that has a tremendous impact on the northern economy. You do not have to be a rocket scientist to know that if they close the Access Program, if they eliminate the Northern Development Agreement, if it is not renewed in substantially the same form as it currently exists, there are going to be literally thousands of students who lose opportunity.

We are not just talking about high school students. In most cases, because of the entrance criteria that apply to most of these programs, we are talking about single parents. We are talking about people who have never had any other alternative, any other opportunity, to become professionals, social workers, teachers and civil technologists, et cetera. We are talking about the last chance for many of those people and it is going to a serious blow. Here we have the Minister of Northern Affairs (Mr. Downey) saying yes and chuckling and smiling.

The Minister of Northern Affairs has had more than a year and a half now to come to some agreement about a new Northern Development Agreement and he has failed miserably, Mr. Acting Speaker. He is going to come back with some half-baked scheme which is not going to meet the needs of northern residents.

* (1550)

Mr. Acting Speaker, this litany of policy mistakes, this list of bungling, by both the Conservative and the federal Government has left most Northerners a little more than perplexed, a little frustrated, and certainly uneasy about the prospects for the next year and a half to two years. I can say without any fear of contradiction that the current circumstances in our industrial communities in Flin Flon, Snow Lake, The Pas and even Thompson, are precarious to say the least.

There is an uncertainty there that has not been there since the last Lyon administration. The uncertainty and the discontent is growing to the same extent as under the Lyon Government when the approach was slash, hack and cut away at northern programming and northern benefits. While the Government's rhetoric has been somewhat different than the rhetoric of the Lyon years, there is no doubt that the impact of this Government's policies, and this Government's indifference, has had the same net effect.

Mr. Acting Speaker, the list is actually much longer than the one I presented to the Chamber today. The

list includes many more examples of Northerners being short-changed than the list that I presented, but these represent the most important policy areas when it comes to economic development, when it comes to security for families in Flin Flon, and when it comes to the hope that people in Flin Flon, and the people in Lynn Lake, have that their communities can maintain a quality of life comparable to other communities in Manitoba.

Mr. Acting Speaker, the changes in tax policy, the proposed goods and services tax, and the northern tax allowance are going to do more to reduce the quality of life in northern Manitoba than any two initiatives of any Government certainly in my recollection and probably in history. They are going to pull literally hundreds of millions of dollars out of the northern economy. The Minister of Northern Affairs (Mr. Downey) would like to believe that it is the New Democrats, that is the Member for Thompson (Mr. Ashton) or the Member for Churchill (Mr. Cowan) or the Member for Rupertsland (Mr. Harper), who are pleading this case before the Government without the support of local people.

(Mr. Deputy Speaker in the Chair)

Mr. Deputy Speaker, I want to tell the Minister of Northern Affairs (Mr. Downey) that the concerns that I have expressed today, and the concerns that he and his colleague, the Minister of Education (Mr. Derkach), have laughed at are serious concerns. I want to predict that the Minister of Northern Affairs, the Minister of Education, and the Minister of Finance (Mr. Manness), are going to be hearing, one at a time, from the Chambers of Commerce, from the economic development commissions, and from the business development commissions across northern Manitoba, and they are going to be hearing the same hymn.

They are going to be hearing the same hymn from those groups as they are hearing from other individuals across northern Manitoba, and that is, it is time to do something. They are tired of the rhetoric of the Minister of Northern Affairs, the infamous wind tunnel from Arthur, as someone once described him. They are tired of that. They recognize that the history of the Conservative Government, provincially in the Lyon years, and now in the Filmon years, is a sorry history, and it is a story which is not getting any sweeter with the telling.

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Storie: Mr. Deputy Speaker, the Minister of Northern Affairs (Mr. Downey) says: Well, they remember Autopac. Yes, they do. They remember the inaccuracies, the mistruths, and the untruths that were told by the Member for Arthur about the need for increases. What did they do? The people in northern Manitoba have not missed the fact that this Government—

Mr. Deputy Speaker: Order, please. Order. I have some difficulty hearing what is going on, and I wonder if we

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can get some order, please. The Honourable Member for Flin Flon has the floor.

Mr. Storie: Could you indicate how much time I have remaining?

Mr. Deputy Speaker: The Honourable Member has seven minutes remaining.

Mr. Storie: Thank you, Mr. Deputy Speaker. The Minister of Northern Affairs wants me to say something. Well, the problem this Minister has is that he does not listen when something is being said. That is his fundamental problem. If the Minister of Northern Affairs wants to dismiss my concerns, if he wants to say the GST is not going to kill northern Manitoba, if he wants to say that the elimination of the Northern Development Agreement is not going to seriously damage the human resource development in northern Manitoba, he can say that, but he is going to be wrong.

The Conservative Government has not won a seat in northern Manitoba for so long the Member cannot remember when the last time was, and his attitude is the reason why they have not won a seat in northern Manitoba. They have not won a northern seat. I want to say that -(interjection)- Oh, yes, Mr. Deputy Speaker, these Members are opposed to anything that they think is politically expedient, but the problem is that Northerners know that a Conservative is a Conservative, is a Conservative. That a Conservative is a Conservative, is a Conservative, and if this Government were a majority, they would not be sitting here apologetically saying: well, gosh it is the federal Government. They would be applauding. A Conservative is a Conservative, and Sterling Lyon may have had a little different rhetoric than the Member for Arthur (Mr. Downey) but the philosophy behind the rhetoric has not changed one iota.

I want you to know that one of the reasons that this has been a particularly raucous debate is because the Member for Arthur (Mr. Downey) and his colleagues know that there is a grain of truth in what I am saying.

They know they have been failures, and if you see the Minister of Northern Affairs jump up once more and cry from his seat because he has been wounded, you will know that the criticism that has been leveled at him is accurate. The criticism is accurate and he is hurting, because he knows they have been a dismal failure.

Mr. Deputy Speaker, I know he has been a dismal failure because the Mayor of Flin Flon and the president of the Chamber of Commerce, former Tory candidates, are now criticizing the Government. The Minister of Highways and Transportation (Mr. Albert Driedger) wrote them a letter and said we are not going to do a circle route, we are not going to develop a line from Flin Flon to Lynn Lake, and the Chamber of Commerce wrote and said we have got to do something.

The discontent grows in northern Manitoba. The discontent grows because of the attitude of the Member for Arthur (Mr. Downey), the attitude of the Minister of Energy and Mines (Mr. Neufeld), and yes the attitude

of the Premier (Mr. Filmon), which is an attitude of indifference, a view that northern Manitoba creates wealth to build highways in southern Manitoba. We are sick of it.

The people in northern Manitoba are sick of it, and this Minister of Northern Affairs, who has been flitting about the North making irresponsible promises, has just had his legs cut off at the knees. Just had his legs cut off at the knees by the Minister of Energy and Mines (Mr. Neufeld), who has shown that this Government has no integrity when it comes to negotiating on behalf of northern people. No integrity whatsoever, and perhaps he has been made more of a eunuch by his federal cousins who have now said that the northern tax benefit, which has been used by Northerners now for a number of years to support them in their efforts to maintain a quality of life, has now been cut from beneath them.

* (1600)

This is part eulogy for the Conservative hopes in northern Manitoba and part I guess condemnation of current provincial Government policy and federal Government policy when it comes to northern Manitoba.

Mr. Deputy Speaker, it is also a plea from someone who has represented a good portion of northern Manitoba, for almost eight years, for a change in Government attitude, for a change in Government policy, and for an approach that recognizes the contribution that Northerners have made, whether they live in Pukatawagan and are part of a band, or whether they live in Snow Lake, Wabowden, Cranberry Portage or Flin Flon. A recognition that their efforts need to be supported and not undermined at every turn by Government policy, whether it is provincial Conservative, or federal Conservative.

We use our grievances as individual Members to put on the record our heartfelt views of the circumstances in our ridings. I was prepared to give the Conservative Government the benefit of the doubt, and to believe that perhaps their statements were genuine, but, Mr. Deputy Speaker, I have been disappointed too often, by insincere statements, by statements that reflect no understanding, no fundamental knowledge, of the characteristics of northern Manitoba. Perhaps the most blatant, certainly the most recent, has been statements from the Minister of Energy and Mines (Mr. Neufeld), when he says that mining communities come and mining communities go.

The mining community of Flin Flon has been around since 1927. I have every expectation that the community of Flin Flon, with a little help from the Minister of Energy, will be around for another 50 or 60 years, but I know that the people of the Flin Flon constituency are becoming increasingly concerned that their chances for the future are being undermined by this incompetent bunch at the present time.

They will be challenging not only New Democrats in the 70 or 80 percent that vote New Democrat, but the other 15 or 20 percent that vote for the other two fringe Parties. The Liberals and the Tories will want to be knowing from this Government whether they are going

to change their views. Whether they are going to change their attitudes, and I want to lay a challenge before my constituents that the Minister of Northern Affairs is in need of an attitude adjustment most severely. Thank you, Mr. Deputy Speaker. Is my time up?

An Honourable Member: Yes.

Mr. Storie: I just got going.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Health; and the Honourable Member for Burrows (Mr. Chornopyski) in the Chair for the Department of Urban Affairs.

* (1600)

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HEALTH

Mr. Chairman (Harold Gilleshammer): I would like to call this committee to order to consider the Estimates of the Health Department.

When last we met we were discussing item (d) Research and Planning, (1) Salaries, \$416,000.00. Shall the item pass—the Member for Kildonan.

Mr. Gulzar Cheema (Kildonan): Can the Minister of Health give us the information he promised about 10 days ago about Mr. Kaufman's negotiations?

Hon. Donald Orchard (Minister of Health): Mr. Chairman, I have no further detail to report because we have not completed the settlement with Mr. Kaufman.

Mr. Cheema: If I remember correctly, the Minister did say that he would provide us at least up-to-date information where the negotiations are. I think it is a very important issue in terms of, it has been more than 18 months since this Minister was let go and we are concerned how Manitobans' tax dollars are being spent and how the negotiations are going on. As he said, I would say about 10 or 14 days ago, there are two lawyers working on the issue and I would like to know how much money to date has been spent to reach a negotiation.

Mr. Orchard: I will try to find that for my honourable friend but I just repeat that we have paid Mr. Kaufman everything that was coming to him for the services he performed in response to his contractual agreement with the Province of Manitoba up and until the day he left service. I cannot provide at this date an estimate of what the legal fees have been but will attempt to do that, Mr. Chairman.

Mr. Cheema: When we last discussed it and we have gone through the same process, same questioning, and I think a simple question, I think the Minister should

forward the information. I think it is very important that we need to know that information and just to find out the process how the negotiations are done, how much it is going to cost in tax dollars, and how much it has cost to settle the negotiations. Why does there have to be a major stumbling block to hide the information, so to speak?

Mr. Orchard: Mr. Chairman, my honourable friend can make any kind of allegation he wants, just as his Leader did today, and he has done in the past. We are not attempting to hide any information from anybody. I cannot provide what I do not have. The negotiations with Mr. Kaufman, and let me tell my honourable friend something so that he knows, because I am a little sick of the insinuation.

If my honourable friend wants to inherit 20 Deputy Minister contracts signed for five years, upon entering Government, should the Liberal Party ever win the next election, you would be bound by them, and that is a bad precedent. It is unheard of in the British parliamentary system. That is why it is important, not for this Government to assure that Manitobans and taxpayers are treated equitably with this contractual settlement, but it is important to future generations because the precedent was wrong. It is the first time it has ever happened and I do not intend to settle it namby-pamby.

We are going to go and take every means we can to protect the taxpayers of Manitoba, and if that happens to mean spending some legal fees this time around to achieve an equitable settlement to a bad precedent by Government, I intend to do it. I do not intend, as Minister of Health, to saddle future Governments or future Ministers of Health with a contractual arrangement for a Deputy Minister position. Nor do I wish to see any Government in any department faced with that kind of a precedent.

It is unheard of in the parliamentary system, it was unprecedented and we are not going to establish that kind of a precedent as something good for future Governments to do, be they Conservative, NDP, Liberal or whatever political Parties from time to time may govern this province. It is bad, bad precedent. We inherited it and we do not intend to make it easy for future Governments to do that. My honourable friend, rather than making the accusation that we are trying to hide something ought to be thanking this Government for making sure that a bad precedent does not become a familiar one used by Governments in this province.

Mr. Cheema: Mr. Chairperson, the Minister does not have to get upset and get excited over a simple thing. I am not accusing him in the way that he is personally involved in this whole mess. I think it is an important issue as he has pointed out that we do not want to see a precedent to be settled for the future in terms of how the Government's Deputy Ministers are appointed and what kind of settlement are they going to get. Still I think it is important that we need to know and the Minister can maybe give us the information at a later date that all the negotiations are going on and actually what is happening, how much this Minister is asking for.

Mr. Chairman: Shall the item pass—the Member for Kildonan.

Mr. Cheema: Mr. Chairperson, can the Minister of Health tell us about this working group on the establishment of national physician data base and so-called subcommittee on the federal-provincial advisory committee and who is on this committee from this provincial Government and what are the areas they are looking at?

Mr. Orchard: The director of Research and Planning is on the committee and is in fact chairman of the national committee.

Mr. Cheema: Mr. Chairperson, can the Minister tell us what are the specific things this committee is looking at in terms of the national physician data base and how that committee will be able to assist the Manitoba problem that we are facing now in terms of physician shortage?

* (1610)

Mr. Orchard: Let me give my honourable friend the background of it. In 1984, a federal-provincial report called *Physician Manpower in Canada, 1980-2000*, identified a need for a national physician data base which would facilitate planning related to such key policy issues as immigration, medical school enrollment, postgraduate training positions, geographic maldistribution and medical cost containment. Those basically are the issues that the national physician data base study is attempting to provide advice to Governments on.

At the December 1985 meeting the Conference of Deputy Ministers of Health requested that the federal-provincial Advisory Committee on the Health Human Resources develop a proposal for and oversee the implementation of a national physician data base. Subsequently, the ACHHR established a working group chaired by Manitoba to undertake this responsibility and that is the individual that I just referred to, the Director of Research and Planning in Manitoba, David Pascoe.

Manitoba has also provided staff support for this working group. The December 1987 conference of Deputy Ministers of Health agreed to finance the development of this data base. The national physician data base will be implemented in three stages. The first stage involves enhancement of the existing national medicare data bank to include additional data on physicians. Provinces currently provide fee-for-service data on a quarterly basis to Health and Welfare Canada. Information submitted regarding the description of physicians includes the specialty block of the physician along with the fee-for-service data, which indicates tariff codes by the number of services and income earned.

Provinces will be required to provide data on physicians age and sex and this type of information would allow interprovincial utilization comparisons to be made by specialty age and sex of physicians.

Mr. Cheema: Mr. Chairperson, for my clarification, can the Minister of Health tell us when each province has

a different regulation for licensing, when each provincial college of physicians have different policies, how are they going to have a uniform data base to be established on those counts?

Mr. Orchard: I think the answer to my honourable friend's question is that only physicians who have billing privileges to the provincial medicare schemes, in this case the Manitoba Health Services Commission after receiving licensing by the provincial college, are part of the data base.

Mr. Cheema: Mr. Chairperson, can the Minister tell us how this data base will be helpful to Manitoba and what we have learned from that data base?

Mr. Orchard: It is hopefully going to give us some guidance provincially, but more importantly nationally, because some of these issues are national, on such issues as immigration medical school enrollment which we are very much involved with, postgraduate training positions and particularly in terms of subspecialties in specialists. Furthermore, to give us a greater comprehension of the geographic maldistribution faced by this province as well as every of province in Canada and because there is a substantial school of thought which says that the proliferation of physicians, particularly in our large urban centres, where now we are down to ratios of approximately 400 individuals per medical doctor, that these in fact have driven the costs of Medicare up inordinately; with the second analogy by those proponents of that theory that you cannot prove a greater medical efficacy and an increased health status from people in those cities where your physician ratios are very much narrowed.

Mr. Cheema: I think, Mr. Chairperson, the Minister is absolutely right in that respect. I think if you read all the analyses by all the provincial health bodies and also the many health organizations it is clearly indicated that the physician ratio and the maldistribution in terms of rural versus the urban centres has changed a lot, but even though the population of Canada has not changed that much and the physician population ratio is probably, we are—I think I may be subject to correction here but I think, in the Western World, we have the best physician versus patient population.

The point I am trying to make here, I think it is extremely important that the provincial Governments develop a policy in connection with all of the provincial Governments and the federal Government because there is no way of guarding one thing and if the—let me put it, I am having trouble with my language again here, because each and every province if it is going to have its own control on the immigration problem as far as the physicians are concerned and still there are a lot of physicians coming through the federal Government, and if you have two or three kinds of systems coming into the same pool we may have difficulty.

That is what I think is happening right now, that many people come to this country without realizing they do not have a practice opportunity. They are coming for reasons, as the Minister was indicating the other day,

other than refuge. There are people coming under the family clause without realizing that they do not have any opportunity to practice medicine, and the Government ultimately comes under pressure to recognize their training or give them further job opportunities. I think it is very crucial that the provincial Governments take a very active role to develop a uniform policy so that each provincial health care deals with the problem in the same way.

Also there has to be correlation between the physician manpower who are qualified, plus who are not qualified to practice in Canada. You cannot have two different policies that a large number of physicians in a different provincial jurisdiction who are looking for a practice opportunity, they could just cross the Manitoba border, go to Saskatchewan and get a licence easily, or go to Newfoundland, get a licence there and then write their exams and come back. That is very common.

So it is very crucial for any provincial Government to have a uniform policy so that there is one licensing uniform requirement. It is a very difficult task because each and every provincial Government has its own problems, but I think that the Minister could do it and definitely we will support him to put forward their own view on how they want to look at the physician manpower for years to come.

It is very clear from a large number of reports that Canada's health care system has been geared toward mostly physicians and the professionals. It is not client or patient oriented. I think that stress has to be taken into consideration now because the birth rate is declining and the physicians enrollment is still there.

My question to the Minister now is, what is the policy of this administration in regard to the medical students number in Manitoba?

* (1620)

Mr. Orchard: Mr. Chairman, I thank my honourable friend for some of his observations because they deal with very interesting areas. My honourable friend indicated that people immigrate into Canada, should they identify when they come in as a family that they are trained physicians in their country of origin, that it would be indicated to them that there is no opportunity, or very limited opportunity, to practice in Canada. Part of the reason we have some concerns by individuals in Manitoba today is that they were unaware of that, or else did not make mention to immigration authorities that they were physicians so that they would not be provided with that advice. But even despite that, we have a very straightforward and I think reasonable program so those individuals can take on an internship role.

But I want to share with my honourable friend, and I will give him a document because this I think lays it out as well as anything and it is in conjunction with Physician Manpower. At the August 1989 meeting of provincial Ministers, provincial territory Ministers in Quebec City, New Brunswick tabled a paper on Physician Work Force in Canada. It identifies, in general terms, some of the physician-patient ratios and goes

into some description of the geographic maldistribution, et cetera.

(Mr. Edward Helwer, Acting Chairman, in the Chair)

It is interesting that in Canada where a member and ascribed to the World Health Organization; and the World Health Organization, it is my understanding, has within the last number of years, and possibly—and I will stand corrected if I am wrong—in conjunction with the goal of health status for all, that they have enunciated a target ratio physician to patient for the world of 650 patients per physician. That is a World Health Organization standard to which Canada is a signatory nation, or a member nation, has agreed to, but yet at the same time when it comes to Canada our physician population ratio is already below that, and this paper points that out. As I said earlier, in some parts of Canada we are approaching 400-1 ratios of physicians to patients and then we go to rural and remote areas of Canada, Manitoba included, and that ratio can be 2,000, 2500-1. So there is a tremendous imbalance, on the supply side.

This paper asked the question, what can be done? On the supply side it talks about reductions in physician numbers can be achieved by a decrease in the number of medical school enrollments, of postgraduate training position, and the immigration of foreign medical graduates. They take all three issues on. So I want to share this paper with my honourable friend. I have not a second copy for my other honourable friend from the New Democratic Party but if we get a copy of that made it would be the full intention to have a copy to both my honourable friends. With patience, we will have that shared with my honourable friends.

Now in terms of enrollment in Manitoba, I think our numbers are right now 80 in first year and we, as the previous administration, are doing, are continuing discussions with the Faculty of Medicine in terms of what is a lowered number that will still adequately serve the Faculty of Medicine. But more importantly, some of the discussions that need to be and are at various stages are the blend of graduate, particularly when it gets into the specialities because we have certainly some needs as we look at the demographics of Manitoba. Manitoba's demographics are not necessarily unique to Canada. We are possibly a microcosm of Canada so that it is fairly typical.

Aging population in Manitoba are putting different pressures on psychogeriatric training, on geriatric medicine, of rheumatology as issues which are not exclusively but are more associated with an aging population. Those training programs at our various faculties of medicine, not only in Manitoba but indeed across Canada, have to reflect that. That is also a part of the discussions that we are undertaking.

Mr. Cheema: Mr. Acting Chairperson, I do not want to take too much time with the physician manpower but as we all know the physician does not only cost his own fee for the other services which are used by the physician in terms of all the tests, all the extra services they use, and still as everyone knows the population is not growing that fast, your numbers are

growing and how to achieve a balance, that is a very difficult task.

There is a difficult balance and I do not have all the answers myself. I have talked to many people and they do not have the right answer either. There has to be a balance between the local graduates and the physicians we are getting outside the country plus graduates who are going to internship, plus postgraduate programs because any time you cut down any number for the medical students we are going to have a problem in four to five years in terms of having the postgraduate physicians. Without a postgraduate program we will not be able to provide all the specialty services and that is going to be a major problem coming on. Also when you have less medical students, ultimately you are going to have less house staff so that difficulty is going to come too.

I think it is advisable, I think everyone knows it, there has to be balance established between the medical student and looking at the house staff in future and all the subspecialties or specialty programs. I do not think there is any easy answer than having to look down not only on a provincial standpoint of view but on a Canadian point of view. That is why it is so important, this committee, and when we have a representation there it should make them aware. They are aware of them but still come up with a solid policy for five or 10 years to come and how to regulate both the local graduates and also the foreign graduates because every time a graduate goes into practice it is going to be a drain on the health care system.

That is beyond any question, and as Minister of Health (Mr. Orchard) knows very well, the British Columbia Government tried to restrict the billing number and it did not work. He was right in the House saying, are you going to restrict the number and it is against human rights, but I think if you work in co-operation with all the provincial bodies who are working like MMA or other groups, I think there can be a solution found out because ultimately someone has to make a decision and come to the sense that Manitobans or Canadians cannot go on affording that kind of expensive health care system.

* (1630)

It is a very, very expensive way of dealing with the health care system right now. If nothing is done as everyone is saying, it will crumble, and I do not think any provincial Government can do anything at that time. It is going to, it is causing, as the Minister of Health indicated very clearly, a 178 percent rise in the health care cost as compared to the population is not even a 6 percent. The Winnipeg population, we all know it has decreased and the number of physicians continue to grow.

There has to be a policy coming and very strong words. We will support, I will support any policy giving a direction to the physicians' manpower so that we have some control because ultimately they say, well, we have the right to do that but who is paying it? The taxpayers are paying it. So we have responsibility to them first than anyone else and I will encourage the

Minister of Health (Mr. Orchard) to, at the next provincial Health Ministers' Conference, raise this issue which is very important. It may not be particularly wise for some people but if you believe in something you should proceed with that and we will support him.

Dealing with the question of the enrollment of medical students in Manitoba, can the Minister of Health tell, is there any plan of changing the number in the future or not?

Mr. Orchard: Mr. Acting Chairman, let me answer the last question first. That is exactly what we are discussing with the faculty. The current enrollment first year is 80 and we are negotiating with them some figure less than 80.

Let me deal with a couple of issues that my honourable friend just mentioned because I think it is important to put in context exactly what we have been doing. I have attempted over the past 17 months or whatever it is since election, to forge partnerships in the Manitoba context around the issue of medicine and medical delivery. I say this without wanting to provoke an argument with the Second Opposition Party, but relationships between professional groups and Government had deteriorated. I mean, that is no major accusation, that is a simple statement of reality.

I am a believer that you cannot resolve problems unless you have people co-operating around those resolution of problems. In the past 17-18 months we have worked with the various organizations from the faculty, through the MMA, through the college, through the various professional associations, the H.O.G.S., and I mean on and on with groups that have been in discussion with Government, with the sole agenda of attempting to come to reasoned problem solving. I am not here to create problems, I am here to try to resolve them.

At the Portage la Prairie conference I simply stated, and I will paraphrase what I stated to open that Portage la Prairie conference, being the one sponsored by the MMA, at which the Faculty of Education, Ministry of Education, the Ministry of Health, the Faculty of Medicine, the MMA, the College of Physicians and Surgeons, rural communities, were all there to talk about rural physician, remote community physician supply. I was very direct. I said, you cannot expect me to continue in the quandary of graduation of 80, or accepting into medicine 80 students, and having very few of any of them end up practising in rural Manitoba, and to solve the rural Manitoba physician problems to continue going to offshore trained physicians. I said, No. 1, the taxpayers are not going to tolerate that for very long, and it is a proposition of us sitting down around this table and over a year, or whatever time it takes for us to develop the strategy to resolve the problem, it is incumbent on us as participants and partners in delivery of quality health care in Manitoba to resolve that problem before the taxpayers that are paying both bills, training at the Faculty of Medicine and the salaries or the fee for service of foreign trained physicians when they come into practice in Manitoba as locum tenens or as permanently recruited physicians. They are paying the bill both ways.

I made the very candid observation that if we have to continue to rely on foreign trained physicians to serve rural Manitoba, then why do we not simply take a look at a vast reduction at the Faculty of Medicine and simply rely on foreign trained schools. You know as well as I do, that is not a Manitoba solution to the problem.

If that had been said two years ago I venture to say there would have been an open gorilla warfare between the various players in the system. Because we are there to resolve problems that was accepted, not as a criticism of anybody that was around the table, not a criticism of the MMA or the Faculty of Medicine, or the College of Physicians and Surgeons, but as a clear, unequivocal statement of the political policy problem that I have inherited, and I want their best advice and their co-operation in resolving it.

I may be a naive country boy, but I believe we are going to resolve the problem because of that atmosphere of co-operation that has been restored over the last 18 months. That is probably the most important agenda that Government can do, to bring in the people in Manitoba with the knowledge and participation in the system to resolve the problems instead of sitting as Government as the only planner at the table. That did not work in the past, it will not work today, and it is not a policy direction that we are embarking upon.

Mr. Acting Chairman, before my honourable friend moves on to some more questions, I want to give to both my honourable friends the answers to a couple of questions.

There was a question of rural versus urban applicants at the University of Manitoba's Faculty of Medicine. I have that answer. I have about the trends and grade point averages and the MCAT tests for students entering the University of Manitoba Faculty of Medicine. I have the trends in physician vacancy in rural and northern communities. I have population ratios for urban and rural physicians today and a little bit of history, and I have how many physicians from Commonwealth countries wrote the Medical Council of Canada Evaluation Examination since 1985.

On that one I want to read the answer into the record because I think this is important. I indicated to my honourable friend when he asked that question that I do not have the information and I shall not request it because I do not want that kind of information. The answer I have to give to him to that question is the registrar of the College of Physicians and Surgeons informs us that the release of information by country is contravened by the Human Rights Commission. Thus, only pass-fail results are available and give some information since 1988 on the pass-fail ratio. In other words, they cannot give that information because of the Human Rights Commission, and I would like copies of this to be made and distributed to my honourable friends.

Mr. Cheema: Mr. Acting Chairperson, I agree with the Minister of Health on many of the initiatives. As I said also in the public forum though, we are satisfied to some extent that things are moving into the right

direction as far as the manpower problem has to be solved because I think it is very sensational for any political party, so to speak, or for any news media. If you have a town without a doctor that is big news, and if you have everything else sometimes that is not conveyed. I think that is a difficult task and it is going to come a number of times. It is not going to go one a week or month or one a year even. We will support him on all those initiatives.

* (1640)

If I remember correctly the Minister of Health gave me information about the failure rate country-wise on the basis of ECFMG exam, and I wonder why he gave me that information and now the college is saying the other information is against Human Rights. Am I missing something here?

Mr. Orchard: Not at all, Mr. Acting Chairman, because although the college does not have that information for Canadian examinations, a very similar examination is, as my honourable friend knows, the ECFMG examination. To indicate the quandary faced by the College of Physicians and Surgeons when asked for a waiver of examination so that an individual can practice, that information was provided to me on the experience with the ECFMG, but that similar information on the MCCEE exam is unavailable is my understanding, and hence that is why it was not provided.

Mr. Cheema: Mr. Acting Chairperson, can the Minister of Health tell us which speciality area there is going to be a shortage of in five to 10 years to come because it is my understanding that such data is available through the Canadian Medical Association? That is going to be very helpful to develop programs in Manitoba or even to continue with certain programs so that we do not have a problem for a number of years to come.

What specific measures are they going to take so that we do not end up with a situation as we were in in the ophthalmology program or we are facing some of, for example, the rheumatology program or a urology program. A number of other programs are approved on a three-year basis but that is not very uncommon. That is common in many places because it is very difficult to satisfy all the requirements of the Royal College at times. So just asking the Minister of Health what specific measures he has taken or will he take into consideration so we do not have a shortage of certain specialities in the future.

Mr. Orchard: Despite the abundance of co-operation that occurs from time to time, that is one that there is not universal agreement on at the subcommittee study level where provinces put forth various positions. There is no consensus as to where shortages exist, but from the Manitoba perspective we see the area of gerontology, where geriatricians are very, very—I guess to put it into the vernacular—rare commodities. I guess would be a reasonable way to put it, and we see that being a medical discipline that certainly has a future because it only makes sense with our demographics.

Radiology is another area that certainly training and additional individuals involved would be helpful but

other disciplines, there is little agreement on the national scene. There is not even agreement on radiology on the national scene, but there is on geriatricians.

Mr. Steve Ashton (Thompson): There has been some discussion again today and I am looking forward to receiving the additional information the Minister is currently distributing because it certainly would be interesting. Just going through the paper he has already distributed, The Provincial Territorial Conference of the Ministers of Health, I know that one of the conclusions of the paper which was circulated by New Brunswick was basically recommending a further decrease in the number of first-year medical students. I believe the Target A figure in this paper of 6.1 per 100,000 population was the current level in Manitoba's 7.5. I would just like to ask the Minister if he or his department has analyzed this paper and what his position is as Minister, and his department's position is in regard to this. I know he had mentioned that they are looking at this question, but does the Minister support the basic recommendation of this paper?

Mr. Orchard: Mr. Acting Chairman, as with any paper that is developed, it suggests targets to Government, targets that may be easily acceded to in some cases and not so easily in other cases. There is, I think my honourable friend can understand, a difficulty if one reduces the Faculty of Medicine to a non-viable size, and of course that is an argument that is made consistently by faculties across the length and breadth of the province. We believe that we can achieve some down sizing in the Faculty of Medicine. That has been under discussion but we are not ruling out any number of options, including a maintenance of the size of the faculty, if we had some assurance that graduates would end up practising in underserved areas.

I do not think that my honourable friend would accept, as a logical process, to remove the option for a Manitoba solution to physician recruitment in rural and remote Manitoba. Certainly, that is one of the areas of discussion that we are currently involved with in the Faculty of Medicine, but I am not about to make a precipitous unilateral decision and impose a given number on the Faculty of Medicine. I far prefer the method that we are on right now of achieving some consensus on what the goals ought to be for the province and then bringing a co-operative attitude to achieving those goals, rather than a dictatorial and confrontational attitude to try to achieve them.

I think my honourable friend might know that from time to time a blatant and open confrontation may serve narrowed political agendas but does not necessarily resolve problems. I do not intend to be in that kind of public fisticuffs with any of the major players in the medical community, but I will consistently put what I think are reasonable objectives before them and ask for co-operation in working towards achievement of those goals.

Mr. Ashton: We are concerned about reduction in the number of medical students for an overall global problem that is listed here in terms of the oversupply of physicians. It is exactly because of the reason the

Minister outlined, and that is the poor distribution. I have raised this before in committee and I would urge once again that every step be taken to expand the, shall we say, focus of selection, perhaps expand other programs in terms of student assistance that are aimed at getting students to go into rural and northern communities.

I have raised this point before and I know the Minister I think basically raised the same point himself, that it makes a big difference where the students are from first of all. I believe that there could be an increase in the number of rural and northern students in those programs. I do not think that there is any reason for the current distribution, or at least in the last number of years, which has led to more City of Winnipeg students being in the program. It is not that rural and northern students are not smart enough to get into and get through medicine. I think it is because they have more barriers, financial barriers, personal barriers, and I think anybody who has been from a rural and northern community and tried to continue their education in Winnipeg will know what I am talking about. I am pleased to hear that the Minister will be taking that particular factor into account, the rural and northern situation.

I would also like to ask the Minister, as the paper once again was distributed, it also talks about reducing immigration. It references I know on page 3 of the document about stopping farm recruitment, in particular, general family practitioners. I would just like to ask the Minister what his position is on that recommendation, given the fact that once again many rural and northern communities would be virtually without physicians were it not for the recruitment of doctors from overseas. Here I am talking about not just specialists but general family practitioners. I can point to community after community where there would be either no doctor or a handful of doctors compared to the existing number. What is the Minister's position on that particular recommendation in the New Brunswick paper?

* (1650)

Mr. Orchard: Mr. Acting Chairman, I think it is fair to say that is one of the areas where we cannot agree with the general thrust of the paper, for very practical reasons that I have laid out earlier on today and in previous forums and occasions. However, I want to tell my honourable friend that if we can achieve the recruitment, graduation placement goals in co-operation with the Faculty of Medicine to have the Manitoba-made solution for physician recruitment and retention, particularly the retention aspect in rural and remote Manitoba, I would have little difficulty acceding to this recommendation, not completely, but in the majority.

I do not necessarily see us having that as a policy across Canada. We may be able to solve our problem over the next several years in Manitoba, but that may not be resolvable for the Territories, for instance, either the Northwest or the Yukon. Disallowing because "we're alright, Jack" in the national context and denying the right of other territories or provinces to continue recruitment would not be beneficial. That is one of the

things we disagree with in the short-term application of the paper.

Let me tell my honourable friend that at a very good meeting with some of his constituents on Friday, the whole issue did come up of difficulty for northern students. You know, it was almost as if I was sitting in any of my meetings at home or any other place in rural Manitoba where I am quite familiar with the situation. I could just close my eyes and the same difficulties were being advanced by concerned citizens from Thompson re the ability of Thompson and northern students in terms of selection into the various faculties, medicine being one, but certainly pharmacy, the rehabilitative therapies, where grade point and other considerations were given maybe more consideration under the current choice of who gets into the faculty than desire to practice in a given geographic location of the province.

The case was very clearly made to me in one instance of an occupational therapist and the second one in the case of a pharmacist where two students from Thompson, long-time residents of Thompson who wished to return to Thompson upon graduation, have not yet been successful in acceptance to either the occupational therapy course or pharmacy.

We have taken some I think very giant steps in some of those disciplines. About three weeks ago my colleague, the Honourable Len Derkach (Minister of Education and Training), and I participated in a joint announcement where we accepted the first and major recommendation of Dr. William MacDiarmid in his investigation on the rehabilitative therapies wherein we exceeded his stated goal of 16 additional positions in the Faculty of Occupational Therapy and Physiotherapy and have in fact added 20 that we think will very significantly assist northern or rural students into accessing both those professional disciplines for training, and we think will significantly improve the return of service concept premise on studies that have shown where you grew up is where you have a greater propensity to return to carry on your professional career. We have taken that step in the rehabilitative therapies and certainly were not adverse to advancing the suggestions that a number of people have made with the other professional faculties at the university to see if we can achieve that elusive goal of recruitment retention in professional disciplines to rural and remote Manitoba.

Mr. Ashton: In fact, as the Minister was providing us with an answer in terms of that, I was just going through some of the material that was distributed. I think the most amazing statistic is the fact that approximately 12 percent of the applications at the medical school come from rural Manitoba and 15 percent of the students admitted were from rural Manitoba.

(Mr. Chairman in the Chair)

I believe the current statistics in terms of population are more like 60 percent from Winnipeg, 40 percent give or take a few percent. I assume by this that the rural and northern students are in the position where they are under-represented substantially, 12 percent

of the applicants, 15 percent of the students when the percentage should, all other things being equal, be in the range of 40 percent or thereabouts.

The other interesting thing, going through once again the information—I appreciate the Minister providing this—is in terms of the grade point average. This shows I think the crux of the matter. It shows the grade point average has been fairly consistent over time; 3.87 has ranged from a low of 3.81 in 1981 to a high of 3.89 in 1983 and 1984. Well, that is a pretty substantial level, 3.87 on average. In fact, I would be interested to see what the range has been historically, whether in the '60s it was that high, whether the current doctors who have been in practice for 15 or 20 years ever had to reach a level of 3.87. That is incidentally something that goes in conjunction with the MCAT scores and I notice the average has been 9.75, but it was a high of 9.9 in 1987.

Basically from what I can see, what is happening is the emphasis on the academics is leaving a lot of people who I feel—many of them would probably be from rural and northern communities who would make very good doctors, who probably 20 years ago would have qualified as doctors but currently, through a number of reasons either financial or because of the very heavy emphasis on grade point average, are unable to get into medical practice. I look at an average, as I said before, of 3.87 and that is a very high percentage. That requires virtually straight A's. I would like to ask the Minister what his view is in terms of the heavy emphasis on the grade point average, the MCAT. Does he not think perhaps—and this is perhaps something he can raise with the Faculty of Medicine—that the standards should be kept high but should be broadened to allow for more selection on other factors such as the location of students?

Mr. Orchard: Mr. Chairman, let me tell my honourable friend that those kinds of growing emphases on GPA and MCAT do not necessarily in all cases reflect whether the physician is going to be the best physician of a group of students. It is an indicator and a very powerful indicator, but I simply tell my honourable friend that I wish he had been asking these questions from 1981 when he was first elected in the House instead of starting now in 1989 because those are exactly questions that I am currently discussing with the Faculty of Medicine. I want to see, and I think there is a willingness to accede to this, a greater presence based on the geographic distribution of students in Manitoba into the various professional faculties.

A heavy reliance has grown up since 1981—and 1981 was not chosen because it happened to be the year my honourable friend was first elected. It was not done for his benefit. It was just a year that was picked. We could go back even further and it would probably show maybe a 3.7, 3.6 as you were in the early '70s. One thing it points out is the interest in medicine and other professional faculties, because you could pull these same statistics for pharmacy, you could pull these same statistics for occupational or physiotherapy and you will find the same grade point averages. I think you need about a 3.9 to get into occupational physiotherapy, so the emphasis on academic excellence is certainly

one that has grown over the years as more and more people have wanted to get into those faculties, and the number of student positions has not grown accordingly and will not grow accordingly. That is the case right across the board in most professional faculties.

In terms of medicine, I am not in any way, shape or form willing to denigrate academic achievement because we are talking the most highly-trained professional that we graduate at our universities. I think it is 11 years now with the two-year residency program. Well, anywhere from nine to 13 years depending on the specialty. It is one of the most gruelling professional trainings you can go through.

It is that way because as society we have demanded the very best from physicians, but yet I hope that we are not simply getting a system where we rely only on the academic achievements of individuals and that alone to select those who get into medicine. Many people, as my honourable friend has pointed out, are probably practising medicine right now that had grade points of 3.5 and they are very, very excellent physicians serving the people very, very well. With the competitive environment and the numbers applying, that is the trend. You can get excellent candidates who happen to also have those kinds of grade points.

Mr. Ashton: Just briefly, I certainly agree with the Minister and I can indicate that in terms of raising these matters I have raised them since I was MLA in a different forum perhaps, now as Health Critic for the New Democratic Party. I can indicate I raised many of the same concerns back through my university days and I honestly believe and I agree with the Minister that this increased emphasis, it is logical if you have a system that is driven by the desire to have the "best qualified candidates".

If you are in a university context the first thing you do is judge people by their grade point average or their MCAT or LSAT, depending on which faculty exists but there has been such a large pool of applicants there, I really believe that without sacrificing—in the Minister's terms I think he probably summed it up best—the people who would be the best doctors in the long run. Without sacrificing that, I think you would get a much better distribution between incoming students and eventually in terms of where those students go when they practice.

Mr. Orchard: Mr. Chairman, can I just wrap up? You see, my honourable friend is right and he is able to state that from practical experience because he knew, as a students growing up in Thompson, the difficulties of adjustment. All students from rural Manitoba face that same adjustment so that possibly—and I am not making excuses for them—on their entry year to medicine, because of the double adjustment of high school to university life plus home to a live-out environment, the other pressures on them have not allowed them to achieve a grade point that they were capable of doing. In some ways that has been an unfair thing maybe to rural students.

I guess all we are trying to discuss is whether there is a non-standard jeopardizing system that would

recognize that, to rectify what is obviously an imbalance of rural students into some of the various faculties compared to urban students. I think my honourable friend is interested in pursuing that and I am too.

* (1700)

Mr. Chairman: The hour is now 5 p.m., I am interrupting the proceedings for Private Members' Hour. The committee will return at 8 p.m. this evening.

* (1600)

SUPPLY—URBAN AFFAIRS

Mr. Chairman (William Chornopyski): I call this section of the Committee of Supply meeting in the Chamber to order to consider the Estimates of the Department of Urban Affairs.

When the committee last met, the committee had been considering item 3. Urban Policy Co-ordination, which provides urban policy formulation, planning advice and inter-governmental liaison with respect to Urban Affairs. Provides for the province's share of expenditures related to improving the core area of the City of Winnipeg and provides for the effective participation of core area residents in employment and development opportunities.

Shall item 3.(a) pass—the Honourable Member for Fort Rouge.

Mr. James Carr (Fort Rouge): Mr. Chairman, just an administrative question for the Minister. The Salaries line has gone down and so have Other Expenditures gone down between year ending '89 and year ending '90. Can we get an explanation for that, please?

Hon. Gerald Ducharme (Minister of Urban Affairs): You are talking about the \$14,000 decrease. There is a reduction of \$23,100 for part-time year cost on two abolished positions during the previous year's down-sizing; and there was an increase of \$9,100 for merit increases.

We just recently hired, I think the Member in the last week—we had also brought in an individual by the name of Dorothy Browton to do The City of Winnipeg Act. She was down as a secondment from the City of Winnipeg, and we brought her in for part of the year so she would not have been down as one of the positions, but we have just filled one of the positions that I made note of just recently.

Mr. Carr: Mr. Chairman, what is the effect of the down-sizing of the department on the ability of the Urban Policy Co-ordination Branch to do its work? Does the Minister believe that the complement of staff he has now is sufficient, or has the down-sizing negatively affected the ability of the staff to do its duty?

Mr. Ducharme: During the process we combined several positions and shuffled the responsibilities around in and reorganized the department. We feel that the department is working very well. We feel that

we would probably, if we absolutely have to, we would bring in people. There are people out there who we could hire maybe on a contract basis when we require them to come on board, but right now at the administration level, other than maybe the odd time bringing them in on a part-time basis to deal with one policy structure on a major issue, we could bring them in at the time.

Fortunately, in Urban Affairs, there are those people out there that we can bring forward, we were very successful, as I say, in the secondment from the City of Winnipeg for Dorothy Browton who understood the complete role of The City of Winnipeg Act as a clerk and as an individual working downtown.

Mr. Chairman: Item 3.(a)—pass; item 3.(b)—pass.

Shall item 3.(c) pass—the Honourable Member for Fort Rouge.

Mr. Carr: Mr. Chairman, we had a chance to discuss with the Minister the other day the effect of the North Portage Development on the south side of the street. I was indicating at that time that too little thought had been given during the phase when the North Portage Development Corporation was struck and then finally built, that the merchants on the south side of the street had been put into a very difficult position. What had happened in reality was that some of those problems of which we spoke earlier on the north side had really just shifted to south Portage Avenue.

I had mentioned to the Minister that some 105,000 square feet of vacant space littered the south side of the street between Eaton's and the Bay. This did not even include the entirely vacant Birks Building and vacancies which are now occurring on the north side of the street.

What has the Minister done to address the growing problem on the south side of the street? What does he believe to be the appropriate response of a provincial Government, which is a one-third partner in the North Portage Development Corporation?

Mr. Ducharme: First of all, to the Member, I appreciate his concerns about the south side. I think this was forecasted long before we even started working on the north side.

During discussions with the North Portage Development, when all the proposals came forward, we knew that we would probably be adding 140, I think we added about 140 retail outlets on the other side. We added the Imax, and we added the Prairie Theatre Exchange, these are additions that probably could have gone on the south side. You were not going to solve the problem of the south side by adding, you knew the retail was losing its effect between the walk-in between Eaton's and the Bay. That had been going on for quite a length of time. That was caused really by a lot of suburban malls, et cetera.

I feel that there are a series of seminars now dealing with the south side, including the south side merchants, who now are very involved and now the merchants there have been very respondent on these type of

seminars that will be developed through November and December, and hoping that we can get an anchor that will be on the south side, preferably somewhere close to the Bay that we can anchor and develop that area.

We have one advantage on the south side that we did not have on the north, and that is now you have a circle around that involves Broadway Avenue, the Convention Centre, the walkways that you have throughout on that side along with the north side, so I feel that through these seminars and negotiations with the south side that we can attract an anchor like that. I think we can resolve the area, also the recent purchase of the properties. Genesis has purchased the property and the recent upgrading of Eaton's, the facia, they have spent two to three million on their building. I think that it has come together that I think we can solve that problem between Eaton's and the Bay.

There are other projects that I as Minister would hope might come between Eaton's and the Bay, but the answer is not going to be developing more retail space. That is not the answer.

Mr. Carr: The Minister may recall that during the debate over the south side of the street, our Party offered some very positive suggestions about how Government could contribute to the revitalization of South Portage. I hope the Minister read that press release or his officials may have.

One of the suggestions was that Government ought to look for opportunities for placing its own storefront operations on Portage Avenue. I used the example the other day of how disappointed we were when we saw that the Manitoba Telephone System had actually vacated the street and taken the traffic on the street underneath the pavement at Winnipeg Square, at the corner of Portage and Main, an idea which ran contrary to the suggestions we had made which we believed to be very positive and that had some potential for bringing people back onto Portage Avenue and for solving the vacancy problem.

Can the Minister tell us if he has taken any steps at all to look for ways of Government, not to expand its operations but to relocate its operations? Again, as an example, the Manitoba Telephone System is reportedly looking at ways of consolidating its operations in the City of Winnipeg. Maybe there is an opportunity there for Government to look at Portage Avenue as a natural place to consolidate and relocate that Crown corporation.

* (1610)

Can the Minister bring us up to date and report to us if there has been any attempt at all to look at ways of Government utilizing effectively some of that vacant space on Portage Avenue?

Mr. Ducharme: To the Member, I have been approached by individuals who are building office buildings or are attempting to build office buildings, not only on the south side, but primarily until they finish their meetings with the south side people. As you know, they did hire a consultant to sit down with these people

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and draft up how they should address the situation, the south side. Remember, we have another problem is that we have the east pad on the north side, that if the opportunity comes and there has been negotiations with the developer for a hotel and office building is that it could be ahead of the south side. However, that is the corner that he is looking at. I know MTS has looked at office buildings throughout the city, but I have had no commitment from the Minister. In my role of Urban Affairs Minister, I have directed these people on to the North of Portage and I know the North of Portage people have probably talked and had discussions with MTS. However, how much farther it has gone, I cannot answer that. Maybe there would be ways. It might happen that they might go on the north side. They might go in the east tower. They might go in another tower.

I think to answer where the MTS is going right now, I think they are looking at probably three or four areas that they would consolidate in the City of Winnipeg. To that, I just keep directing those different people to the boards that I know are interested in having this type of tenant. This type of tenant would be very good for the north side of Portage or for the south. I cannot answer where they are going right now until after they finish their seminars and getting the merchants together on the south side.

Mr. Carr: Mr. Chairman, the North Portage Development Corporation had set aside for it \$1.2 million to financially assist the south side of the street. Has that money been spent? If so, how has it been spent? If it has not been spent, why has it not been? When can we expect some movement?

Mr. Ducharme: You must realize that there did not seem to be a consolidation between the south side people and the north side people on what they should do with this particular amount of money. At least now they have got them together and they are talking. With these seminars that they are holding, I am sure out of that. You remember there were questions on storefronts and there were questions on escalators. They just did not seem to have that consolidation of agreements between them. Through this process I am sure they will come up with an idea of what to do with that. It will be a combination of the north and south side and how to spend that particular money.

I can assure the Member that in the last report that \$1.2 million was still held in trust by the North Portage to deal with the south side. It has not gone anywhere else.

Mr. Carr: Mr. Chairman, I have a news release from the Manitoba Telephone System dated October 25, which says, "In its continuing effort to improve customer service, the Manitoba Telephone System is moving its downtown Phone Centre to a new location. On October 30, Winnipeg's only downtown phone centre will relocate to the Shops of Winnipeg Square."

This is a move from Portage Avenue to underground in order to better serve its customers. Well, you know the old expression that people vote with their feet, Mr.

Chairman. The Manitoba Telephone System is voting against Portage Avenue. A Crown corporation taking a major storefront operation off of the street and putting it underground to better serve its customers. What does that say about this Government's commitment to downtown revitalization? What does that say about some sense of commitment to the street and the growth and revitalization of the street? It is sad that we have to deal with this kind of press release at a time when we are talking about the Estimates of the Department of Urban Affairs and this Government's commitment to downtown revitalization. - (interjection)- Well, never mind, I will not embarrass the Minister of Industry and Trade (Mr. Ernst).

Mr. Chairman, I wonder if the Minister could give us an update, a financial update, on the North Portage Development Corporation. I see that this year the detail of appropriation from the province is \$234,000.00. Can he just bring us up to date and let us know what the status of the provincial commitment is and what is expected from here?

Mr. Ducharme: First of all, maybe I will answer the question in regard to the Telephone. I will not defend the Telephone's role. I, as a shareholder in North of Portage—remember this is the one that you are talking about going underground in your previous remarks. I believe that you did bring it up before the announcement was made and I guess they decided to still insist on doing their announcement. I must say, I do not think this particular Government has to apologize for the North of Portage. I can assure the Member that I know the past records of the previous administration. I am talking about under the previous Conservative Government. You mention about the Minister in charge of Tourism and myself. Many of us supported North of Portage very well and we will continue to do so.

If that would have been moving away from what I would call that area north of Portage, maybe I would have been aware of it as a shareholder in that. You did mention, though, what further funds would be involved? The only funds that I know of that will be involved are on page 26. If you will notice the interest for IMAX has been changed and the grant to IMAX will be up a little higher, but other than that we have no further commitment to North of Portage, if that was your question.

Mr. Carr: Just to keep the record straight, the movement of the MTS store on the north side of the street has nothing to do with the North of Portage Development Corporation. It has everything to do with the decision made by this Government to take a Portage Avenue storefront operation and move it underneath to better serve its customers. I am saying, that is a very sad commentary on the status of Portage Avenue, which I know is of concern to the Minister.

Mr. Chairman, there were some unfortunate news reports in the last number of months about the financial health of the housing component of the North Portage Development Corporation. At the time, vacancy rates were very high, not only there, but indeed in all of downtown Winnipeg, and there was some restructuring of mortgages, I believe, taken over by the North Portage

Development Corporation. Is the situation any better than it was when we heard these first reports some months ago?

Mr. Ducharme: Basically this is under the—I have to watch how I answer not because of my position of being Minister of Urban Affairs and Minister of Housing, because as you can probably appreciate, as Minister of Housing we are protected under CMHC agreement. Whatever happens to that building, we will be insured and we cannot be negotiating, or perceived as making a negotiation as a third party with North of Portage. North of Portage Development has been negotiating with the previous developer and with some other parties that are involved in it.

Right now where it is at is that if North of Portage cannot come to an agreement in regard to that one particular building that MHRC has about \$18.5 million protected by CMHC, if something cannot be resolved I would suggest in the very near future we would probably have to get involved in foreclosing, if that is the case. I can assure the Member that we would be doing that just to protect our interests. The people involved in the building would not suffer, they would still be able to be there as tenants. That will not change. Probably the management of the building would not change. The current managers would probably stay, but as you can probably appreciate, we have a \$2 million covenant and we have the protection of CMHC as long as we abide by their rules. If they advise us that we should foreclose, well then we would do so, but that would be a legal involvement that would take quite a period of time.

* (1620)

As you can probably appreciate, there is still the difficulty of the rental. There has been a rental problem I guess brought on by other developments in the City of Winnipeg. Also there are a couple of buildings that have come on stream that are probably a little nicer to rent and people have a tendency to move. However, I can assure you that anybody that is there, first of all our responsibility to North of Portage is to keep the building going North of Portage. Housing would be that we cannot afford the chances of losing our mortgage agreement with CMHC.

So situations have not changed and I can tell you that it has not improved. North of Portage I understand recently has not had real good negotiations with the people that they are negotiating with. It has not gone as well as they had hoped. Maybe that could change in a matter of days or weeks, but I will assure the Member that as soon as something comes on stream I will make the announcement and make sure he is aware of what is happening with that.

Mr. Carr: Mr. Chairman, what is the vacancy rate now in that development?

Mr. Ducharme: Fifteen to 19 percent vacancy rate. That has been the way since it started. We have not seen any improvement in the occupancy, and so that seems to be the vacancy rate right now.

Mr. Carr: What is the financial impact of that vacancy rate on the monthly cash flow of the corporation?

Mr. Ducharme: We have been watching it very closely. We think that we are probably good, remember they have the amount that they have set. I cannot tell you exactly, but they have got an amount that we are collecting. MHRC is now collecting the rents. We are doing that now. However, we do have that \$2 million that was set aside that would then become a legal issue on whether that was supposed to be for the cash flow or what. However, I can assure the Member that we are watching very closely. What we would be concerned about right now is our \$18.5 million that Manitoba has invested that it is being protected under CMHC. We will abide by the rules of CMHC so we do not lose that insurability that we have right now.

Mr. Carr: Mr. Chairman, I think that Manitobans would want to know what this prolonged vacancy rate means to the cash flow of the corporation. Is it \$100,000 a month? Is it \$200,000 a month? Is it \$300,000 a month? I can appreciate that the Minister may not have precise figures but perhaps he can give us some approximations.

Mr. Ducharme: I think if you want to ask whether it is affecting what we are dealing with now North of Portage, it is not affecting their cash flow. If you want to ask in housing I can have those answers for you, because that is what it affects. It affects the cash flow to pay their mortgage, not North of Portage at the present time. So if he wants I will make sure those figures are provided for him so when dealing with housing I will give you the cash flow, I will give you the results, and what we are behind each month. I can understand his concern, but as far as dealing with North of Portage it does not affect North of Portage right now.

Mr. Chairman: Item 3.(c)—pass.

Shall item 3.(d) pass—the Honourable Member for Fort Rouge.

Mr. Carr: Mr. Chairman, we have spent quite a bit of time on the Core Area project. I know that the Member for Logan (Ms. Hemphill) was wanting to jump around, and that was okay with us. I am interested in knowing though what the status of the cash transfers is. We are now in year four of a five-year agreement. What is the estimated pay out now to the Core Area Initiative Project between now and the end of its mandate?

Mr. Ducharme: Of our \$34 million, we have paid out the share we have to pay provincially, \$9.5 million up until March 31, 1989. So remember we are on a bill basis, so when they bill us, I would say for this budget year would be \$18 million, so we would end up, a third of that would be \$6 million of our money.

Mr. Carr: If I am reading the Estimates Book properly, the provincial contribution is divided between an appropriation and a capital expenditure, and the Minister says at the beginning of the Estimates Book,

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if suggestions could be made to improve the formatting. I think it would be useful if we had an idea of what the total provincial contribution was to these tripartite arrangements so that we do not have to skip back and forth. I wonder if the Minister can commit to that?

Mr. Ducharme: As a matter of fact I think that the Deputy Minister and I discussed that. When I first went through the reports as Minister and I saw the previous administration's calculated reports, and when I did do the Estimates last year, I have no problem committing to that. I think it would be very appropriate, considering that we will be by then in our winding down stage.

Mr. Carr: As we move toward March of 1991, and the end of the Core Two mandate, more and more Winnipeggers and Manitobans will be wanting to know what this Government has in mind to replace Core.

My first question would be: what evaluative process is in place to determine which Core programs were effective, which were less effective, when that evaluation is to begin, who is to be ensuring the provincial interest in that evaluation, and just what kind of timetable he proposes for that evaluation to take place, so that it is in time for this Government to make its position known as to the successor to Core Two?

Mr. Ducharme: As the Member knows, we have staff that sit with the Core. We are doing an ongoing evaluation, because we do not want to evaluate part way through it, same as what happened to the first Core Area Agreement. There were evaluations done and we will continue to evaluate that. My staff will be coming back with recommendations on how they see maybe what are some of the downfalls of the way the money is cash-flowed.

I have my concerns. I think I explained to you earlier there are times virtually when it gets to the Minister, the Minister signs the paper for the agreement to release the monies. I have given my concerns to staff. Staff will continue to work with Mr. August and his staff. We will do our own evaluation, and then at that time we will sit down with the federal Government and the City. Right now, as you know, you have people out there in the city that are saying, we do not want the Core this way, we do not want the Core that way, and they have not even done their evaluations of it. They are people that have maybe knocked on some doors, and the people said, I do not like this about the Core. I will use the evaluation of my staff, because I am committed to the first two phases of the Core. I always say that improvements can be made. When they finish evaluations then I will be in a position to go to the bargaining table with the other two levels.

Mr. Carr: Mr. Chairman, the Minister has me I guess a bit confused because he says that there is ongoing evaluation, but he does not want to evaluate things part way through.- (interjection)- Okay, but I will just make that comment.

The federal Minister was quoted as saying in a Parliamentary Committee meeting some weeks ago that the federal Government would only consider renewing

the Core Area Agreement if it was a high priority of the provincial Government. Is the renewal of the Core Area Agreement a high priority with this Minister?

Mr. Ducharme: First of all, I will say, definitely yes. Next I will say that even the City—there have been comments out, people said, we might go it alone—so I do not know where the City is coming from right at this time. I am sure now that we will have new people at the table along with the Mayor, and I know that the Mayor is committed to the Core, so I am hoping that he will be able to sway his colleagues on getting his message across, the same as he did on the first two agreements.

Mr. Chairman: Shall item 3.(d) pass—pass; 3.(d)(1)—pass; 3.(d)(2)—pass; 3.(d)(3)—pass; 3.(e)—pass; 3.(e)(1)—pass.

Shall item 3.(f) pass—the Honourable Member for Fort Rouge.

Mr. Carr: Mr. Chairman, the other day I gave a fairly lengthy, I hope the Minister did not think it was a lecture. I called it a homily on the importance of reclaiming the riverbanks. This is a subject that is of particular interest to our caucus and our Party.

* (1630)

When I look at these Estimates and I compare these Estimates to the rhetoric of Government across the way, it is befuddling and confusing. There is literally no meaningful support given to riverbank development. I know that the Minister announced at the time of The Forks Park opening it was kind of a challenge grant. He had set aside some monies and challenged the City and the federal Government to match that money. I do not know whether they have or not. The Minister may want to address that. What kind of commitment to riverbank development is this, that we see in the Department's Estimates of this coming year? Just how far does he expect that money to go? How does it jive with the rhetorical flourishes we hear from Ministers on the other side? I am glad that the Minister of Finance (Mr. Manness) is keenly interested in this item of the Urban Affairs Estimates. I would like the Minister to give us some sense of where he intends to take the rhetoric of riverbank development when we look at numbers like this.

Mr. Ducharme: First of all, when I made my announcement, the announcement was to commit \$500,000 to set up and get the Riverbank Corporation going. We did take the initiative. This Government did take the initiative. We worked on our policy on that to get the other two levels of Government involved. I am not going to sit here and say that any one level of Government is going to be able to go out and massively change the riverbank development. It has to be only done by Government. It has also to be done by enticing private people to do the same, because one Government is not going to do that.

If you take a look at the amount of monies that it cost just to do small parts of the riverbank with The

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Forks and along the riverbank that we have touched, it is a very, very expensive type of proposition. There is still progress at the level of the Core Area. I think there was close to \$5 million put in that will be used for some of that riverbank improvement, so there are some monies there. There is Core Area money in that part of the program. I am hoping that the city and the federal Government will come on board now, especially the city, and start to discuss what they want to do. One person had to lead, one person had to show the initiative, and I felt that our Government and my staff showed that initiative. I hope, for everybody's sake, not only the Member for Fort Rouge, who is surrounded by riverbanks, but everybody right down the whole region of what we call the Winnipeg region, that they would all get involved in this. I have even had correspondence from the MP from Selkirk, because they are not excluded from this total riverbank development program. That is why we called it the Winnipeg Region. We want to make sure that we have extended it, that everybody is involved in it. I am hoping that in the next short while that the city and the feds will respond to my reaction.

Mr. Carr: Mr. Chairman, if you look at this line in the Estimates, Other Expenditures on Riverbank Development are identical to those of last year, which means that the Government's commitment to riverbank development is not even keeping pace with the rate of inflation. How can the Minister justify this stagnation at a time when he continues to wax eloquent about his Government's commitment to riverbank development.

Mr. Ducharme: First of all, the half a million dollars is from our monies allocation. We have an agreement with the city that we have city issues and provincial issues. I am hoping that through our initiative of starting that that we will put in more monies, but I want to make sure before I start committing any monies into a program that I have the other two partners, simply because, as I told you earlier, it is not a policy that you are going to do on your own. If you are going to do it on your own, then you are going to have to go back to the bargaining table, figure out what monies you can best afford, and work back from there, but I am hoping for the other partners to come on board, the same as other partners will come on board when we discuss the Core, others came on board when we did North of Portage, and as others came forward when we did the Shoal Lake. So it is a starting point and I am not embarrassed to say that this particular Government and this particular Minister showed that initiative program to get that ball rolling.

Nothing would have been done if it had not been for this Government. The ARC should have been all finished, there would have been no further, and remember, it was because of the previous Conservative Government that started and worked along and did the ARC Program.

Mr. Chairman: Item (d)(1)—pass; item (d)(2)—pass.

Resolution No. 139: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,972,200 for

Urban Affairs, Urban Policy Co-ordination, for the fiscal year ending the 31st day of March—pass.

The next item is item 4. Expenditures Related to Capital, 4.(a) Acquisition/Construction of Physical Assets - Canada-Manitoba-Winnipeg Core Area Agreement: 4.(a)(1) Departmental Expenditures. Item 4.(a)—pass; 4.(a)(1)—pass; 4.(b)—pass;

Shall item 4.(c) pass—the Honourable Member for Fort Rouge.

Mr. Carr: Mr. Chairman, I am interested in knowing how the province determines year by year its capital grants to the City of Winnipeg. I see that we are getting a chuckle from the former Minister, so I am hoping for an informative and stimulating answer.

Mr. Ducharme: We discuss the commitments and we anticipate the estimated cash flow, because it is on cash flow. Remember they are on a different year end. They submit the bills to us and we are on a commitment basis as they bill us. That is the way that works with them. That is why it varies.

Mr. Carr: Are there any strings attached to any of these monies, or are they all in the form of a block grant? Does the department make any evaluations of how the monies are to be spent?

Mr. Ducharme: On capital, the conditional on capital, they must come to the Minister. The Minister of Urban Affairs will either say yes or no based on our basis, but most of the time there has been no strings attached. I know myself as Minister there has not been any strings attached.

I think I indicated to you earlier that we are now going through negotiations on all their capital. The previous Government had set up a six-year capital, \$90 million, 180 million, but \$90 million from each level of Government, city, their \$90 million, and ours at \$90 million. If you are going to throw some, I cannot always disagree with what the previous administrations did, but I have to compliment them. That was a good arrangement, because then you are not negotiating every year at the last minute. They have their 180 million that they can work on, and we can maybe ask for some urban-city interest that we feel should be important. We can ask the city to use some of that money toward a program that we have suggested is good.

We are now into negotiating that for '91, another program, whether it be six, whether it be five, or whether it be four, or whatever. I hope we should have that finalized by late spring on what we are doing for '91.

The agreement, I felt, makes it a better arrangement. The city can plan their five-year capital. We can work along with them, but they must come to the Minister and say, here is what we would like in part of our capital. After we agree to that, then they bill us as the work is completed. They usually give our administration an anticipation of what they will need for that budget year.

Mr. Carr: The Minister knows because he no doubt stays in contact with the mayor and other municipal

officials that there is an enormous problem of infrastructure facing all municipalities in Canada. So far the federal Government has refused to put so much as a dime into cost-sharing agreements with provinces and municipalities. It is thought that the problem facing Manitoba is more than hundreds of millions of dollars. Is the Minister now involved in any conversations with the Government of Canada on how municipal infrastructure costs can be shared among all three levels of Government and can he report to us the success of those discussions?

* (1640)

Mr. Ducharme: At the last two Ministers' conferences that I have attended, you have to realize that under the federal they have never identified a federal Minister. The previous Government or the one that is in power now have never ID'd one. We asked at our last one to identify someone. If you do not want to put one that is definitely responsible, then ID one that we can consult with, because right now under Urban Affairs and Municipal Affairs there is not a federal Minister who you can go and, unlike the Housing Minister or other Ministers, there is not one in place right now.

The only programs that we have are, as you know, your structures dealing with some of the revamping in the Weston area, the revitalization that we have, the MWCRP programs that we have, the Manitoba Winnipeg Community Revitalization Program. We are now working on another new program for another area that is a program that we allocate funds. I think the last allocation was about \$7.9 million toward the MWCRP from within the \$90 million six-year urban capital projects allocation. So there are ways to allocate some of those monies.

I am sure that when we are dealing with the new urban capital projects allocation that probably this will come under that, that if your councillors who have been elected recently, if they feel that is their prioritization to deal with their capital accounts, then they will come to this Minister to divulge those amounts and those monies. I know right now they have used up all their allocations under the six-year agreement. They have ID'd all their monies for those unless they come back now and change it for the next year, but however that will be up to the council.

Mr. Gary Doer (Leader of the Second Opposition): This is a question to the Minister. You mentioned renegotiating the capital and also the problem dealing with the federal infrastructure. The Ministers across the country had a communique agreeing to a tripartite infrastructure agreement for Canada in 1987. At the First Ministers' meeting, unfortunately provinces, such as Alberta and British Columbia, could not deliver upon the commitment of the Ministers. Has there been any work subsequent to that First Ministers' meeting by the Premier (Mr. Filmon) to get the Governments of Alberta and British Columbia back onside rather than having a divided house in terms of the tripartite agreements?

Mr. Ducharme: I can tell the Member for Concordia that since '87 and when we did the same in '88, we

did the same in '89 and we now have all the provinces on stream. There was a lot of shuffling going on because, as you can probably appreciate, it was difficult to get that done in '88. Because it was July or August of '88 to make sure you got all of your Ministers because of the political issues that were coming up from different people not wanting to put the federal Government to the wall.

However, we were successful in getting the provinces to agree in July of '88 to send the same communique and we have done the same in '89. I think the one in '89 was even stronger than what we did in '88, so I am hoping the same as the Member when he was Minister that something can be resolved. The only difference we did in '89 was that emphasized that we want someone responsible who can deal with us.

Mr. Doer: Mr. Chairman, the lead Minister from the federal side in 1987 was Robert de Cotret, the Chair of the Treasury Board. He argued at that point that it would be unfair to communities across Canada to have this tripartite agreement because it would in fact differentiate between those communities who have taken care of their infrastructure and those who have not, which really begs the question of where are the priorities of the federal Government, given the fact that there are other projects they are intending on funding, such as energy boondoggles across the country: Hibernia, Husky Oil, Lloydminster and Oslo (phonetic) projects of \$13 billion. Yet this project would come in quite a bit less and create more jobs and also revitalize a much needed infrastructure across the country. Has there been any response from any Minister since the meeting of provincial Ministers with de Cotret in 1987?

Mr. Ducharme: As you know, the individual who you were dealing with lost in the election of '88, September, I believe. I believe he lost, did he not? That is why we asked for someone to be responsible. Did he not lose?

An Honourable Member: No, he won.

Mr. Ducharme: Did he? Well, he is not in the same position because that is not the name that was coming up when we dealt in '89. I know his name was coming up in '88 and when we dealt with it and sent that along, however, that is not the name that came forward when we are doing the '89. I have had no direct result of that communique that we did in '89.

Mr. Doer: In developing the criteria for negotiations with the city, with the expiration of the monies agreed to in the capital projects, obviously that project has flexibility, for example, the yard that the Member talked about the other day was taken out of that project, I believe. In other words, you do not want to have a project of \$100 million and then just start stacking money on top of it in my opinion, either within the year or within the five year period. Has the Government established criteria for purposes of a future project that has approved, and can the Minister tell us what those criteria would be for future capital program agreements with the city?

Mr. Ducharme: As the Member can appreciate, we have just started preliminary—we have been going for

just a couple of months with the new chief commissioner. He has been dealing with my administration. They just hired a new chairman of Finance, they have just hired a new member of Planning. So we are in a very preliminary stage and that is why we agreed with them this year that we would allocate all the demands and eat up their monies, including 1990, so that they knew where they were at and we would not go back to them and say, we have now changed our minds. They have eaten all that up, and I agree with you, if you start throwing monies and piling it up, because if you listen to what is happening, a couple of weeks ago it was \$30 million, now it is down to 5. I do not want to get involved in that game, that shell game of what is going on. I think that they are going to have to come to us.

I felt we should be dealing with what we feel the capital would be, what the allotment should be based on some type of criteria of monies, the cost of monies that has changed in that from the first agreement. If we have some project that we feel would drastically change that capital, then that would have to be included in it and ID'd, but right at the point we are dealing with mainly a lot of the requests based on some of their five year that they have put forward. They have in their Estimates five year programs that they have not asked us for, so they have to be accounted for too in the capital. Take into consideration that they do not have to have our approval on some of the projects that they have in their five years, so we would like them to ID which ones they want us to participate in, so we can come up with those monies.

Mr. Doer: My question then for the Minister is not the city's priorities criteria, but the province's. If you start preliminary negotiations, one would expect the province to have criteria. Has the Minister, he has obviously developed criteria and can he table them in the Chamber today, so we will know where we are headed?

Mr. Ducharme: I think that your criteria is based on what you feel, some of our criteria will be some of our wants, we will go to the want list. I sat down with the previous administration and we developed this six year, and I think Mr. Desjardins was there. I think that he was basing most of his on the five year capital and they were starting from there. You can say to the Member that, yes, we might have some wants. We might have, as mentioned earlier, if we could come in with some agreement, with newer people, on the riverbank. Maybe we have some wants there. There are other projects that I would not want to tell the Member at this time; however, I think what you do is you both go with what you feel would be an outlay that would best serve the two Governments and hope that it can be resolved with the monies that you have put into that six- or five-year agreement.

Mr. Doer: I would ask the Minister then, will the priorities shift from a majority of projects to be urban infrastructure to ones of new development and capital? Could he tell us whether there will be any shift in the priority of having capital primarily, not exclusively, for urban infrastructure rather than new capital development?

Mr. Ducharme: It is too soon to say that. I must mention to the Member that if he is talking about new structures

in suburban areas, remember you have an advantage now on some of your subdivision agreements on the artery streets, the main arteries. You can now ask for them to contribute towards them, so in the downtown area you do not have that advantage. So I would suggest to the Member that there would probably be more wants by the city and probably be more towards the areas that cannot now add and increase those through those subdivision agreements that have taken place. A lot of your main costs, other than probably a bridge that you cannot put into those agreements, I cannot answer for that.

* (1650)

The city might want to put—remember they have big tabs. They have the Main Street bridges, the Norwood Bridge, that could be a lump large sum. That could eat up most of the agreement if you were to replace those two bridges themselves. It is hard to say what the wants will be.

Mr. Chairman: Item 4.(c)—pass.

Item 4.(d)—the Honourable Member for Fort Rouge.

Mr. Carr: Just a note that the gap between the Government's rhetoric and Riverbank Development and the figures in this book are jarring, static, no increase, not a dime more for Riverbank Development on the capital side either. Why did the Minister not find it necessary to argue with his colleagues that in order to give some meaning to Riverbank Development that you would have to do better than lose to inflation on this line in his department's Estimates?

Mr. Ducharme: I do not consider a \$5.5 million contribution to Riverbank at this time a gap. You have \$500 million out of the core and a half million. It is a start. If the other two levels of Government come forward expressing that this is one of their priorities, this Minister will then have to proceed and make that a priority of this Minister to go back to my colleagues when we do our budgets next year. But at this time I have no commitment from the other two levels of Government either than in the Core Area Agreement that already has \$5 million, all in the Fort Rouge area, I believe.

Mr. Chairman: Item 4.(d)—pass, item 4.(e)(1)—pass; item 4.(e)(2)—pass; item 4.(e)(3)—pass; item 4.(f)—pass; item 4.(g)—pass.

Resolution No. 140: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,960,000 for Urban Affairs, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1990—pass.

Having concluded all other items in the Estimates of the Department of Urban Affairs, the committee will now revert back to item 1.(a). Before doing so, I would invite the Minister's staff to leave the Chamber and at the same time thank them for their assistance to this committee.

The hour being 5 p.m. and time for Private Members' Hour, I am interrupting proceedings and we will reconvene at 8 p.m.

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IN SESSION
PRIVATE MEMBERS' BUSINESS

Mr. Deputy Speaker: The House will come to order and time for Private Members' hour.

PROPOSED RESOLUTIONS

RES. NO. 9—NORTHERN TAX ALLOWANCE

Mr. Steve Ashton (Second Opposition House Leader): There has been agreement by the House Leaders to propose Resolution No. 9, The Northern Tax Allowance to the top of the Order Paper. I would just like to confirm that leave.

Mr. Deputy Speaker: Is there leave to proceed with Resolution No. 9?

Some Honourable Members: Leave.

RES. NO. 16—CHILD CARE SYSTEM

Mr. Deputy Speaker: Is there leave for Resolution No. 16 to continue to stand in the name of the Member for St. Johns (Ms. Wasylycia-Leis)? (Agreed)

RES. NO. 9—NORTHERN TAX ALLOWANCE
(Cont'd)

Mr. Steve Ashton (Thompson): I move, seconded by the Member for Concordia (Mr. Doer), that

WHEREAS many communities were made eligible for the northern tax allowance beginning in the 1987 year; and

WHEREAS Thompson and Wabowden were initially excluded from eligibility from the allowance; and

WHEREAS Thompson and Wabowden are clearly northern communities; and

WHEREAS the combined effort of the entire communities of Thompson and Wabowden pressured the federal Government to make the two communities eligible for the allowance; and

WHEREAS this eligibility was put in place for only two years, while the federal Government reviewed the criteria for the allowance; and

WHEREAS the federal Government has proceeded to cut Thompson and Wabowden's eligibility to only two-thirds of the allowance for the 1988 taxation year without even waiting for the results of the review; and

WHEREAS this will be further cut to one-third for 1989 and zero for 1990; and

WHEREAS any fair criteria for the allowance would clearly result in Thompson and Wabowden being as eligible for the allowance as any other northern community.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal Government

to make Thompson and Wabowden eligible for the northern tax allowance on a permanent basis.

MOTION presented.

* (1700)

Mr. Ashton: First of all, I would like to indicate my thanks to Members of the Legislature for giving leave for this matter to be discussed today. I believe it is an important issue and it has become doubly important with the events that took place on Friday. In fact, Mr. Deputy Speaker, what has happened is that for the last period of time Thompson and Wabowden appeared to be the two communities of Manitoba that were going to be shafted.

The federal Government has now decided, through this task force that they have appointed, apparently, although it does await the final decision by the Minister of Finance, to shaft 90 percent of the other northern communities that were eligible for this allowance. I find that absolutely shameful, Mr. Deputy Speaker. I can tell you, under the eight years that I have been a Member of this Legislature, and the more than the 20 years that I have been a resident of the community of Thompson, I have never seen people as upset, as upset about this issue, on any issue. On this issue, Mr. Deputy Speaker, there has been virtual unanimous opposition to the stupidity of the federal Conservative Government, and I might say that the only other issue I have seen similar feeling on has been the reaction of Northerners to the proposed 9 percent sales tax, that once again the federal Conservative Government is trying to shove down the throats of Manitobans, and particularly in terms of Northerners.

I find the latest move on the part of the federal Government to be absolutely despicable. There is no other word to describe the ridiculous report that came out last Friday. Now, for those who are not aware, Mr. Deputy Speaker, and perhaps you may not be, of the background of this matter. In December of 1986, the federal Government announced criteria for the northern tax allowance. That left out a number of communities across the country, including Thompson and Wabowden. How anyone in their right mind—I do not care if they are in Ottawa, I do not care where on earth they are, Mr. Deputy Minister—could leave Thompson and Wabowden out of a northern tax allowance I do not know.

Well, we in Thompson and Wabowden fought back. When I say we, it was the entire community, and I know in the case of Wabowden, the MLA for the area, the MLA for Flin Flon was very active in that fight, and I fought alongside our Member of Parliament, Rod Murphy. We fought tooth and nail with people in the community. We had more than 5,000 petitions that were drafted up by a grass-roots coalition of people in the communities of Thompson and Wabowden. We had a petition in the summer of 1987. There was another petition in April of 1988 and, finally, at the last minute the federal Conservatives finally recognized that Thompson and Wabowden were northern. Now you think that would have been it.

For the Minister of Health (Mr. Orchard) who was in Thompson on Friday, Mr. Deputy Speaker, perhaps he could pass on to his colleagues in Ottawa that he campaigns for on a regular basis every federal election, the federal Conservative Party that he supports, and I am sure that he is a card carrying member of, just how sick and tired the people of Thompson and Wabowden are of the fact that in April of 1988 we thought we had won the battle and we found out only too soon, just a few months later, that the federal Government in its wisdom said, well, yes, you are a northern community, you do get the northern tax allowance for the 1987 taxation year, but we are going to phase it out. We are going to phase it out and we are going to appoint a task force to look at the criteria. In fact, they appointed the task force to come in with their report in October of 1989, but did they wait, did they keep Thompson and Wabowden eligible for the northern tax allowance? No, they did not. They cut it. They cut it immediately, and they left us in the position of having to go cap in hand to them at their farce of a task force that was in Thompson—and I will get to the reasons why I feel it was a farce, Mr. Deputy Speaker, in a couple of minutes.

We even went down to Ottawa, myself, the Member of Parliament, representatives from the Chamber of Commerce, the Labour Co-ordinating Committee in Thompson, the mayor of Thompson, we went down and we went directly and met with them. What did they do, Mr. Deputy Speaker? Not only last weekend did this farce of a task force announce that it was not going to include Thompson and Wabowden, it then went around and then said that it was going to cut literally hundreds of communities from eligibility from across the country in terms of northern tax allowance.

Let us run through some of the communities that are going to be joining Thompson and Wabowden as victims of this federal Government. Let us run through the list. We can start in the southern part of the allowance that was given. Sifton, we can move up further to Swan River, we can get into The Pas, we can get into Flin Flon, we can get into Cross Lake and Norway House. Those communities are not included now as being eligible for the northern tax allowance. In fact, Mr. Deputy Speaker, you can go as far north as Split Lake and still not be eligible for northern tax allowance under this arbitrary and ridiculous line that was drawn by this farce of a task force that was appointed by the federal Finance Minister.

Where do we sit now? On Friday, this task force brought this ridiculous report in. It gave no criteria. That was its role. Its role was to bring in criteria for this allowance. Did they do that? What they did was they wiped out the previous criteria and they drew lines on a map. That is how scientific and how fair the criteria was. They drew lines on the map that just cut across the north of this country and excluded huge chunks of the north, particularly here in northern Manitoba. That is how fair that task force was. The final decision rests with the Minister of Finance who appointed this farce of a task force to look into this issue.

I want to say, perhaps through the Minister of Finance (Mr. Manness), who considers the federal Minister of

Finance a friend, perhaps he can sit down with his friend, his Conservative friend in Ottawa, and ask him to explain why that task force went through the farce of coming to communities such as Thompson, hearing dozens of presentations, why hundreds, literally hundreds of letters were sent by people in Thompson, Wabowden to that task force, why thousands of petitions were sent, why we went down with a group of people, a delegation, down to Ottawa and we met with him directly. After all that, they turned around and not only kept Thompson, Wabowden out, they through a subterfuge of a report are now going to eliminate the tax allowance for virtually 90 percent of the people of northern Manitoba.

I would like him to pass on to the Minister of Finance when he next has a meeting with the Minister of Finance in Ottawa, how ridiculous and unfair that is. You know, it is more than academic because the final decision rests with the Minister of Finance in Ottawa. The final decision will be made by Mr. Michael Wilson.

What I am seeking today from this Legislature, as I know is the case in community after community in northern Manitoba, is support to send the message to Michael Wilson and Brian Mulroney, that they are not going to take away the northern tax allowance from communities in northern Manitoba. They are not going to, through an arbitrary process of drawing a line as part of, and this is stated in the report of reducing the cost of the northern tax allowance. They are not going to make Northerners pay the price for deficit reduction in Ottawa.

You know, I think there are a number of ironies in this. First of all for the Minister of Health (Mr. Orchard), I hope he will listen to this. He was in Thompson and can testify to the weather that was in Thompson, across northern Manitoba, as this bunch of bureaucrats sat down in Ottawa and announced that we were in a northern community. I believe the Minister told the Kidney Foundation he was unable to attend the annual banquet on Friday, which had been arranged at his convenience in Thompson, because of the weather, the fact we had a blizzard. Meanwhile, this group in Ottawa sits down and says you are not a northern community.

I would like also perhaps to note another irony. That is, this summer, the vast majority of the communities that are now being cut out by this task force went through some of the worst forest fires that we have ever seen in Manitoba. A number of people were stranded both in and outside of communities. Many communities that are being excluded now were evacuated like Cross Lake and like Norway House which have been cut out of eligibility for this northern tax allowance, cut out entirely as a part of this report, this ridiculous report that was released on Friday. Where is the fairness in that? Where is the fairness in that? How can anyone in their right mind say that Thompson, Wabowden, Split Lake, Nelson House, you want me to run through the list, I can do it—Pikwitonei, Thicket Portage, Flin Flon, The Pas, Snow Lake. You can run through the list. It starts at Split Lake and it runs on south.

* (1710)

There are very few communities, in fact, that escaped the axe of the federally appointed task force, very few communities in Manitoba that escaped that. In fact, if you look at this map, we are not alone. You look at the north of British Columbia, dozens, in fact hundreds of communities have been eliminated. Alberta, hundreds of communities have been eliminated, the same in Saskatchewan, the same in Manitoba. That, I say, is despicable. That is absolutely despicable. This Conservative Government in Ottawa appointed this task force under false pretenses. It was a fraud. It was an absolute fraud. Its role was to go and determine criteria for the allowance and it comes in a report without any criteria except lines on a map. Its role was to look at the complaints by communities that were being phased out, were being phased out by Mr. Wilson. That was the decision, a direct decision of his to phase out communities such as Thompson, Wabowden.

Instead of looking strictly at that without any notice whatsoever to other communities in northern Manitoba, they have now recommended they be cut. I would like to know how many people in Flin Flon, how many people in The Pas, Cross Lake and Norway House, Split Lake, Nelson House, Thicket Portage, or Pikwitonei knew that this was the agenda of this task force. I would say very few, and Mr. Deputy Speaker, that is what is the most sickening about this whole process.

(Mr. Bob Rose, Acting Speaker, in the Chair)

Quite frankly, I would like to know—and I perhaps will hear today, I do not know who will be responding from the Conservative side—how any of those Members opposite after seeing this kind of treatment could come to northern Manitoba and call themselves the Progressive Conservatives, how any of them could campaign for that bunch in any federal election after what they have done to northern Manitoba in one fell swoop this past Friday. I would like to see the Minister of Finance (Mr. Manness) get up as did the Minister of Justice a few years ago and disown the Progressive Conservative name, disown that Party in Ottawa that they share the same name with and much of the same philosophy that now is responsible for literally hundreds and thousands of Northerners being left out in the cold, literally left out in the cold on this issue. That is the real bottom line of the issue.

It is going to affect families; it is going to affect families to the tune of a tax deduction of \$5,400 per year—\$5,400 per year—and that only goes part way in many of those communities towards compensating for the fact that we do have a higher cost of living in northern Manitoba. We do have greater isolation. We have a shortage of medical staff that is going to become worse, Mr. Acting Speaker, because of this decision by the federal Government.

The bottom line is that is important enough—the \$5,400—but more than that is the principle of the matter, how anyone can say that the communities that on Friday were cut out of this map, called—and this is the irony—the northern zone. The name of the Task Force is the Task Force on Tax Benefits for Northern and Isolated Areas. Well, I do not know what zone this task force has been in, Mr. Acting Speaker, but it is probably the twilight zone, because they have no idea what northern Canada, northern Manitoba is all about.

For the Minister of Health (Mr. Orchard) who seems to share no sympathy with Northerners on this issue by his side comments, no sympathy for Northerners as he jets over them with his infrequent and all too short visits to the North, I would suggest that he look at this map, because I thought and I hope that there will be unanimous support for this matter, including from Members of this Government to send the clear message to Michael Wilson in Ottawa that this is not a northern zone, that any northern tax allowance does not apply to communities in Manitoba that I have listed whether it be Thompson, Wabowden that are referenced in this particular resolution or the many others that are being cut out as of Friday. That is not a northern allowance, and if we are going to have a northern allowance let us treat each and every Northerner and each and every northern communities fairly.

I want to say in conclusion, Mr. Acting Speaker, that this resolution was drafted a number of months ago and relates specifically to Thompson and Wabowden. I know my colleague, the Member for Flin Flon (Mr. Storie), will be moving an amendment in Private Members' Hour today to reference the situation in other northern communities and I really believe this is one issue where we can get a clear message sent to Ottawa. The clear message has to be, these communities are northern, this Task Force report is a fraud, it is a scam, it is unfair to Northerners, it has to be rejected out of hand. If the Minister of Finance (Mr. Manness) has any fairness left in him, God knows he cannot have very much after trying to shove the 9 percent tax down the throats of Canadians, he cannot have much fairness left, but if he has any principles or any fairness what he will do with this Northern Task Force Report, he will take it and he will put it right in the garbage where it belongs and he will put back in the northern allowance the communities of The Pas, Flin Flon and Snow Lake, and I can run through the list, and also Thompson, Wabowden, that were already shafted. It is no consolation for us that we are no longer going to alone. It is no consolation that we are now going to be part of a grass-roots fight across the North against this totally ridiculous and unfair federal Government, but we want fairness and we expect to see from the Premier, the Minister of Finance (Mr. Manness) and the rest of the Government to make the same efforts they have for other communities like Portage -(interjection)-

The Acting Speaker (Mr. Rose): The speaker's time has expired. The Honourable Finance Minister.

Hon. Clayton Manness (Minister of Finance): Thank you very much, Mr. Acting Speaker. It is a privilege to rise on Resolution No. 9. Let me say in the beginning that the Member for Thompson (Mr. Ashton) has provided one of his more passionate speeches in his stay here over the last eight years. As a matter of fact, the tiresome at times, NDP leadership race would be much better off if the heir apparent to Stanley Knowles were part of that race, Mr. Acting Speaker.

There are a couple of points that I find strange, strange in passing. This resolution, this very, very important resolution, had an opportunity to be debated I understand some two weeks ago. For some reason

the hosters at the time, the proposed hosts of the resolution, saw fit not to introduce it at that particular time. I know this is a very important resolution and is very important to the provincial Government. It is one that I can say in all honesty and sincerity that we wish to support. I find it very, very strange that we did not debate it before this occasion.

What is obvious to us, anybody who is sitting in a place of judgment, as they sit back and watch the federal Government trying and somehow to bring greater balance, greater balance into revenues and expenditures and looking at an incredible deficit situation, what is obvious to any casual observer of the Ottawa scene is that things, financial matters are approaching a state of chaos and a state of being out of control.

Of course, that is what happens under successful liberal Liberal Governments, supported by an NDP third Party position, that caused incredible spending through the years of the '70s and half of the decade of the '80s. It shows over and over again what happens when you become accustomed and addicted to spending far beyond what it is you produce and bring in—once this cycle, this cyclical situation of overspending and deficit financing year after year after year does to you.

Mr. Acting Speaker, nevertheless, I do not rise to support the federal Government action, not in the least, but it says to me how desperate the state of affairs are in the federal House of Finance. It says to me that when a federal Government will look at possibly considering removing the northern tax allowance put into place for the most part to attract not only all working people but particularly professionals who provide education, health, all the needed services within areas that desperately have to have those services so that their standard of living can somewhat approximate that which exists in other regions of the country.

* (1720)

When a Government is so desperately short of cash, it would look at removing those tax allowances, it speaks to me volumes. It says that there is a desperation within the federal House of Finance that we have to take very seriously.

I say to the Member for Thompson (Mr. Ashton) who provided such a speech full of fire and brimstone and hell and damnation directed towards the federal Government, that you do not—

Mr. Gary Doer (Leader of the Second Opposition): I believe one of the words used by the Minister of Finance (Mr. Manness) is outside of the approved words for this Chamber.— (interjection)— Well, then as a Christian I oppose.

Some Honourable Members: Oh, oh!

Mr. Manness: On the same point of order, I could not help note that the Leader of the third Party choked on part of the statement. Nevertheless, I withdraw the part that is offensive to all Members of the House. I said so in a rhetorical sense. I said it in some respects, a

complimentary fashion to the Member for Thompson (Mr. Ashton).

I think when the Member is trying to make his point as to how far certain regions of our province seem to be away from other regions and how requiring they are of certain tax benefits, that he not use as part of his arguments the fact that Thompson had a blizzard the other day.

Mr. Acting Speaker, the City of Winnipeg and indeed all the environs in southern Manitoba probably will be experiencing their blizzard, first blizzard, sometime this week. Knowing the tradition of Halloween, it could very well be tomorrow night. So let not the Member trivialize the argument by talking about blizzards, because I do not know of any portion of Manitoba that does not have a blizzard and will not have a blizzard by the middle of November.

Mr. Acting Speaker, in my view the federal Government in removing—if indeed they are, because I indicate to you I had couriered to me today, from the federal Minister of Finance, a copy of the report plus a covering letter, and I would read from his letter—and it is a letter to me as it would be to, I imagine, all Ministers of Finance across the land—saying in the second sentence, and I quote, I have made the report public to allow further input before a decision on this issue is taken, end of quote.

An Honourable Member: Point of order.

Mr. Manness: Well, I have no problem tabling the letter.

The Acting Speaker (Mr. Rose): Honourable Leader of the Second Opposition, on a point of order.

Mr. Doer: Yes, can the Minister table the letter, please?

Mr. Manness: Sure. I usually would not table a letter of this nature, but it is a generic letter and it is my official copy. I would ask that it be returned to me after it has been photostated, whatever the rules call for.

The Acting Speaker (Mr. Rose): The Member has no point of order.

Mr. Manness: I have no trouble tabling it, but the original has to come back to me, okay? Thank you.

The point I am trying to make—(interjection)— I am trying to make this a serious issue and yet Members from the third Party, not only do they want to debate it when it comes forward on its proper place on the Order Paper, but they seem to want to make light of it during this point in time.— (interjection)— Now this is what I am talking about—(interjection)—

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The Acting Speaker (Mr. Rose): Order, please. The Honourable Member for Flin Flon, on a point of order.

Mr. Jerry Storie (Flin Flon): Mr. Acting Speaker, I do not know if you heard these remarks, the remarks of the Member for Morris (Mr. Manness), but he was suggesting that somehow comments I believe he was indicating came from me were somehow making light of this.

I was not making light of this issue. I was making light of the Member for Morris' defence of this initiative by the federal Government. The Member for Morris is pretending he is opposed to it. It is a very good act, but it is not fooling anyone.— (interjection)—

The Acting Speaker (Mr. Rose): Order, please. A dispute over the facts is not a point of order.

Mr. Manness: I will not rebut the Member other than to say that I take the issue very seriously. I read in the letter that I have received from the federal Minister of Finance that no hard decisions have been made.

A task force report including recommendations has been received. I can assure Members of this House that the Government will continue to press the federal Government not only to include Thompson and Wabowden as full-status communities to be receiving the support, indeed, as initiated by a letter initially from the Minister of Northern and Native Affairs (Mr. Downey), I believe in the month of March, followed up by a letter by myself to the federal Minister of Finance, I believe, in the middle of September. We will continue to press on this matter.

I am hoping it is not a closed question in the mind of Mr. Wilson. I honestly believe it should not be, and to that end, Mr. Acting Speaker, let me say we are supportive of the resolution. I know there are many other Members who would like to speak to this. I would encourage the Member for Flin Flon not to bring forward an amendment at this time if he is intending to do so. I think the Government is prepared to give support to the resolution as it is presently drawn.

Mr. Herold Driedger (Niakwa): I also would like to put a few comments on the record here with respect to this northern tax allowance. I think we have heard several impassioned pleas and not as in the remarks of the mover of this particular resolution which was followed subsequently by points of order, which tend to deflect the seriousness of the issue.

I think at hand here is the very importance of the concept of whether or not we see areas of northern Manitoba—be they classified as urban centres or be they really remote, totally isolated, accessible only by air or by winter road in the winter when they can be built—suggests to me that the Task Force on the Tax Benefits for Northern and Isolated Areas actually tends to be misnamed. I think it should instead be called the

“tax” force as opposed to the “task” force, because the reasons they have put forward here in their rationalization suggests to me that they are interested actually in increasing revenue for the Government of Canada, not necessarily on a time-honoured basis of fairness and equitability, but rather in the case of simply grab what you can while the grabbing is good.

I think what we have here is the thin edge of the wedge. What we need to take a look at in this whole aspect of taxation is a development on the part of the federal Government, which is to increase their total taxation net to such an extent that there will be no accommodation for particular difficulties; no accommodation for isolation; no accommodation for transportation difficulties; no accommodation for extra energy costs; no accommodation for cost of living.

* (1730)

Whether or not a particular place is or is not within the zone should not be the question. The question instead should be rather how many criteria does this place have which fit the bill of being an area that deserves a northern tax credit, we find in the report many times mentioned the fact that the allowance is troublesome for taxpayers. Well, I wonder, troublesome for whom?

The northern allowance is difficult for Revenue Canada to administer. Well, it strikes me that this is absolute and utter nonsense, Mr. Acting Speaker, because Revenue Canada has to have probably some of the best accountants on staff, people who are looking constantly to simply pull in more and more tax revenue. They should find it easy to administer this particular tax allowance, because they are the ones who define the exclusions; they are the ones who define the credits; they are the ones who define the exceptions, and therefore they should be able to read their own and interpret their own regulations.

If there is a need to amend these then perhaps they should be amended on the amenities that are received by people living in certain areas rather than looking at the situation from the case of typically putting in your protractor or putting in your compass on a map and drawing a circle and everything within the circle is defined one way and everything outside of the circle is defined as another.

We have here with the system, as the Member for Thompson (Mr. Ashton) indicated, a situation, a case where a line is drawn on a map, a line that excludes as many places that actually have the criteria that the communities that still are going to be given the tax allowance benefits actually have those criteria, which are now excluded by virtue of the fact that they are now outside of that borderline. What is more in the task force, I believe, the reason the committee felt that it was unfair to determine criteria, the reason the committee felt it was unfair to determine classifications or characteristics that determine isolation that determine the ability to have these particular tax allowances, are difficult to come up with.

Therefore, because it is difficult they choose the easiest way, which is to actually draw a line right across

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the map which makes it easy. This justifies what they did. This justifies their having gone around and asked people what their opinions were, suggests to me very much a kind of consultative democracy whereby you ask people to tell you what they want. You ask people to tell you what their opinion is. You ask people to give you their thoughts, their input, and then you turn around and decide to say that you are going to tell them what you have decided to do without taking into consideration any of the comments they have made.

They also state they are convinced that in making exceptions would lead to a reversion of the current system which is so universally condemned by their hearings. Well, I wonder which hearings were the ones that universally condemned these exemptions. It is an absolute farce of a task force, perhaps you could even say farce of a tax force. The issue becomes one of exclusion and one that is not fair.

The reform of the taxation system, which was at the basis of Michael Wilson's thrust in looking at how taxes were collected and whether there were to be caps on this or clawbacks on that the whole concept was the fact that our tax system was unfair.

Well, in his hurry, in his haste to create a fairer tax system he seems to have actually gone the other way. We end up having now more difficult cases. We have the GST which is suggested, which will involve the hiring of more and more tax collectors to try and implement the rules, which suggests this is not a fair system but rather a system that is designed more for the bureaucracy and the bureaucrats, and the system of the collectors, and the people who are in central Canada, in Ottawa, than for the benefit of the country.

I think none of us here deny the right and the fact that taxes are a necessary part of life. In fact, taxes are necessary for the services we want to provide for everyone of our community, but at the basis of your taxation should be the concept of fairness and equitability. Those people who can pay, those people who cannot pay should be clearly identified, and furthermore should be given exemptions in such a way so people at the bottom of the pile are not unfairly penalized, people who live in northern communities in northern Manitoba are not unfairly penalized.

I mean whether you live in Thompson, Wabowden, Lynn Lake, Flin Flon, Churchill or some other remote isolated communities is irrelevant when it comes to determining the cost of transportation from Winnipeg. I mean how in heavens name can you come up to anybody in northern Manitoba and say you are not living in an isolated area when Winnipeg is the central place of northern Manitoba.

(Mr. Deputy Speaker in the Chair)

Winnipeg is the central place for us therefore if you actually follow that definition—the airlines definition which is the private enterprises definition which is the definition of economics—then you end up having to say to Michael Wilson that everything outside of the perimeter should then be classified as isolated virtually by that kind of definition. Well, sure we will not go so far as to say that.

Definitely northern Manitoba is an area that should by virtue of the fact—here we have normally one-industry towns; normally a town that is based upon a very cyclical and fluctuating economy—I think we need to start building more fairness into this system rather than taking fairness out of this system.

Mr. Wilson and his tax force in this instance are tending to take fairness out of this system in the desire to create something that looks nicer on a map rather than utilizing some of the personnel that they have to start defining the criteria and the classifications and the characteristics of what is determined for northern communities. They should not have resorted simply to an elementary school decision, which is to draw a straight line.

Obviously, anyone who has been in northern Manitoba realizes that none, absolutely none of the characteristics that determine isolation; that determine the cost of living; that determine the cost of energy; that determine the cost of transportation; that determine the cost of food and shelter; that determine the cost of heating follow a nice straight line.

Some areas would tend to be on a railroad—or maybe no longer will be on a railroad, because the railroad will be removed. These areas may find energy a little bit easier to obtain than areas that have to have it trucked in. This is not taken into consideration. The fact that some of the areas that have been isolated and taken out of the northern tax allowance line; the fact that these people require their main heavy goods, their main heavy fuel supplies, their main heavy construction supplies to be brought in by winter tractor trains that these are excluded absolutely defies understanding.

The issue at hand is one of fairness, and I would like to come right back to that term and suggest that this task force was misguided, that this task force probably consulted people only south of 53, if I may use an arbitrary line as well—although that is not necessarily the line I would choose—are people that probably talk to nobody outside of southern Ontario or southern Quebec, because the people who actually should be consulted, the ones in Thompson, in Wabowden, in Pikwitonei, in Thicket Portage, these people obviously would not have agreed to any of these suggestions that were made by these people in this committee.

Seeing the time is passing and I know other people wish to speak on this, I will bring my comments to a close merely reiterating in conclusion that in order to try and reform your tax system you should look at the very basis of fairness and equitability rather than going the other way to freeze out, to make areas who are already suffering undue hardship by virtue of isolation that these areas be included within a fair system of exemption. Thank you very much, Mr. Deputy Speaker.

* (1740)

Mr. Storie: I understand there may be an inclination to vote on this. I gather from the speeches thus far, if the Minister of Finance's remarks are any indication, there is general support for the resolution.

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I think that in the Minister of Finance's remarks he did go somewhat beyond the specifics of the resolution in reference to the fact that they stood behind or with the northern residents in their opposition to the proposed changes as recommended by the task force. Therefore, I would propose to move some minor amendments to this to make it clear to whoever is the recipient to this resolution, primarily the federal Minister of Finance, that we are not only wishing to see the inclusion of Thompson and Wabowden in the formula for tax benefits, but that we are now indicating our disapproval with the recommendations of the task force.

I would propose to add an amendment, which would be an additional WHEREAS, which would say, WHEREAS the Task Force on Northern Tax has not only not included Thompson and Wabowden but has now called for literally dozens of other communities to be cut out from eligibility for the allowance. We would have the first RESOLVED as existing, and BE IT FURTHER RESOLVED that this Assembly urge the federal Government to reject the Task Force report and maintain the northern allowance in all northern communities in Manitoba, or in those other communities which are currently eligible for the tax benefits.

So it is simply a generic one. I recognize that if we got into a long debate and put in the WHEREASES which might be more political, I simply believe these additional amendments clarify the remarks made by my colleague from Niakwa (Mr. Herold Driedger) and the Member for Morris (Mr. Manness). Wanting, Mr. Deputy Speaker, to have this put to a vote, I therefore would like to move at this time, seconded by the Member for Thompson (Mr. Ashton), that the resolution be amended by adding, after the last WHEREAS in the original resolution, and WHEREAS the Task Force regarding the northern tax allowance has not only not included Thompson and Wabowden but has now called for literally dozens of other communities to be cut out from eligibility for the allowance; and adding after the initial RESOLVED an additional RESOLVED stating, BE IT FURTHER RESOLVED that this Assembly urge the federal Government to reject the Task Force report and maintain the northern allowance in all northern communities in Manitoba.

(Mr. Speaker in the Chair)

Mr. Speaker, I do hope that there is consent to see these amendments added to the resolution. I hope that from comments that I have heard from the Minister of Finance—and we have no reason to believe, in fact we do believe that his comments are sincere—that this will be passed by the Legislature and the resolution forwarded to Mr. Wilson, so that he might know that we have quickly coalesced around this issue and are standing up to support the communities in northern Manitoba that need this benefit to maintain their quality of life. Thank you, Mr. Speaker.

Mr. Speaker: On the proposed amendment of the Honourable Member for Flin Flon (Mr. Storie), seconded by the Honourable Member for Thompson (Ashton), the amendment is in order and the amendment is as follows:

WHEREAS many communities were made eligible for the northern tax allowance beginning in the 1987 year; and

WHEREAS Thompson and Wabowden were initially excluded from eligibility for the allowance; and

WHEREAS Thompson and Wabowden are clearly northern communities; and

WHEREAS the combined effort of the entire communities of Thompson and Wabowden pressured the federal Government to make the two communities eligible for the allowance; and

WHEREAS this eligibility was put in place for only two years, while the federal Government reviewed the criteria for the allowance; and

WHEREAS the federal Government has proceeded to cut Thompson and Wabowden's eligibility to only two-thirds of the allowance for the 1988 taxation year without even waiting for the result of the review; and

WHEREAS this will be further cut to one-third for 1989, and zero for 1990; and

WHEREAS any fair criteria for the allowance would clearly result in Thompson and Wabowden being as eligible for the allowance as any other northern community;

The amendment is as follows:

and

WHEREAS the task force on the northern tax has not only not included Thompson and Wabowden but has now called for literally dozens of other communities to be cut from eligibility for the allowance;

BE IT FURTHER RESOLVED that this Assembly urge the federal Government to reject the task force report and maintain the northern allowance in all northern communities in Manitoba.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal Government to make Thompson and Wabowden eligible for the northern tax allowance on a permanent basis.

So what has in essence happened here, we have added an extra "WHEREAS" clause and another "FURTHER BE IT RESOLVED" clause. The Honourable Minister of Northern and Native Affairs.

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I believe it is the intent of the amendment to provide for the same tax break on an ongoing basis that those northern communities have enjoyed in the past. That is basically what it said, and I guess the amendment could have said that a little more clearly, and well, it says it, but it is quite a roundabout way of getting to the point.

Mr. Speaker, I have no difficulty in supporting the amendment to the resolution and/or the resolution. I think it is extremely important that we as a legislature clearly express our support for the northern residents.

I can go through the many reasons why they should have the support and of course one has to first of all look at why the Government of Canada have had to move in the direction that they have had on taxation policies. Let us remember what Government was in

place that gave the Northerners the break to start with. I believe it was the Conservative Government who, Mr. Speaker, created the need for taxation in the manner in which the taxpayers of Manitoba and Canada are being taxed. Of course it was the Trudeau Liberals. There is no question in our mind who put this country into such a disastrous financial situation. It truly was the Trudeau Liberals supported by the New Democrats at the federal level.

Let me further say that we have to truly support the people of northern Manitoba because they have been ravaged by the New Democratic Government over the past 15 out of the last 20 years, and have not enjoyed the kinds of taxation policies that many other people in other provinces have enjoyed. So let it not be unsaid that the New Democrats are pure on taxation; there is nobody who knew how to take taxes out of the people more than the New Democrats. The Liberals of course created the need for this with their mismanagement of national affairs.

Mr. Speaker, I think there is a need to give the northern communities a tax break and I base it on several things. My colleague, the Minister of Finance (Mr. Manness), pointed out very clearly that it would be the hope of this Government, and I am sure the Government that introduced the tax incentive or initiative initially, to encourage people, professional skills, into northern communities to provide services that in fact are drastically needed.

As well, Northerners who want to invest, who want to carry on their traditional livelihoods and raising of families, that they are able to do so without an overburdening of tax. After all, we still consider, for example, Thompson as a regional distribution centre. Mainlines of communication take place with Winnipeg. What does it cost return trip to come to Winnipeg and Thompson? Four hundred and thirty-nine-sixty-something, the Member for Thompson (Mr. Ashton) just points out.

Mr. Speaker, it is extremely important that the people of Ottawa clearly understand this. Gasoline prices are extremely high for those people in Northern Manitoba, so we can make the case time after time after time to encourage people to invest in the North, to live in those communities and to prosper, and not pay an unfair share of taxes to the federal Government.

I am somewhat disappointed though that the New Democrats have not brought this debate forward sooner, that it in fact did miss the opportunity to debate when it came forward. I am pleased that the Government and the Opposition today have really supported this bringing forward of the resolution and making the point to the federal Government today. As I understand what the Minister of Finance said, that the final decision has not been made, that the task force, the letter that he

has tabled, the task force has indicated that they have reported. I want to make it absolutely clear that we have to communicate directly with the Minister of Finance to again make sure our position is clear.

I think though it is unfortunate that we again have to take on—and I say this most sincerely—our federal Government in a manner such as this. I would hope that there is still an opportunity for my colleague, the Minister of Finance (Mr. Manness), to meet with the federal Minister of Finance, to discuss very clearly and openly where we are coming from. I think the Minister of Finance is able to very honestly and openly discuss with the federal Minister on a reasonable manner the concerns that he has.

I do realize we want to have a vote on the amendment and the motion and I will try to conclude my remarks so we can do that prior to six o'clock. I could go through many other areas of why the people of northern Manitoba need the break after having 15 years of New Democratic Government in Manitoba and there were no better experts in taking taxation out of the people of northern Manitoba and not delivering services than the New Democrats.

I am just waiting for the opportunity to go after my colleague in the House from The Pas (Mr. Harapiak) and from Flin Flon (Mr. Storie) in their grievance today who I think finally realized that what was happening in northern Manitoba and the fact that there is a recognition that there is a provincial Government that truly does care about the concerns of northern Manitoba.

Well, Mr. Speaker, it took from the 18th of September until today for them to realize in fact that there were some positive moves being made in the North and they in fact all at once realized it. So I have no difficulty supporting the amendment and the resolution.

QUESTION put on the amendment, MOTION carried.

QUESTION put, as amended, MOTION carried.

Mr. Speaker: The hour being 6 p.m.—

COMMITTEE CHANGE

Mr. Steve Ashton (Second Opposition House Leader): Yes, Mr. Speaker, by leave, and if I need a form I will submit it. It is moved, seconded by the Member for Dauphin, that the Member for Concordia (Mr. Doer) be substituted for the Member for Dauphin (Mr. Plohman) for Municipal Affairs. (Agreed)

Mr. Speaker: The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.