

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, December 22, 1989.

The House met at 10 a.m.

## PRAYERS

### ROUTINE PROCEEDINGS

#### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**Mr. Parker Burrell (Chairman of Committees):** Mr. Speaker, I beg to present the Third Report of the Committee on Law Amendments.

**Mr. Clerk (William Remnant):** Your Standing Committee on Law Amendments presents the following as their Third Report:

Your committee met on Thursday, December 21, 1989, at 10 a.m., in Room 254 of the Legislative Building to consider Bills referred.

Your committee heard representation on Bill No. 76, The Real Estate Brokers Amendment Act (2); Loi no 2 modifiant la Loi sur les courtiers en immeubles, as follows:

Mr. Brian Collie—Manitoba Real Estate Association  
Your committee has considered:

Bill No. 7 The International Sale of Goods Act; Loi sur la vente internationale de marchandises;

Bill No. 12 The Legislative Assembly Management Commission Amendment Act; Loi modifiant la Loi sur la Commission de régie de l'Assemblée législative;

Bill No. 38 The Statute Re-enactment and By-law Validation (Winnipeg) Act; Loi sur la réadoption de lois et la validation d'arrêtés concernant la Ville de Winnipeg;

Bill No. 76 The Real Estate Brokers Amendment Act (2); Loi no 2 modifiant la Loi sur les courtiers en immeubles;

And has agreed to report the same without amendment.

Your committee has also considered:

Bill No. 33 The Ecological Reserves Amendment Act; Loi modifiant la Loi sur les réserves écologiques;

And has agreed to report the same with the following amendment:

#### MOTION:

**THAT Section 8 be amended by adding the following after the proposed subsection 8(3):**

#### Requirement for removal of designation

8(4) Before a designation is removed under subsection (3), the Minister shall:

- (a) publish notice in a newspaper that has general circulation in the area in which the reserve is located; and
- (b) where the Minister considers it to be in the public interest, request the committee to proceed under Clause 9(6)(b).

All of which is respectfully submitted.

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

**MOTION presented and carried.**

### ORAL QUESTION PERIOD

#### Pharmacard System Implementation

**Mrs. Sharon Carstairs (Leader of the Opposition):** Merry Christmas, Mr. Speaker. Joyeux Noël.

**An Honourable Member:** What about the rest of us?

**Mrs. Carstairs:** There are three days—

**Some Honourable Members:** Oh, oh!

**Mrs. Carstairs:** Let me finish. Mr. Speaker, it is three days before Christmas and it is also Friday, but I thought it was appropriate that we forget it was Friday and remember that it was three days before Christmas. As many of us are preparing our Christmas wish list, we decided we would prepare a wish list for the Government of the Day.

Let me begin, Mr. Speaker, with the Minister of Health (Mr. Orchard). Can the Minister of Health tell the House today if he is prepared to come to the aid of seniors, particularly seniors who find the full cost of bearing drug prices difficult, and if he will institute in 1990 the Pharmacare card for seniors, which he has said is a valid program and which would allow them to only pay 20 percent at the time of purchase and the balance to be charged directly by the pharmacist to the Manitoba Health Services Commission?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, we have implemented a number of initiatives to assist seniors, not the least of which are personal care homes which are under construction, which we believe are necessary, contrary to my honourable friend the Liberal Leader's statement whereby she would turf out 40 percent of those people as the Liberal Christmas

gift to seniors. Merry Christmas to my honourable friend, the Leader of the Liberal Party, as well.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order.

\* (1005)

### **Deer Lodge Hospital Extended Care Beds**

**Mrs. Sharon Carstairs (Leader of the Opposition):** Well thank you, Mr. Speaker, but I have never particularly liked the "Bah! Humbug!" and the Scrooge signs around Christmastime. So let me try again.

Can the Minister of Health (Mr. Orchard) assure again mostly seniors, but indeed those who require extended care beds, that in 1990 the Deer Lodge Hospital beds that are sitting there already constructed will be put into service to provide appropriate care for those who require it in our city and province?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, yes, Deer Lodge beds will be committed to service because they have the budget there. Our message to the seniors in terms of those needing care at Deer Lodge will be "ho, ho, ho, in they go," not "ho, ho, ho, out they go," if we follow the Liberal Leader's suggestion.

### **Municipal Hospitals New Facilities**

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, we will try again to get this Minister in the right Christmas spirit.

It is supposed to be the season of hope. There have been patients at Municipal Hospitals, some of whom who have lived there since 1953. These are the polio patients. Can the Minister of Health (Mr. Orchard) tell the House today what hope he has to give these people that they will be in a new facility in the immediate future?

**Hon. Donald Orchard (Minister of Health):** That is certainly an issue that has been before Government for some two decades. In all sincerity to the staff that have cared for those long-term residents at Deer Lodge Hospital, I simply wish them, on behalf of all Manitobans, a merry Christmas and thank you for the job they have done in providing excellent care to those individuals who are long-term residents at Municipal Hospital.

### **Substance Abuse Youth Education Programs**

**Mrs. Sharon Carstairs (Leader of the Opposition):** My next wish is one that will cost the Minister nothing in terms of funding but will cost him a few hours. Will the Minister commit today to some time over the Christmas holidays, at his choosing, that he will sit down with teenagers and talk to them about the drug situation in our province and speak with them about their peers,

who are in serious problems as a result of the drug crisis in the Province of Manitoba?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, that is what has been the focus of discussions over the past several months in terms of how Government ought to provide a better education program, a better level of reaching teenagers. That is why I have been fully supportive, as has this Government been fully supportive, of such new initiatives as the Manitoba High School Athletic Association, wherein we provided support funding so they could introduce their target program to teenagers in the school system. That is why we have been extremely supportive of the efforts of the Lions Club in bringing Quest as an educational message to teenagers in this province. That is why the PRIDE has been a program that we support in Government.

My colleague, the Minister of Education (Mr. Derkach), has support in Government to bring that message to teenagers in the Province of Manitoba.

Mr. Speaker, the issue of drugs and their abuse by teenagers in this province is one of substantial communication that various concerned individuals in the community have dedicated time, voluntarily and freely, to bring that message. They have been supported by the police associations of Manitoba, such organizations as the Winnipeg Jets and others, to bring that message to teenagers, and I support their efforts, Mr. Speaker.

### **St. Boniface Hospital Intensive Care Nursery**

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, on December 25 we will celebrate the birth of a baby. According to all of the knowledge we have from Matthew, Mark, Luke and John, we know that birth seemed to be relatively easy but there are babies being born in which many complications occur.

The last few days the intensive care nursery at the St. Boniface Hospital has had a reduction of beds. We are informed that this morning they will be up to full capacity. Can the Minister assure us today that in this season in which we celebrate the birth of the Baby, those intensive care beds will be maintained throughout the entire Christmas season?

\* (1010)

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, I would have the expectation that the management at St. Boniface General Hospital would maintain a level of service that is required for all newborns over the Christmas season. I would have that full expectation that St. Boniface would, as they have in the past, make those kinds of decisions for quality patient care.

## **Substance Abuse Compulsory Education Program**

**Mrs. Sharon Carstairs (Leader of the Opposition):** My final wish, Mr. Speaker, this morning, is to the Minister of Education (Mr. Derkach). Can the Minister of Education give us his assurance that the Department of Education will have in place sometime in 1990 a compulsory drug education program at all levels, elementary and secondary, within the Province of Manitoba?

**Hon. Leonard Derkach (Minister of Education and Training):** As my colleague the Minister of Health (Mr. Orchard) has indicated for several months, not only the Department of Health and the Department of Education but also the Department of Justice and the Department of Family Services have collaborated on trying to put together a program which indeed is going to meet the requirements and the needs of many Manitobans who are suffering from drug addiction and also by delivering the kinds of educational programs, Mr. Speaker, that will encourage and motivate our youth from not participating in using drugs and alcohol.

This is not a small undertaking. Over the last number of years, we have had many organizations that have recognized the problem—the Alcoholic Foundation of Manitoba; we have had the High School Athletic Association.

Today we have many organizations such as the Winnipeg Jets, the football team in Winnipeg, and many other minor sport organizations who recognize the dangers of alcohol and drug abuse. This approach to ensuring that there is adequate programming in place is a partnership approach, a partnership between Government departments and also between other community organizations. We have many fine programs in place, and I can assure my honourable friend the Leader of the Opposition (Mrs. Carstairs) and all Manitobans that indeed in 1990 we will be coming forth with a comprehensive program in this regard.

## **Solvit Resources Inc. Fire Commissioner Report**

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, I would like to wish all Members of the Chamber the compliments of the season, all members of the Legislative Assembly staff, the media, the public, even the Government fixers in the gallery today, a very merry Christmas and the best of the season.

Mr. Speaker, -(interjection)- Have a sense of humour, Ed. My question—I know the Member for Portage (Mr. Connery) is disappointed that he was not chosen as the barbarian, it was Felix the Barbarian today in Canada West magazine, but we will nominate him for next year.

My question is to the Minister responsible for the Fire Commissioner's Office. We have received a report from the Ombudsman signed by Gordon Earle stating that the Fire Commissioner had stated that the Solvit Investigative Report will be tabled in the Manitoba

Legislative Assembly during the third week of December 1989, at which time the report will be made public.

My question to the Minister is, given that this is the third week in December and the last day before the Legislature arises before the new year, why has the Minister sat on this report, and why has the Minister not made this report public, consistent with the Ombudsman's letter?

**Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health):** Mr. Speaker, we received the report this week and the Minister of Environment (Mr. Cummings) and myself are going to be looking at it and making a decision on the recommendations. We are going to be releasing the report in January. I met with the Advisory Council for Workplace Safety and Health to inform them of that.

\* (1015)

## **Independent Investigation**

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, last week the Member said it was being printed and translated; this week she said she only received it. We have some serious questions about this report and the fact that the first report was in to the Government in August or September of this year. It has not yet been made public. This is a major public issue, the explosion that took place in St. Boniface, and the reasons of that explosion.

Will the report that the Minister will table in this Chamber, and I assume it will be in this Chamber, not only deal with the causes of fire and the Fire Commissioner's report but the conditions under which the permit was given by the Department of Environment, the enforcement under that permit of the Department of Environment, and the conditions of the clean-up dealing with the Department of Environment and lessons we can learn in the future? Will the Minister be looking at an independent investigation under 39(1) of the Act as we have asked for before?

**Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health):** We recognize the seriousness of the explosion and that this report is quite comprehensive. We will be releasing the full report. The reason the report was not released before was because we were asked not to release this report by investigators because they had more work to do, and we certainly honoured their request.

## **Federal Equalization Payments Reductions**

**Mr. Gary Doer (Leader of the Second Opposition):** I have a supplementary question to the Premier (Mr. Filmon) dealing with federal/provincial relations. On November 6, we advised the Premier that our sources in the federal Prime Minister's Office were developing a budget that would cut back money again at the provinces, and we asked the Premier to raise that up at the First Ministers' Meeting on the—well,

unfortunately our sources have been confirmed with the Prime Minister's coal, a piece of coal in the Christmas stockings of Manitobans, that there will be further cutbacks in the next federal budget which will be tabled in the House of Commons.

My question to the Premier (Mr. Filmon) is, how much money is he expecting to be cut out of our federal/provincial budget in 1990, which will be tabled in the House of Commons in eight or nine weeks? Why has the Premier not either raised this issue in his statement to the Prime Minister at the First Ministers' Meeting or in other communications, given the fact that we lost \$150 million out of Health and Education last year and we are going to get cut again according to the Prime Minister this year?

**Hon. Gary Filmon (Premier):** I thank the Member for Concordia (Mr. Doer) for asking that question so that I may as well offer the congratulations of the season, merry Christmas, happy holidays, and a very prosperous and peaceful New Year to all Member of the Assembly, to you, Sir, to members of the public, Veseleh Svyat, e Shchaslyvoho Novoho Roku (Merry Christmas and Happy New Year), Joyeux Noël et Bonne Année, and all of those wonderful things.

I am interested to hear from the Member for Concordia (Mr. Doer) that his sources in the PM's Office were developing a budget. I know that the New Democrats have very high expectations of their capabilities, but I will have to speak to the Prime Minister if he is using New Democrats to develop his budget, Sir. I have no doubt then that we would have grave financial difficulties in this province and everywhere else across the country if New Democrats in the Prime Minister's Office are developing the budget. I will certainly look into that matter.

### Federal/Provincial Relations Premier's Involvement

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, the Premier (Mr. Filmon) stated last week that it was like having an elephant step on your foot. Well, we are just trying to tell the Premier when the elephant is coming, because the Premier is acting like a goldfish with the Mulroney Government barracuda in federal/provincial relations. He is getting eaten up and Manitobans are suffering.

I want to know when the Premier (Mr. Filmon) is going to win a federal/provincial issue on behalf of Manitobans? We have lost on UIC; we are losing on VIA Rail; we are losing on base closings. When is the Premier going to start winning and fighting ahead of time instead of reacting after the fact? Why does he not start fighting on the cutbacks of federal/provincial money for our Medicare programs in this province?

**Hon. Gary Filmon (Premier):** I am glad to know that the New Democrats are spending their time figuring out when the elephants are coming, because they certainly were not figuring out when the problems were coming to Manitoba with their deficit budgets that were destroying peoples' opportunities for their future, \$600

million deficits, year after year-after year, for six and a half years under the New Democrats, increased taxes that destroyed the confidence and optimism of people in this province and the opportunities for the future, interference with Crown corporations that destroyed the credibility and the capability of our Crown corporations, whether it be Manitoba Hydro, the Telephone System with those investments in Saudi Arabia, whether it be the Workers Compensation Board with hundreds of millions of dollars of deficit, and whether it be Autopac with 40 percent increase in their rates in two years.

They knew nothing of economics. They knew nothing of the fiscal havoc that they were wreaking on this province, but they know when the elephants are coming. That I think is an interesting priority for this New Democratic Party.- (interjection)-

**Mr. Speaker:** Order.

\* (1020)

### Remand Centre Construction Start

**Mr. Paul Edwards (St. James):** Mr. Speaker, for the Minister of Justice (Mr. McCrae).

Unfortunately, we have more proof today from this Minister of saying one thing and doing another. In August of 1988, 15 months ago, this Minister said construction would begin in April of this year on the new Remand Centre. April came and went, and in May of this year the Minister revised his position and said in a press release, and I quote: construction would begin later in 1989. Well, Mr. Speaker, we are now nine days from the end of 1989.

My question to the Minister is: given that construction has not begun yet, when will it? Will this be the second promise on this project broken by this Minister?

**Hon. James McCrae (Minister of Justice and Attorney General):** I appreciate the interest of the Honourable Member in this issue, Mr. Speaker. I think the Honourable Member should do his homework as I often suggest he do.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please.

**Mr. McCrae:** The tenders came in for the construction of the new Remand Centre, and they came in higher than the estimates, something over 15 percent higher.

Is the Honourable Member suggesting we should be building buildings where the bids are coming in at levels 15 to 20 percent higher than budgeted for or forecast? If that is the way the Honourable Member would do business, as Minister of Justice or Minister of Government Services, that might be the way he would like to do it, but I prefer not to handle the taxpayers' dollars in the way the Honourable Member might suggest.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. The Honourable Member for St. James.

**Mr. Edwards:** Mr. Speaker, what I am saying is this Minister should get his act together and stop making promises he cannot keep. For the second time, he has promised this Remand Centre will start to be built and it has not.

My question for the Minister is -(interjection)-

**Mr. Speaker:** Order, please. The Honourable Member for St. James.

**Mr. Edwards:** Is it true as rumours in the community suggest at this time that the Remand Centre will be delayed?

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please; order, please. The Honourable Member should ascertain the accuracy of his facts before bringing the matter—order, please—to the House.

Would the Honourable Member kindly rephrase his question, please?

**Mr. Edwards:** Mr. Speaker, I hope they are rumours. How long will this Remand Centre now be delayed for the third time?

**Mr. McCrae:** The Honourable Member has not been in a position where he has had to take some responsibility for the construction of a multi-million dollar Remand Centre, otherwise he would not be so flippant about some of these matters.

As I told the Honourable Member, the bids came in too high. The architect was instructed to redesign the building and to let the matter out for tenders again. When we announced that the Remand Centre would be built, that was the intention of the Government and still is the intention of the Government. The Honourable Member, because bids come in too high, somehow wants to say that the Government cannot deliver on its promises. The Government said what it was doing and has been doing what it said it would do. The bids came in too high.

Is the Honourable Member suggesting we go ahead with bids that are way too high, build a building, and spend far too much money, sign the cheque, as we have heard so many times? Is there no responsibility on the side opposite? It is mind boggling.

**Mr. Edwards:** Mr. Speaker, this Minister is now into the third round of making promises about this centre.

My question is this: how long will the construction of this centre be delayed given that tenders closed in June of this year and the Minister has had at least six months, therefore, to have the design redone, modified, to be within cost? How many more months or years are the people of this province going to have to wait for this Minister to do his job?

\* (1025)

**Mr. McCrae:** The Honourable Member, perhaps the next day or so, might imbue himself with a little bit of the Christmas spirit. It does not seem to be evident. Although we have heard it from his Leader today, the Honourable Member has not seemed to have caught that.

Mr. Speaker, the Government is making every reasonable and responsible attempt to get the building under way. We looked at all options in the way of finding ways to bring the building to the budget that was set for the construction of the building. Yes, there will be delays. There is no question about that. When you ask an architect for a new design, there is delay involved. You cannot build a building faster than it can be built. Anyone who has ever had a building or rec room contracted out for example knows the kinds of things that do come up. The Honourable Member knows those things too and displays a very irresponsible attitude in the House today.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please.

### POWER Meeting Request

**Ms. Avis Gray (Ellice):** Mr. Speaker, Prostitutes and Other Women for Equal Rights, POWER, is a non-profit organization whose goal it is to foster and promote the care and relief of children and women who prostitute themselves. The Member for Sturgeon Creek (Mrs. Yeo) and myself have had the opportunity to meet with this staff and to tour the drop-in centre at Argyle Street. POWER has requested that the Minister of Family Services (Mrs. Oleson) also meet with the staff and review first-hand the facilities.

My question to the Minister of Family Services (Mrs. Oleson) is: as a New Year's resolution, will the Minister of Family Services agree to set up a meeting with the staff of POWER at the Argyle Street drop-in centre in January of 1990?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, I have over the past year or so met with that particular group. I have a letter from them inviting me to meet with them. I will be making arrangements to do so.

**Ms. Gray:** Mr. Speaker, I thank the Minister of Family Services for agreeing to do that.

### Parent-Child Centres Meeting Request

**Ms. Avis Gray (Ellice):** The supplementary question is to the same Minister. The parent-child centres will also be requesting Core funding again from the Minister in the new fiscal year. Will the Minister of Family Services (Mrs. Oleson), as a second New Year's resolution, agree to meet with some of the parents who utilize the parent-

child centres so that she can find out first-hand the benefits that the children and the parents receive from this centre?

**Hon. Charlotte Oleson (Minister of Family Services):** The Minister of Education (Mr. Derkach) and I took the opportunity to meet with that particular group some weeks ago. I have already met with them and have discussed their problems with them and made myself familiar, and the Minister of Education is familiar, with their particular efforts. Discussions about funding of course are taking place in connection with the budget.

### Single Parents Meeting Request

**Ms. Avis Gray (Ellice):** With a final supplementary to the Minister of Family Services (Mrs. Oleson). Because the problems of many of the parents in the inner city, particularly single parents, are monumental, can the Minister indicate to us even though she has met with some of these groups, will she take the time over the next few weeks to sit down with single parents and actually find out first-hand some of the problems that they are faced with and some of the resources that they feel are necessary to assist them in coping with their life?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, I have had many pieces of correspondence from single parents who stress to me the need for this facility. I meet often with groups who express to me this particular type of concern. I am concerned about it as well, and we will be considering these matters in connection with next year's budget.

### Workplace Safety and Health Regulation Amendments

**Mr. Harry Harapiak (The Pas):** Mr. Speaker, my question is for the Minister of Workplace Safety and Health (Mrs. Hammond). According to figures released yesterday by Statistics Canada, the Manitoba Workers Compensation Board reported an increase in work-related injuries or illnesses in 1988 which resulted in permanent disabilities or required workers to take time off work to recover. In Manitoba, one of the most significant increases in work loss injuries occurred in the chemical products industry. In 1987 there were 40 reported injuries. There was a number increase, 63 in '88, a 58 percent increase.

My question to the Minister is, has she had an opportunity to review the statistics, and whether she is particularly concerned about the 58 percent increase in injuries occurring in the chemical products industry? Will she now amend the workplace health hazards regulations to reinstate the previous occupational limits—

**Mr. Speaker:** Order, please. The question has been put.

\* (1030)

**Hon. Gerrie Hammond (Minister responsible for Workplace Safety and Health):** Mr. Speaker, of course

we are always concerned where there is an increase in the safety of workers in their health. I would like to say that we are working very diligently with the Minister responsible for the Workers Compensation Board (Mr. Connery) to make sure that we get education into the workplace, and we are diligently going after that particular issue.

**Mr. Harapiak:** More workers are being injured in an industry that is no longer regulated adequately by health hazard regulations. Will the Minister today perform a Christmas miracle of her own and reinstate the regulations that were in place before they were removed by the previous Minister responsible for Workplace Safety and Health?

**Mrs. Hammond:** I have indicated that the Workplace Safety and Health committee has brought in a unanimous report on that particular regulation. We are waiting for them to come in with the labelling changes if any are needed, and then we will proceed with the changes.

**Mr. Harapiak:** The figures show that they are definitely needed.

### VIA Rail Christmas Service Schedule

**Mr. Harry Harapiak (The Pas):** Mr. Speaker, my next question is to the Minister of Transportation (Mr. Albert Driedger). Train No. 291 serves an isolated part of the province leading to Lynn Lake. VIA Rail has cancelled the scheduled train on Christmas Day. Will this Minister of Transportation intercede with VIA and make sure the people living in this isolated area receive the only ground transportation that is available to them so they could have that service over the Christmas and New Year's holidays?

**Hon. Albert Driedger (Minister of Highways and Transportation):** I will take that question as notice and do the best I can to provide that service.

### Rafferty-Alameda Dam Project Natural Resources Involvement

**Mr. Harold Taylor (Wolseley):** Mr. Speaker, in the spirit of the Christmas season I hope this Government will have an environmental Christmas gift for the people of southwestern Manitoba. Can the Minister of Natural Resources—(interjection)—

**Mr. Speaker:** Order, please. Order.

**Mr. Taylor:** I can see there is real interest on the Government benches. Can the Minister of Natural Resources (Mr. Enns) explain why his department has not been monitoring developments surrounding the Rafferty-Alameda project? Why was the Government unaware of the critical dispute between the Corps of Engineers and the U.S. Fish and Wildlife Service which I raised yesterday?

**Hon. Harry Enns (Minister of Natural Resources):** I am pleased to inform the Honourable Member that we

are indeed monitoring the waters on the Souris River, have been for sometime. Indeed, the agreement that was agreed to some months ago between Canada and the U.S.A. calls for very specific steps to be undertaken. Canada and Manitoba shares as a member of a tripartite committee consisting of North Dakota officials, Saskatchewan officials, and our own, and we are preparing the kind of work that he is suggesting.

### Licence Breach

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

**Mr. Harold Taylor (Wolseley):** The Minister is aware of the provisions of the agreement, just not what is happening. Will the Minister acknowledge that the refusal of the Americans to conduct the compatibility study is a breach of the agreement and the project licence, and it represents a threat to Manitoba's water quality?

**Hon. Harry Enns (Minister of Natural Resources):** I will not come to the same conclusion that the Honourable Member does, but I will take his question under notice and check whether or not indeed there is any action currently or being contemplated by the Americans that we would read as a breach of the agreement that they have arrived to.

### Construction Suspension

**Mr. Harold Taylor (Wolseley):** Mr. Speaker, given that no useful Manitoba base-line data can be developed on the river system if North Dakota does not play its role, will the Minister now call for a halt of the construction of that project until the American dispute is resolved?

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, I think it is evident and it is important that we get that base-line data that he just spoke about, and I am satisfied that is being done.

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order. Order, please.

### Economic Growth Labour Skills Training

**Mr. Speaker:** I have recognized the Honourable Member for Brandon East.

**Mr. Leonard Evans (Brandon East):** Thank you, Mr. Speaker. I have been busy all night talking about constituents in Brandon who are upset about the cutback in acute care beds being recommended to this Minister of Health (Mr. Orchard), reduction in acute care beds.

I have a question to the Minister of Education and Training (Mr. Derkach), because there are many signs of economic weakness in the economy, and there are indications that the economy is slowing down this winter

and next year. The latest unemployment figures show a substantial increase in the rate, and also, Mr. Speaker, as we have indicated before, there are 6,000 fewer people working than last year at this time. Has the Minister of Education and Training any special programs that he is ready to bring in to offset this job loss, particularly in the coming winter months when unemployment is likely to be a lot worse? Is the Minister prepared to bring in any special job programs?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, if the Member for Brandon East (Mr. Leonard Evans) is thinking that we will bring back the Jobs Fund, the answer is no. It never worked for the former Government and had no vision for permanent employment in this province.

Earlier this fall, a Skills Advisory Committee - (interjection)-

**Mr. Speaker:** Order, please. The Honourable Minister of Education.

**Mr. Derkach:** Earlier this fall, a Skills Advisory Committee was formed, headed by Mr. Art Mauro, that is looking at the possibilities and the needs in the province in terms of the training and the kinds of job entry positions that we need to have in this province. This committee will be reporting in mid-January to the Minister, and I am looking forward to that report. At that time we will be able to embark on some long-term training strategies that will indeed lead Manitobans to permanent types of positions in our province and will keep Manitobans right here in Manitoba.

**Mr. Leonard Evans:** Mr. Speaker, the Minister is very negative about job training programs and employment programs, but he has money in this budget, this coming budget, Job Training for Tomorrow. The fact is that he is proposing to spend \$1.6 million in grants.

Mr. Speaker, this is a sharp reduction from last year when there was \$4.5 million—

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. The Honourable Member, kindly put his question now, please.

**Mr. Leonard Evans:** Mr. Speaker, in view of the fact that he has a job training program in the Estimates, in view of the fact that unemployment -(interjection)-

**Mr. Speaker:** Order, please. Order. The Honourable Member kindly put his question now, please.

**Mr. Leonard Evans:** Will the Minister and his Government reconsider this amount in light of the very serious declining economic situation?

**Mr. Derkach:** Mr. Speaker, when the Member for Brandon East (Mr. Leonard Evans) was in Government indeed they reduced the Job Training for Tomorrow Program substantially, and it was designed to be

decreased on an annual basis until it was phased out. That was the plan of the former Government.

Mr. Speaker, the Job Training program has indeed been one that has been not only used by Manitobans in the urban centre this year, but has indeed been used by Manitobans throughout, because we have embarked on an advertising program which has signalled to Manitobans outside of Winnipeg that this is indeed a good program for them to help them through these hard times. Indeed the program has been used almost totally this year, and I am glad to say that many Manitoba businesspeople have indeed used the program.

### **Economic Growth Job Creation Strategy**

**Mr. Speaker:** The Honourable Member for Brandon East, with his final supplementary question.

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, my final question is to the Minister of Industry and Trade (Mr. Ernst). What, if anything, will the Minister do to stimulate jobs and growth in the manufacturing industry in light of the fact that there has been a decline in the number of people working in manufacturing in November of this year compared to last year, a decline of 5.1 percent, 3,000 fewer people working in manufacturing in Manitoba this year—

**Mr. Speaker:** Order, please. The Honourable Minister of Industry, Trade and Tourism (Mr. Ernst).

\* (1040)

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Speaker, we have been doing that for the last 19 months. The first thing is we reduced the payroll tax, the tax that was put on the jobs of the people in the Province of Manitoba, a tax against employment. That is the first thing.

The second thing, we are and have been for the past 19 months creating an atmosphere that is encouraging the businesspeople, creating an atmosphere that will encourage investment in this province. It has been working—a 105 percent increase in manufacturing investment in Manitoba.

### **Infill Housing Program Fiscal Projections**

**Mr. Speaker:** The Honourable Member for Inkster. Order.

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, I, too, like all of my colleagues have a long list—

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. The Honourable Member for Inkster. Order, please.

**Mr. Lamoureux:** —that I could put forward for Christmas to the Minister of Housing (Mr. Ducharme).

During this holiday season, many dream of the opportunity to be able to own their own homes someday. In Manitoba we have a program that is able to facilitate the ownership of new homes and that is known as the infill home program. What I am asking the Minister of Housing today is, will he today make a commitment to a timetable for the construction of the infill homes for the next fiscal year?

**Hon. Gerald Ducharme (Minister of Housing):** First of all, Mr. Speaker, best wishes to you and your family at Christmas and best wishes to everyone else in this House.

It is indeed an honour to answer a question especially at this time of the year when we all have a home to go back to, where a lot of our people in Manitoba do not have. At this time I would like to express that this Government will carry on those wishes of all people. We should all have homes to go back to. I, as Minister have committed and will commit to keep increasing the shelter program through the SAFER and the SAFFR. I did explain to the Member across the way the commitment of the 20 units we will be considering in 1990, especially working with the different people in the Point Douglas area, the Habitat Humanity Group that we have been continuing to work for, and we will continue to work for them in the future in 1990.

**Mr. Lamoureux:** Mr. Speaker, the SAFER and SAFFR program were on my wish list too, but the question is regarding the infill homes.— (interjection)—

**Mr. Speaker:** Order, please.

### **Construction Schedule**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, my question to the Minister is, will the Minister make a commitment to make up for the infill homes that the Government has not constructed in the first 18 months of its office?

**Hon. Gerald Ducharme (Minister of Housing):** First of all, Mr. Speaker, the Member across the way knows during the Estimates procedure that we explained the new system set up with the City of Winnipeg to now register the lots and come up with the lots. As they come up with the lots we are producing these homes and as I explained to the Member, there will be 38 homes done very quickly in the 1990 year, and also we will continue to work and increase the quality of housing that is required in this province for 1990.

**Mr. Speaker:** Time for Oral Questions has expired. Order, please. Order.

### **SPEAKER'S STATEMENT**

**Mr. Speaker:** I would like to take this opportunity while I have all Members present and here in the Chamber, I would like to wish all Honourable Members and their families season's greetings and best wishes for a happy and prosperous New Year.

This Chamber has achieved much this past year, and I would like to thank all those who make these achievements possible, the Legislative staff which



includes our Table Officers, the Sergeant-at-Arms, his Deputy, all the Pages and the Hansard staff who are always here to help us. To all of you, 1989 has been a great year and it has been a pleasure to work with you.

As we look to the '90s, I wish everyone much success and happiness. Have a great holiday.

## NON-POLITICAL STATEMENTS

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, could I have leave for a non-political statement?

**Mr. Speaker:** Does the Honourable Leader of the Opposition have leave to make a non-political statement? (Agreed) The Honourable Leader of the Opposition.

**Mrs. Carstairs:** Mr. Speaker, this is a very special season of the year for many of us of the Christian faith. Even those who do not share our faith I think believe much of the message that the Prince of Peace brought to the world on Christmas Day in the year, perhaps some 1,989 years ago, but perhaps not, because historians actually argue as to when the year zero actually began.

This year of 1989 has seen a major shift throughout the world. We have seen, particularly in eastern Europe, the movement toward greater freedom and independence for its people. In many of those nations that achievement has entailed great loss of life. In Romania over the last few days, we have seen tremendous loss of life when a Government chose to turn its guns and its ammunition on its own people. This morning we have had word that there may be significant changes that will take place in that nation over the next few days, and it is the people themselves who have stood tall for their desires, their ambitions and their need to control their own destiny.

Mr. Speaker, my caucus rejects violence no matter where that violence may find itself being perpetrated, and we believe that the violence at Panama over the last few days is also one which we as Canadians should evaluate and in fact reject as a solution to problem-solving. We wish all of the peoples of this world, whether they live in Romania, or whether they live in Panama, peace and prosperity as we wish each and every Member of this House gathered here today.

**Mr. Speaker:** Does the Honourable Member for Concordia (Mr. Doer) have leave to make a non-political statement? (Agreed) The Honourable Member for Concordia.

**Mr. Gary Doer (Leader of the Second Opposition):** Thank you, Mr. Speaker, thank you Members of the Chamber.

Our caucus, our Party, would like to join with all Members at this time and season, in our province wishing everyone a season of safety, health and of peace on earth.

I think this last year has been a remarkable year for all of us to witness. You know, we get into a little debate

about what time a Bill will pass and whether we are going to get it done one day or another, and all of us can take our own responsibility for those decisions, but they must pale in comparison to the fights for democracy that are going on across the world, and sometimes it is important to take stock of those facts.

A labourer in Poland was able to virtually start the democracy in eastern Europe, Lech Walesa. Poland was able to lead various countries in this world in starting a democratic process in those countries in 1989. A fight and struggle started in this decade, and as we move into 1990 there is great hope in many of the eastern European countries for a democratic environment, tradition and values. Poland, Hungary, East Germany, Czechoslovakia and hopefully, if accounts today are correct, Romania have moved ahead in terms of a democracy and the rights of citizens in their country. We have had an election in 1989 in Chile and the start of democracy hopefully again in that country.

Yet, there are other countries in this world where democracy still does not exist and certainly the events of China and events of other countries in South America and Central America mean that we still have a long way to go as a world in dealing with democracy.

\* (1050)

More than that, Mr. Speaker, in moving into 1990 in a country and a province of prosperity, we have challenges in our own country to deal with poverty and we have challenges in the world to deal with poverty where billions of people will in this season, no matter what religion, be hungry, and billions of people will be homeless. So our struggle I know together continues as we move into 1990 and we will all work, I am sure, that all people will eat, all people will have homes, and all people will have a healthy world in which we share collectively.

Thank you very much, Mr. Speaker.

**Mr. Speaker:** Does the Honourable First Minister (Mr. Filmon) have leave to make a non-political statement? (Agreed) The Honourable First Minister.

**Hon. Gary Filmon (Premier):** Thank you, Mr. Speaker, and I certainly wish to join with the Leaders of the other Parties in this House in speaking on behalf of not only all Members, but I believe all Manitobans, when we recognize as we embark upon a new decade, the last decade of this century, what major changes we have seen in this world of ours during the past year.

The changes that we have seen I think give us a great deal of hope for the future. As we struggle with items that seem so large in the context of the matters that we have to deal with here in this Legislature, they pale by comparison, they are made to look so insignificant in terms of the progress of humanity and human life throughout this world.

As we look at this particular year and we think of the major reforms that are taking place in Russia, Poland, Hungary, Czechoslovakia and Romania, we certainly know that this is a time in history that may

go down as the most important time in the entire process of the last number of centuries.

I am reminded of the particular day in which we were at the First Ministers' Conference, in debating very, very strenuously, I might say, the matter of Meech Lake, and some very heated exchanges took place amongst First Ministers that afternoon.

As we returned to our quiet gathering of First Ministers away from the cameras, we learned that the Berlin Wall had come down a matter of hours earlier that day and we immediately were struck by the comparison of us in Canada, a country that has perhaps the greatest freedoms in the world, struggling to come to grips with an amendment to our Constitution that amounts to some minor changes, perhaps more than minor in some respects, but changes to a Constitution that gives us the greatest freedoms of any country in the world, and compare that to the feeling that those East Germans must have in now recognizing that for the first time in many, many decades they could enjoy just a taste of the freedoms that we are so fortunate to have here in this country.

As a child of parents and grandparents who fled those oppressive regimes, the regimes that currently are under this tremendous turmoil, and embarking upon hopefully a trek towards freedom, I am certainly struck by the sense of history that we now face as we head into this last decade of the century.

Certainly I have a great deal of confidence in the role that Manitobans and Canadians will play in this whole process and the support and the leadership that they will show towards the surge to freedom. I know that their hearts are very generous, that their minds are very open to the kinds of changes and reforms that must take place.

Throughout the Christmas season I might say that I have been struck in very small ways in the way in which Manitobans have contributed, and continue to contribute to the needs of others around them, and demonstrate in some small way that we through our generosity, and through our strong spirit, must show the leadership to others as to how much this world can be, and how much it can become, whether it be the activities of the Christmas Cheer Board—I know my colleagues and I have participated in a number of those—or the Salvation Army in raising toys, we all together kicked off their campaign, and other fundraising endeavours, other opportunities to see those less fortunate treated in a special and kind way at this season.

I have great confidence for the future, and I know that Manitoba, Canada, and our citizens will play a great role in ensuring that this world does indeed become a better place.

Thank you, Mr. Speaker.

## ORDERS OF THE DAY HOUSE BUSINESS

**Hon. James McCrae (Government House Leader):** Mr. Speaker, on a matter of House business, I would

like to inform the House that an agreement has been reached among the three Parties regarding the consideration of Bill No. 79, The Municipal Assessment and Consequential Amendments Act.

The Standing Committee on Municipal Affairs will meet on Wednesday, January 3, at 10 p.m. to consider presentations only. Did I say p.m., Mr. Speaker? I meant 10 a.m.

**An Honourable Member:** Thank you for that correction. We all thank you for that correction.

**Mr. McCrae:** I think perhaps the Honourable Member for Osborne (Mr. Alcock) might have detected somebody straying away from the agreement already and it is causing some concern.

Mr. Speaker, the Standing Committee will meet on Monday, January 8, at 3 p.m., by leave, in Room 254 to consider the Bill clause by clause. The Standing Committee will meet on Tuesday, January 9, if necessary, at 10 a.m. in Room 255.

Report stage and third reading of the Bill will be completed before the close of business on Wednesday, January 10. As Government House Leader, I will extend every reasonable effort to ensure adequate time for debate.

Mr. Speaker, while I am on my feet I should like leave to move, seconded by the Honourable Minister of Finance (Mr. Manness), that when this House adjourns today, Friday, December 22, 1989, it shall stand adjourned until 1:30 p.m. on Monday, January 8, 1990.

I understand, Mr. Speaker, there may be a wish to discuss the matter briefly.

**Mr. Reg Alcock (Opposition House Leader):** Mr. Speaker, I would just like to speak for one brief second on this. I would simply like to do two things, to thank the Government House Leader (Mr. McCrae) for the work that has gone on in the last 24 hours to assure that the business of this House proceeds in some orderly fashion.

I would also like to add a few remarks to those that you put on the record earlier, Mr. Speaker. I would like to thank all of the staff that do so much to support us; the pages, the table, the Sergeant-at-Arms, the people in anterooms, and the Hansard staff who work so hard to make our life easier and who continue to put in the extra hours and the extra time necessary to make sure that the business of this province gets done.

So on behalf of all Members of the House, I would like to wish them a Merry Christmas and to thank yourself, Mr. Speaker, for your very careful and very expert management of this House through some difficult times. Thank you, Sir.

**Mr. Speaker:** The Honourable Member for Thompson, on House business.

\* (1100)

**Mr. Steve Ashton (Second Opposition House Leader):** Mr. Speaker, I would like to echo the comments of the

Liberal House Leader (Mr. Alcock) and extend best wishes of the season.

I think actually what we have seen in the arrangement of House business today is that the Christmas spirit has invaded the Legislature. I think what we have accomplished on Bill No. 79 is probably the best example of that. I think it is appropriate in what has been perhaps somewhat of a stormy Session and what may continue in the new year perhaps to be a stormy Session once again. In the final few days as we go into the holiday season, we are coming together on some very important matters of public business. I think that is a very good omen.

Once again I would like to echo the statements of the previous speakers and wish everybody in the Legislature, staff and other Members of the Legislature, all the best of the season and look forward to seeing everybody in the new year.

**Mr. McCrae:** Mr. Speaker, I, of course, join enthusiastically with my opposite numbers in expressing thanks to the people who work around here to help us get through some difficult times sometimes.

I have a special thanks perhaps, to not only all of the staff that have been referred to, but the pages in this room, Mr. Speaker, daily do a lot of work for me and for my opposite numbers in terms of sending messages back and forth in order to facilitate the business of the House.

I extend best wishes to my opposite numbers. We have had a busy time for the last three months and we have had a lot of discussions. For the most part I think we get along fairly well. I certainly want to make it clear that my wish for them is an extremely happy and peaceful holiday season.

**MOTION presented and carried.**

### COMMITTEE CHANGES

**Mr. Edward Helwer (Gimli):** Mr. Speaker, I would like to make some changes to the committees. I move, seconded by the Member for Swan River (Mr. Burrell), that the composition of the Standing Committee on Municipal Affairs be amended as follows: Pankratz (La Verendrye) for Gilleshammer (Minnedosa); Findlay (Minister of Agriculture) for Downey (Minister of Northern and Native Affairs).

**Mr. Speaker:** Agreed? (Agreed)

### HOUSE BUSINESS (Cont'd)

**Hon. James McCrae (Government House Leader):** To give you a thumbnail sketch of what we have in mind for today, Mr. Speaker, if you could call the Bills as follows for report stage: Bill 7, 12, 33, 38, 67 and 76. I would then propose that the House consider Bill 90 at Committee of the Whole stage and then proceed with all of the Bills I have itemized, including Bill 90, at third reading.

Following that, if we have time before Royal Assent, which will occur later today we hope, proceed then with the calling of Bills 42, 63, 64, 8, 19, 35, 83, 84. I think that may take us till 12:30, Mr. Speaker.

### REPORT STAGE

#### BILL NO. 7—THE INTERNATIONAL SALE OF GOODS ACT

**Hon. James McCrae (Government House Leader):** Mr. Speaker, by leave, I move, seconded by the Honourable Minister of Finance (Mr. Manness), that Bill No. 7, The International Sale of Goods Act; Loi sur la vente internationale de marchandises, reported from the Standing Committee on Law Amendments, be concurred in.

**MOTION presented and carried.**

#### BILL NO. 12—THE LEGISLATIVE ASSEMBLY MANAGEMENT COMMISSION AMENDMENT ACT

**Hon. James McCrae (Government House Leader):** Mr. Speaker, by leave, on behalf of the First Minister (Mr. Filmon), I move, seconded by the Minister of Finance (Mr. Manness), that Bill No. 12, The Legislative Assembly Management Commission Amendment Act; Loi modifiant la Loi sur la Commission de régie de l'Assemblée législative, reported from the Standing Committee on Law Amendments, be concurred in.

**MOTION presented and carried.**

#### BILL NO. 33—THE ECOLOGICAL RESERVES AMENDMENT ACT

**Hon. James McCrae (Government House Leader):** Mr. Speaker, by leave, on behalf of the Honourable Minister of Natural Resources (Mr. Enns), I move, seconded by the Minister of Finance (Mr. Manness), that Bill No. 33, The Ecological Reserves Amendment Act; Loi modifiant la Loi sur les réserves écologiques, as amended and reported from the Standing Committee on Law Amendments, be concurred in.

**MOTION presented and carried.**

#### BILL NO. 38—THE STATUTE RE-ENACTMENT AND BY-LAW VALIDATION (WINNIPEG) ACT

**Hon. James McCrae (Government House Leader):** We are moving along with such rapidity I hear bells ringing in my ears. Maybe you do too.

Mr. Speaker, by leave, I move, seconded by the Honourable Minister of Finance (Mr. Manness), that Bill No. 38, The Statute Re-enactment and By-law Validation (Winnipeg) Act; Loi sur la réadoption de lois et la validation d'arrêtés concernant la Ville de Winnipeg, reported from the Standing Committee of Law Amendments, be concurred in.

**MOTION presented and carried.**

**BILL NO. 67—THE SOCIAL ALLOWANCES AMENDMENT ACT**

**Hon. James McCrae (Government House Leader):** Mr. Speaker, on behalf of the Minister of Family Services (Mrs. Oleson), I move, seconded by the Honourable Minister of Finance (Mr. Manness), that Bill No. 67, The Social Allowances Amendment Act; Loi modifiant la Loi sur l'aide sociale, as amended and reported from the Standing Committee on Law Amendments, be concurred in.

**MOTION presented and carried.**

**BILL NO. 76—THE REAL ESTATE BROKERS AMENDMENT ACT (2)**

**Hon. James McCrae (Government House Leader):** Mr. Speaker, on behalf of the Honourable Minister of Co-operative, Consumer and Corporate Affairs (Mr. Connelly), I move, seconded by the Honourable Minister of Finance (Mr. Manness), that Bill No. 76, The Real Estate Brokers Amendment Act (2); Loi no 2 modifiant la Loi sur les courtiers en immeubles, reported from the Standing Committee on Law Amendments, be concurred in.

**MOTION presented and carried.**

\* (1110)

**Mr. McCrae:** My apologies, Mr. Speaker. I move, seconded by the Minister of the Environment (Mr. Cummings), that Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider and report of Bills referred.

**MOTION presented and carried** and the House resolved itself into a Committee of the Whole to consider report of Bills referred with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair.

**COMMITTEE OF THE WHOLE**

**BILL NO. 90—THE INTERIM APPROPRIATION ACT, 1989 (2)**

**Mr. Deputy Chairman (Harold Gilleshammer):** Order, please. We will continue with the consideration of Bill No. 90 at this time. The Honourable Member for Churchill.

**Mr. Jay Cowan (Churchill):** Mr. Deputy Chairman, I have about four or five brief questions for the Minister of Labour (Mrs. Hammond), and I thank her for coming into the Chamber to answer them. I will be quite brief, but I think it is important to ask some very specific questions with respect to what is happening with the vacation pay issue in regard to Lynn Lake.

I had asked the Minister if she can provide to us an update as to the status of her department's efforts to regain the vacation pay and monies owing to the Lynn Lake miners. It was indicated earlier that the Government would be taking some vigorous action, to

use her words, and I wonder if she could provide us with an update as to what action they have taken.

**Hon. Gerrie Hammond (Minister of Labour):** Mr. Deputy Chairman, we have hired a lawyer to go to the creditors' meeting to make sure that we will be filing on behalf of the workers for the vacation pay.

**Mr. Cowan:** Has the Minister made any claim with respect to the legislation that is available to her under which they can make a claim against the directors for that vacation pay?

**Mrs. Hammond:** Yes, Mr. Deputy Chairman, that is what we are doing. We are making the claim against the directors and we will be attending, I think the January 4 meeting, to make sure that we can speak to the claim.

**Mr. Cowan:** Mr. Deputy Chairperson, how has that claim been made, under what legislation, and what process will it take through the courts or through tribunals in order to ensure that the claim is brought forward in a legal manner?

**Mrs. Hammond:** Mr. Deputy Chairman, I do not have that particular information, but I certainly can get it for the Member and will bring it into the House and will give him the information.

**Mr. Cowan:** Perhaps what we could do, because I know there are some other Members who want to ask some questions, is I could discontinue this line of questioning for a few minutes to allow the Minister to check with her staff.

The specific questions I would like answered if possible are No. 1, has the Government taken any legal action to exercise their responsibilities and obligations under the legislation to protect workers with respect to wages owing them?

Second, if they have made a claim, when was that claim made? If they have not made a claim, when do they expect that the claim will be made? It is important that the workers around this time of year know what is going to be taking place on their behalf with respect to Government action.

Third, if they have made a claim or if they have not made a claim, in either instance, what will be included in that claim? Will it be all monies owing to the workers? Will it be restricted to vacation pay? Will it include severance pay? Will it include other monies that might be owing to creditors in the area?

Fourth, if they have made such a claim, do they have any legal opinions with respect to this process that they can share with us?

There may be other questions that flow from the answers, but I think if we could get the answers to those at this particular time, it would be helpful to those residents of Lynn Lake in trying to determine what steps they should take over the next little while.

**Mrs. Hammond:** Yes, I will get the information for the Member.

**Mr. Richard Kozak (Transcona):** Mr. Deputy Chairman, the official Opposition had hoped to complete its questioning on Bill No. 90, the Supplementary Estimates, yesterday.

Unfortunately, I was unable yesterday to pose a few technical questions that I have to the Minister of Finance (Mr. Manness). The Minister and I have always in the past had a good working relationship, and I am sure that I was unable to stand yesterday due to the simple oversight, that I certainly do not hold against the Minister.

However, I do have a few questions. In order not to belabour debate of The Interim Appropriation Act, I will limit my questions today to a few technical matters that the Minister and I have discussed repeatedly over the last 20 months. I feel that these matters should continue to remain matters for debate. Even though they are largely technical matters, they are in fact matters that require resolution.

\* (1120)

My first question, Mr. Deputy Chairman, relates to the Minister's own department and the performance of the department as reported in the Quarterly Financial Report for the period ended September 1989.

The Minister of Finance (Mr. Manness) indicates to us that expenditures in his department for the six-month period, ended September 1989, were \$20,464,000 under projections, a very laudable performance. At the same time, at another point in the financial statement of the province, the Minister does project a .8 percent or \$39.9 million increase in expenditure projections through fiscal year end.

We all know that interest rates in Canada, interest rates relevant to the Province of Manitoba, have exceeded our expectations. We currently see Government of Canada Treasury Bills, for example, yielding approximately 12.5 percent. Much of the debt of the province, both its direct and indirect guaranteed debt, are denominated in short-term obligations, obligations that must be renewed regularly on a periodic basis as previous paper issued by the province expires.

Nowhere in the speaking notes for his contribution to this committee debate did the Minister suggest that he expects the province's debt servicing cost to be higher than projections. Nowhere in the Supplementary Estimates of Expenditure themselves do we see an indication that the province's debt servicing costs in the current fiscal year will exceed expectations.

Mr. Deputy Chairman, does the Minister contend, despite the alarming interest rate situation in this country, an alarming situation that both the Government and the Opposition have expressed serious concern about over the last period of months, that the Government of Manitoba's Debt Servicing Costs will indeed come in under budget for the full fiscal year ended March 31, 1990?

**Hon. Clayton Manness (Minister of Finance):** Mr. Deputy Chairman, I am happy that the question has come forward. Let me say, I was fully expecting that

the Member would stand at this time and give us his solution to how it is that the Liberal Party was going to provide greater employment, reduced taxation, more expenditure over the forthcoming term, because of course the Member served notice in a presentation he made earlier on this week that he had the solution. I have been waiting for him on every occasion to stand in this House and provide it to all of us.

The Member asked a question with respect to forecasted servicing cost, interest cost for the Government as a whole. The forecast to the end of this fiscal year, as I stand here today, and again remembering and recalling that we still have three months left in this fiscal year, I am almost sure, given that we are covered off, that we have our loan portfolio locked into place, that there will be a saving as to forecast with respect to interest cost.

You must remember, there are two factors that go into the printing of a forecast on interest. One, yes, purely the interest cost, but secondly there is also an amortization cost put as against currency fluctuation in exchange values.

It is a combination of those two factors that ultimately lead to the printing of the forecast of servicing costs, whereas the interest portion is increased somewhat, not the least of which is because we have moved out of some long-term lending at a lower rate and moved to a higher Canadian rate, which would tend to push that interest cost higher. Offset against that of course is the allowance for amortization losses, given that the Canadian dollar is staying so strong relative to other currencies, and that is the position in which we find ourselves today.

**Mr. Kozak:** Mr. Deputy Chairman, the Minister's answer certainly goes a long way to clarifying the situation that I raised a couple of minutes earlier.

I would like to take the opportunity prior to my asking my next technical question to reiterate my commitment to the Minister, which I made in second reading on this particular Bill, to detail suggestions for addressing the situation of recession, which has existed in the consumer sector of our economy for the last six months.

I will as I stated in my remarks on second reading give considerable priority to honouring that commitment. I am a Member who keeps his word as I am sure all Members of this House are. The Minister can look forward to constructive suggestions from me in my next speaking opportunity on an economic matter in this House.

I will not take advantage of this particular committee session to do so, given the fact that we are approaching a 12:30 recess today. However, my commitment will be honoured. I made the offer in all seriousness, and it will be honoured.

In fact, Mr. Deputy Chairman, I would have honoured the commitment in my remarks on second reading. However, unfortunately the portion of my remarks dealing with my analysis of the economic performance of the province extended rather longer than I had hoped, in part due to questions asked by Honourable Members

as is their right. Nonetheless, the commitment will be honoured in the near future at the first appropriate speaking opportunity for me.

To continue with another question though, Mr. Deputy Chairman, the Minister does indicate that he expects for his department underexpenditure to persist through the end of the fiscal year largely due to extraordinary gains on the province's continued speculation, if you will, on foreign currencies. In fact I note that the Quarterly Financial Report does indicate a \$343.3 million contribution to the province's financial position, due to debt obligations denominated particularly in the U.S. currency.

(Mr. Parker Burrell, Acting Chairman, in the Chair)

Mr. Acting Chairman, many credible analysts at present—and I think the Minister is well aware of these forecasts—are suggesting that the strength, rather surprising strength, of the Canadian dollar vis-a-vis the U.S. currency can be expected to turn around in the foreseeable future. I wonder if the Minister could confirm for me whether fully one half of the province's direct and indirect guaranteed debt is denominated in U.S. dollar debt obligations and is exposed to a downward fluctuation of the Canadian dollar.

**Mr. Manness:** Mr. Acting Chairman, certainly the Member is right, but let me assure him firstly that the Department of Finance takes very conservative estimates and so the number laid before the Member is an estimate of the interest cost factors in an exchange rate vis-a-vis the American dollar, not at 86 cents Canadian, but indeed something much lower than that. So indeed if there were a major readjustment in currency, which we are expecting and indeed hoping for, then unquestionably there would be a drop in the Canadian dollar necessitating some greater offset on the negative side within this interest cost area.

Nevertheless, I can assure the Member that we use the most conservative of estimates and that we are well positioned, given that the Canadian dollar drops three or four cents. Where we are safeguarded of course is that we are now locked into an interest rate which of course is at a level which we can handle and which is more fully met.

We are well aware that the Canadian dollar hopefully will fall, that then interest rates will drop with it so that the interest costs on our short-term borrowings and on short-term money will be the offset against the increased commitment or the increased valuation vis-a-vis Canadian and U.S. exchange rates.

\* (1130)

**Mr. Kozak:** Mr. Acting Chairman, the Minister's answer is certainly at least in part satisfactory. My Party, the official Opposition, of course is on record as feeling that any speculation with taxpayers' dollars on the performance of the Canadian dollars vis-a-vis foreign currencies is unacceptable from both the point of view of prudence and from the point of view of the general inappropriateness of speculation, but I do recognize that the numbers have certainly over the last period

of months worked in the Government's favour. I would rather see positive performance than negative performance.

I have no hesitation in recognizing the fact that the speculation has worked to the province's advantage in recent months. My concern is that it not always may be so. I repeat my recommendation that my colleagues on the Government benches continue to review the appropriateness of this borrowing strategy, given the fact that there is a downside to it as well as an upside, as everyone of us recognizes.

The Minister alluded quite correctly to the dissatisfaction on all sides of this House with regard to the heights that the Canadian dollar has ascended to. All of us recognize that Canada's export performance, particularly in the current calendar year, is being very negatively affected by the overvaluation, shall we say, of the Canadian dollar. After reporting surpluses in our merchandise trade balance of over \$10 billion a year in every calendar year since 1982, it now appears that our performance in 1989 in terms of our positive merchandise trade balance will nowhere near approach the \$10 billion mark. This is a matter of some concern to Members I suspect on both sides of the House, and I feel that the provincial Government has a role to play. The provincial Government should not watch it happen, Mr. Acting Chairman, they should do their part toward making it happen.

The Canadian dollar is overvalued in part, as the Minister of Finance (Mr. Manness) would recognize, because of foreign borrowing of monies denominated in foreign currencies that requires Governments, businesses and individuals to use those borrowings for the purchase of Canadian dollars so that those dollars can be spent in the Canadian market. In other words, when we borrow U.S. dollars we find ourselves using those U.S. dollars to purchase Canadian dollars. The province's borrowing of U.S. dollars is in perhaps the \$5 billion range, and as we convert those U.S. dollars into Canadian we are ourselves having an upward impact on the value of the Canadian dollar and quite frankly making the problem that our trade balance is now entering a more serious problem.

Does the Minister concede that there is some upward impact on the Canadian dollar that we would rather avoid due to the foreign borrowing undertaken not only by this Government but by other Canadian Governments and private interests in Canada?

**Mr. Manness:** Mr. Acting Chairman, certainly the Member is right in part, but let me say for the record that Manitoba does not mind having a significant amount of its borrowings in U.S. dollars, particularly that portion that is in support of Limestone construction by Manitoba Hydro. Manitoba Hydro of course will be receiving in due course U.S. dollar revenue by way of the Northern States Power Agreement, and of course that will be applied against their U.S. loan. So in essence there is no risk. There is no fluctuation involved. As a matter of fact, if those loans were in Canadian dollars there would be a risk. There is a significant part of the portfolio being in U.S. dollars, which is exactly what Manitoba Hydro wants.

Secondly, with respect to our, for Government purposes, borrowing U.S. dollars, which are then converted into Canadian for our purposes having some pressure on the Canadian dollar, in fact that is right. I would say that was miniscule as compared to world currency speculators who see that the Canadian dollar, given the very high interest rate, is a very good bill, and who are on a daily basis purchasing hundreds of millions of dollars, upwards of a billion dollars, on a Canadian basis.

Let me also say that those who are investing real estate using particularly Oriental—coming from the, pardon me, Pacific Rim countries are providing tremendous demand on the Canadian dollar also.

**Some Honourable Members:** Oh, oh!

**The Acting Chairman (Mr. Burrell):** Order.

**Mr. Kozak:** I do not know if there is a disposition in the House to consider orderly discussion of certain technical questions that I have for the Minister of Finance (Mr. Manness) at present, but I will proceed nonetheless. I believe that the Minister and I understand each other's positions on this matter of debt denominated in foreign currencies very well.

There are areas in which we continue to disagree, although I have to say that I do take a certain pleasure in the fact that the Minister did in fact respond to suggestions I placed on the record as far back as 18 months ago to reduce our exposure to borrowings in Japanese yen and the stronger European currencies, and for that I thank him. Our remaining exposure to debt denominated in Asian and West European currencies has reduced.

Nonetheless, I do continue to point out that we do face risks both in terms of losses to the province and in terms of boosting the Canadian dollar and harming our trade balance as a result of the continued reliance on borrowings in U.S. dollars. However, I will not ask a further question on this matter because the Minister and I fully understand each other's position and we are adequately on the record.

I would like to raise at least one other point. The Public Accounts Committee, as the Minister of Finance (Mr. Manness) will certainly recall, did report to this House its passage of a recommendation that more rigorous accounting standards be applied to the unfunded pension liabilities of the province. This is a matter that I believe the Minister follows on a regular basis with his colleagues in other provinces and his federal colleague the Minister of Finance, Mr. Wilson.

\* (1140)

Could the Minister of Finance suggest to us whether any progress has taken place in the interprovincial negotiations, the federal-provincial negotiations, on installing a more credible accounting basis for the province's unfunded pension liabilities? As the Minister knows this is not a small problem. We are talking about a \$1 billion accounting problem. Does the Minister have any progress to report?

**Mr. Manness:** Mr. Acting Chairman, I have some progress to report, although I do not find it entirely satisfactory. Let me indicate that I have approached the subject in a formal sense with my other colleagues, the other Ministers of Finance from across Canada. In the terms of the federal Government it does not appear to be a major issue at all. As a matter of fact, I have had very little success in having the federal Government being part of the discussion. Other provinces, to my chagrin, have not shown, for the most part, a great desire to be involved in the discussion and to try and pursue a path of common reason to common reporting across the land. Therefore, I tell the Member opposite that right now Manitoba still maintains being the leader in trying to record, in a proper fashion at least, pension liability. Nevertheless, I will continue to pursue it with other Ministers.

Let me further indicate that there are some Ministers of Finance across Canada who are not even aware this is an issue even within their own jurisdiction. I have brought it up. I have tried to push it along, but it is still a secondary priority at best with Ministers across the country.

**Mr. Kozak:** Mr. Acting Chairman, the Minister's answers on these brief technical questions are certainly quite adequate in terms of the continuing conversation we have on these and other matters.

In closing I would simply like to reiterate my commitment to the Minister that the shortage of time for placing helpful suggestions on the record, for coming to grips with the recession that we have faced in the consumer sector of our economy for the last six months will indeed be forthcoming at a very early opportunity. I believe the Minister of Finance does not feel that I would delay him unnecessarily. The problem is a matter of some seriousness. The word recession is a serious term.

I feel it is incumbent on Members of all three Parties to make their best suggestions in a collegial fashion so that a problem we now have identified as existing does not grow and overwhelm us. I feel the fact that we are divided into partisan camps should not obstruct us from pulling together for the public good, and I fully intend to do my part to promote the public good.

**Mrs. Hammond:** Mr. Acting Chairman, I have some answers to the Member for Churchill's (Mr. Cowan) questions about the LynnGold situation.

The first step they have filed with the receiver. The directors have been sent orders this week, and it is on vacation pay only. The lawyer we have hired is Mr. David Hill of Hill and Abra. He has been instructed to explore all options. He has also been in touch with the union's lawyer to make sure that we are working co-operatively. So at this time that is all there is to report on that situation.

**Mr. Cowan:** I thank the Minister for that answer. Does she have any sense of how long it will take for this process to unfold so that the workers can be made aware as to when they can expect their vacation pay under the legislation?

**Mrs. Hammond:** The directors have seven days to respond. They can appeal. They can apply for an appeal process for an extension or else they can pay.

**Mr. Cowan:** The Minister has indicated that severance was not included in that claim. Are they going to be taking other action with respect to the severance, outside of what has already been done by the lawyer for the union, which has indicated that it is probably unlikely that successful legal action could be brought forward to recoup the severance pay?

**Mrs. Hammond:** Mr. Acting Chairman, as I have indicated before, we are exploring all options at this time. If there is anything further that can be done we certainly will be taking that action.

**Mr. Cowan:** I want to just make a few brief comments then. We will be watching very carefully what happens over the break that we are taking as Legislature with respect to this issue, because it is one, as we all know and can appreciate, that is of great concern to residents of Lynn Lake and their families. It is unfortunate they will have to go through this Christmas period without knowing exactly what might be coming to them as a result of the actions of the Government and others in collecting the wages and the vacation pay and the severance that is owing to them.

I guess, given the time of the season and given that the claim has only just been brought forward, that is something they are going to have to suffer through. I am certain they are even more anxious than us here to bring this matter to a final determination. It means very much to them. They are now embarking on a journey into the rest of their lives, which is uncertain, which is unknown, which is, I think at this point in time, creating a great anxiousness, understandably so, among themselves and their families.

We all wished each other, in this Chamber, a while ago a very Merry Christmas and a Happy New Year. Well, I would like to focus those wishes as much as we can, standing in our places here today, on the residents of Lynn Lake, whose Christmas is not going to be as merry as it should under any circumstances, but hopefully whose New Year will find them in better circumstances than they find themselves today.

That is why we have been pressuring the provincial Government to take this sort of action to ensure that every legal obligation is lived up to under the law with respect to wages owing the employees. We are also encouraging them to take whatever persuasive action they can to extend that work to ensuring that they get the severance that is owing to them and to also have any other compensation programs, which might assist them through this very difficult time, made available to them.

There are a number of issues that need to be discussed. There is not enough time today to discuss them, but we will want to talk. It may be something that the Minister wants to work on over the holidays about how we might use our collective influence here to pressure the federal Government to deal with any vacation pays and severance pays that are coming to

the workers in a way that ensures it does not impose upon them extra taxation burden, or prevent them from collecting their unemployment insurance benefits that are due to them.

I know that the federal Government in the past has, under special circumstances, made some arrangements to help workers in similar circumstances. I hope the Minister of Labour (Mrs. Hammond) will be discussing with her federal counterpart how we might be able to apply those precedents to this case at hand as well, because as we know whatever monies are coming to the workers from this point on, under normal circumstances, will have an impact on their unemployment insurance benefits and the date at which they will start to receive those benefits.

I think it would be unfair to impose upon those workers that additional hardship if there is a way by a remission order or by some exemption that we can prevent that from happening.

It is difficult to keep my comments short on this issue because I feel very strongly about what has happened, but in light of the time constraints today and our obligation to pass certain business through this House, I know we want to get through this quickly so we can pass Bill No. 42 in the Chamber before the Christmas break.

I will keep my comments short, but I will advise Members of the Government that when we come back from our break, we expect that a lot of work will have been done on behalf of the residents and the workers of Lynn Lake, not only the miners and those who worked in the mills and for LynnGold, but those that worked in this community for the Government, for the different levels of Government, and in the private sector.

\* (1150)

**Mrs. Hammond:** If I just may, I want to say that we have been working very hard right from the minute that we heard that there was the possibility that the mine was going to close down. I am sending a fax today, as a matter of fact, to the Honourable Barbara McDougall so that we can see that something is being done about the UIC, because I think that will create an undue hardship.

(Mr. Deputy Chairman in the Chair)

One of the things that has happened is that they will be receiving the first unemployment insurance cheques probably today. We have a little bit of lead time to see if we can get an exemption on this particular case, because I think that it will create a hardship. I will be in touch with the Minister as soon as possible.

**Mr. Cowan:** I have just one more question to the Minister. Could she also provide a copy of that fax to myself and to the Liberal Party Critic?

**Mr. Leonard Evans (Brandon East):** Mr. Deputy Chairman, I have a couple of questions to ask the Minister responsible for MPIC (Mr. Cummings), continuing on where we left off yesterday. This is the only area I intend to ask questions, and hopefully we



can be as brief as possible to expedite the business of the House.

I am still not clear on a couple of matters pertaining to the future of the personal and commercial lines of general insurance of MPIC. Part of my uncertainty arises from statements I have read in the paper from time to time attributing statements to the Minister which may not be correct to the effect that Wawanesa was interested in acquiring that particular part of the business.

I am not sure whether the Minister was quoted properly or not, but it appears from what he said yesterday, that he is prepared to receive bids and he is looking at some bids. I was wondering if the Minister could tell us very specifically which companies are actively bidding at the present time. The second question is, what specific criteria does he have for divestiture of this particular business?

**Hon. Glen Cummings (Minister responsible for The Manitoba Public Insurance Corporation Act):** Mr. Deputy Chairman, first of all I do not think I was ever quoted in relationship to Wawanesa, other than I may have indicated that they would be a company that might be suitable or might be interested. I do not recall making any remark directly in relationship to Wawanesa.

Nevertheless, the Member has a two-part question. He asked about what criteria we would have in divestiture of this part of the corporation. The criteria are of a general nature but will become quite specific through the course of discussions, because, as you can understand, different organizations that may be interested in the personal and commercial business may be able to bring different strengths to their offer.

Basically however our criteria have been stated many times, that we are being very conscious of the need to be able to continue to serve the policyholders. We are conscious of the needs of the employees and we will do everything we can to make sure that their best interests are taken care of and make sure as well to the best extent that we can in the light of the two previous statements that the taxpayers of this province who are the owners of the corporation, are well served as well.

The first part of the Member's question was: would I be specific about who we are negotiating with? I would indicate that I will not be divulging names of corporations that have made inquiries.

There are a number of corporations who operate in this province, in excess of 100 as a matter of fact, who sell personal commercial lines in this province and there are numerous others across North America who are in the business as well. Some of them would be appropriate purchasers, many of them would not. Some have made inquiries on a confidential basis to determine whether or not they will continue with investigations to see if the personal commercial line would be something that they would want to continue investigations with, and that is all I am prepared to say about that aspect.

**Mr. Leonard Evans:** I will not press the Minister on the matter of names, but could he indicate, give us

some idea, the number that are actively—you may have had, I gather, many dozens of inquiries, I do not know. Could he indicate approximately how many are actively considering it? There should be some kind of a short list or a short number that he estimates are more serious about this than perhaps the others would be.

**Mr. Cummings:** There are a number of companies that are interested and are interested very specifically. The Member knows, as well as anyone else in this Legislature, that companies may express a great deal of interest until they begin to get more detailed information on the aspects of the operation, or something may very well change in the operations of their own companies.

Many companies that are in P and C are also involved in automobile insurance in Ontario for example, and have suffered dramatic losses in this past year. That will affect some of the companies who might very well have at one time expressed interest or who are still expressing interest in the corporation. I will not attach a number. I will tell the Member and tell the public, however, that the number is considerable.

**Mr. Leonard Evans:** Specifically, could the Minister tell us if he has a time frame? If he does not have a time frame, fine. Does he have some idea—he may not have a deadline, so I am not asking about a deadline. Does he have some concept of a time frame where he sees events unfolding? Surely he must have some idea of what time is needed to review the bids and to make decisions. My question is not to ask him of a deadline, but really does he foresee some kind of a time frame for this divestiture process?

**Mr. Cummings:** Let me answer the question in this manner. I would be more than pleased to see this matter handled expeditiously now that we have reached this stage in the unfolding of the saga of P and C. Therefore, we will be actively analyzing the results of inquiries that we receive. I would hope that negotiations would move forward in a logical and practical manner, but I am well enough aware of the pitfalls that are associated with this type of a divestiture that the time frame could expand or could contract very quickly depending on the quality as the bids reach a closer level of scrutiny, whether or not we can move the matter forward expeditiously.

The corporation, as the Member full well knows, has a structure that is quite interlinked between various parts of the corporation. There are a multitude of aspects of the bids that could be prepared by those who are interested parties, and it is my desire that it move forward expeditiously because I have no desire whatsoever to make it difficult for the employees. I fully recognize the concerns that may be felt by the employees.

\* (1200)

The management of MPIC and myself have made attempts to reassure the employees that we will do everything we can to look after their best interests, and that is being taken very seriously. That is the

message that I gave to the MGEA and I will stand by that. To that end, to be able to move this along in as expeditious a manner as possible is in fact my goal. But, as the Member said, he does not expect to be able for me to issue a deadline. Obviously expeditious means that we want the companies who are expressing the interest that I have referred to earlier to be able to continue with their discussions as quickly as possible.

**Mr. Leonard Evans:** Mr. Deputy Chairman, one of the criteria of divestiture that the Minister mentioned was protection—I do not want to put words in his mouth, but I understood him to say protection—in effect, of the existing policyholders. He is concerned about those many hundreds of policyholders who have expressed concern about the fact that they cannot get adequate coverage at affordable rates from the private sector at the present time, particularly certain kinds of groups, certain kinds of businesses and certain areas of the province.

For instance, I have been told that the private industry will not insure anyone in Churchill, the Town of Churchill. Contractors will not go and do any work if they cannot get any insurance, let us say, to use an example, in the Town of Churchill. I am told by members of the industry that the private sector will not go into Churchill. So there is a real problem, one specific problem.

The Minister knows that there are pest exterminator companies, small businesses in Winnipeg and maybe elsewhere in the province, who have written to him and they have written to me, saying that they cannot get insurance from the private sector, and if MPIC goes out of this business they are likely to go out of business as well. They have stated categorically they will be put out of business.

I am wondering what do we do about those, and how can the Minister assure himself of a divestiture to a private company that is going to say, yes we are prepared to take some of these a-little-bit-higher-risk companies that are now virtually dependent. There is one company that has written to the Minister, professional low-cost exterminators I think they are called in Winnipeg, and they said there are several companies like them in the same boat, that if MPIC is out of the personal commercial lines, or the commercial lines they are out of business, period.

What about the various companies in the recreation business? There are ski operators, and marina operators who depend on MPIC for coverage. There are non-profit organizations such as the Prairie Dog Central in Winnipeg who depend on MPIC. There are child day care centres. There are some school boards, I understand, and there are some other regional centres, or rural and northern communities, where there are businesses and individuals who are dependent on MPIC.

I am wondering how can the Minister be assured? Can he talk to the private companies that are interested in buying this and say, these are all the policyholders, we would like you to carry them? I do not see how he could ask that of a private company, I really do not, and this is one of the reasons it was set up in the first place particularly for people in the North. We have a

letter from an insurance agent in Flon Flon that said, what is happening? We need the MPIC in order for me to underwrite, to accommodate businesses and individuals in the community of Flin Flon, and that part of northern Manitoba. We rely on MPIC. What is going to happen if MPIC goes out of the business?

These are real concerns, they are not my personal concerns. I share their concerns. It is the concern of businesses, and concern of people in these remote communities. They are concerns of these non-profit organizations. As I say, there are hundreds around the province depending on MPIC. How can that criteria be met? I really do not know how we can assure that a private company will take on these risks and accommodate all these organizations. I wonder if the Minister could address that question; that is a very serious question and it is an active question in the minds of hundreds of people in this province.

**Mr. Cummings:** There are a number of ways those concerns can be addressed, but I do not think the Member for Brandon East (Mr. Leonard Evans) should be putting on the record the fact that companies would be out of business upon the sale of MPIC. That is simply not factual.

The private insurance industry can very easily pick up the same risks as this corporation can because the insurance business is quite simply a calculation of risk against revenue. A great deal of that revenue, as we talked about yesterday, also flows from the ability to earn money from reserves and investments. MPIC does not have that ability presently, and quite frankly MPIC does not underwrite all risks that come to it.

I do not think that anyone in this House should try and put forward that impression. That is simply wrong. It was wrong under the NDP administration, and it is wrong to say that under this administration that is presently in place.—(interjection)—Well, the Member for Brandon East says he did not say that, but the implication is very clear that if companies that cannot get insurance anywhere else can get it from MPIC, that means they are virtually not refusing any risks. That is not the case.

Very clearly, during the course of negotiations we can expect someone who is making a bid to have to make certain commitments as to the policies that are held by the company that they are purchasing. There are a number of ways of doing that, not only with the purchaser but with the industry at large, and we believe that we can achieve that during the course of negotiations.

**Mr. Leonard Evans:** I do not intend to drag this on, because I know we are under time constraints today, but I just want to make sure it is on the record. I did not for one moment suggest that MPIC must insure everybody who comes along asking for this kind of insurance. It is just impossible. You cannot operate that way. It never has and it never should. It is just an unreasonable demand to make upon it, but I am talking about those risks they have accepted and there are indeed people who are dependent.

I refer the Minister to his own correspondence with Low-Cost Professional Exterminators in Winnipeg. They

have said that they cannot get coverage from the private sector and they are dependent right now on the policy they get from MPIC.

I would like to go on to just one other point in the criteria. It was mentioned in the Ernst & Young Report that one of the benefits of having MPIC in this business was that it provided for some stability of rates in the business. I have heard it from insiders in the business as well that MPIC being out there helps to prevent price gouging where that may occur from time to time in certain areas, in certain sectors of the economy, and it can provide a benefit therefore to all people in Manitoba who have to obtain general insurance, fire insurance, theft insurance or whatever, and that there is some value in MPIC being there providing that stability.

How can we ensure that this benefit, which it was stated clearly in the report, the report that was commissioned by the Government, will not be lost if it is divested to a private company? I do not know whether the Minister can hear me or not, because I believe he is engaged in other conversation so I will just repeat it in case the Minister did not hear my last question.

The matter of rate stabilization, it is a positive benefit to all holders, all policyholders, and it has been said by insiders that MPIC being in the business helps to provide that stability and everybody benefits on that account. How can the Minister assure himself that stability will be maintained if this business is privatized?

**Mr. Cummings:** Mr. Deputy Chairman, the Member raises an important question, a legitimate question, but questions that can be answered as a matter of fact. He posed one question in response to a letter that I received early on when I became Minister responsible for MPIC from a specific customer stating as he just did here today that they felt they could not be insured if MPIC was not there.

I have to say that I examined that particular issue quite carefully, and I believe that reasonable cost insurance can be provided to those types of risks. What the Member is really saying—and he may take some umbrage at me putting it in this context, but if you follow through the rationale that the Member just put forward, what he is really saying is that the taxpayers of Manitoba should put up another \$20 million to \$25 million on top of the \$50 million that has already gone into MPIC general to make sure that we stabilize the insurance rates in this province and then potentially expose ourselves further down the road to the type of losses that we have just written off again.

\* (1210)

Many people that I have discussed this with have talked about this issue both pro and con. One of the things that I think is grossly overlooked is that the insurance industry is very competitive, that underwriting, however, can become a bit of a lazy occupation from time to time. While this is not a reflection on all underwriters I suggest that there are times when agents, underwriters, look at the fact that MPIC provided a

higher commission on the insurance that they issued and that they were, from time to time, promoting their own growth in order to maintain a share of the market, that it was very easy to say, this is the insurance that I can get for you today without maybe spending a couple of weeks searching the market to see what was readily available.

It is my feeling that the market will pick up any of that hard to place coverage. It has to be properly spread, it cannot be all with one company. We referred to whether or not MPIC underwrote all risks a minute ago. We know they do not. That market stabilization, I believe, can be provided through competition, and the renewal of policies that the corporation presently handles can be handled through negotiations.

**Mr. Leonard Evans:** In view of the time, we could ask another number of questions that we could debate this even further, but perhaps there would be opportunity in the new year to discuss it again.

I just wanted to say this for the record. I do not want to see MPIC perceived to lose money. I do not want to see them undertake risks that are unduly high and therefore assure a course for financial disaster. I want them to be successful.

There has been a write-off, I know, but in the last year or two there has been a very significant turnaround. That division is now earning a third of a million dollars profit according to the latest report tabled by the Minister.

**An Honourable Member:** Three hundred thousand.

**Mr. Leonard Evans:** Well, a third of a million, \$315,000, approximately—no, not \$30 million, a third of a million, \$315,000, and that is very significant.

I want to take the opportunity to congratulate the corporation and the staff who have worked very hard to turn this around. I recognize the fact that the previous losses have been wiped out. I do not want to see it proceed to get back into a situation where it is a burden, if you will.

I say it has been turned around. What I would wish as a Christmas present from the Minister, from the Government to the employees, to that corporation is to say, look we will give you another couple of years and see how you handle it, and just leave it alone for the time being, let the corporation do its thing, which it seems to be doing.

I understand they have brought in some new policy—new packages, of insurance. I find that rather interesting, because here on the one hand we are talking about divestiture, and the corporation is doing all kinds of innovative things to make it even better and to improve its situation.

I think that is a credit to the corporation and indeed to the staff. I guess I do not necessarily expect an answer from the Minister. My only wish at Christmastime—we have wish lists—that he would tell the corporation and the employees, we will give you a couple of years, keep up the good work and maybe it will continue on for an indefinite time in the future.

**Mr. Deputy Chairman:** We shall proceed to consider Bill No. 90 clause by clause.

Clause 1—pass; Clause 2—pass; Clause 3—pass; Clause 4—pass; Clause 5—pass; Clause 6—pass; Clause 7—pass; Clause 8—pass; Clause 9—pass; Clause 10—pass; Clause 11—pass; Clause 12—pass; Clause 13—pass; Clause 14—pass; Preamble—pass; Title—pass. Bill be reported.

Committee rise. Call in the Speaker.

## IN SESSION COMMITTEE REPORT

**Mr. Harold Gillehammer (Deputy Chairman of Committees):** Mr. Speaker, the Committee of the Whole has considered Bill No. 90, The Interim Appropriation Act, 1989 (2), has agreed to report the same without amendments, and asks leave to sit again.

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

**MOTION presented and carried.**

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that Bill No. 90, The Interim Appropriation Act, 1989 (2), reported from the Committee of the Whole, be concurred in.

**MOTION presented and carried.**

\* (1220)

## THIRD READINGS

**Bill No. 7,** The International Sale of Goods Act; Loi sur la vente internationale de marchandises;

**Bill No. 12,** The Legislative Assembly Management Commission Amendment Act; Loi modifiant la Loi sur la Commission de régie de l'Assemblée législative;

**Bill No. 33,** The Ecological Reserves Amendment Act; Loi modifiant la Loi sur les réserves écologiques;

**Bill No. 38,** The Statute Re-enactment and By-Law Validation (Winnipeg) Act; Loi sur la réadoption de lois et la validation d'arrêtés concernant la Ville de Winnipeg;

**Bill No. 67,** The Social Allowances Amendment Act; Loi modifiant la Loi sur l'aide sociale; and

**Bill No. 76,** The Real Estate Brokers Amendment Act (2); Loi no 2 modifiant la Loi sur les courtiers en immeubles, were, by leave, each read a third time and passed.

## BILL NO. 90—THE INTERIM APPROPRIATION ACT, 1989 (2)

**Hon. James McCrae (Government House Leader)** presented, by leave, Bill No. 90, The Interim

Appropriation Act, 1989 (2); Loi no 2 de 1989 portant affectation anticipée de crédits, for third reading.

**MOTION presented.**

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I want to thank all Members for their representation on Bill No. 90, Interim Supply Bill (2) and the speedy passage that it has been given. I serve notice to the Liberal Party in particular, that over the next while I will be pushing them to be more forthcoming with their solutions to some of the problems that we have within the Province of Manitoba, because obviously in the minds of many of them they have many of the solutions, and I would ask that they share them with us. We will be pushing them in due course to give us greater explanation.

**QUESTION put, MOTION carried.**

## HOUSE BUSINESS

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, on, maybe, House business, I am not too sure if this is the best time to do it, but I understand that there was a general consensus that 42 would follow the third reading. I believe that it will be going into committee if it is called upon. I wonder if the Government House Leader would be receptive to calling that particular Bill before we have the Royal Assent given to these previous Bills.

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I would indeed be receptive if I could be given an indication that the matters relating to Bill 42 would not take very much time. I think we should all agree now that to accommodate a very, very brief discussion on Bill 42 and Royal Assent, we should agree not to see the clock at 12:30.

So that we can get Royal Assent finished, Mr. Speaker, I would suggest that at 12:30 we not see the clock to accommodate that very quick discussion and very quick dealing with Bill 42 plus Royal Assent.

**Mr. Speaker:** Is that agreed? Agreed.

## DEBATE ON SECOND READINGS

### BILL NO. 42—THE RESIDENTIAL TENANCIES ACT

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Housing (Mr. Ducharme), Bill No. 42, The Residential Tenancies Act; Loi sur la location à usage d'habitation, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). Stand? -(interjection)- Order, please; order, please. We will deal with this first.

Is there leave that this matter remain standing?

Leave for committee change? The Honourable Member for Thompson (Mr. Ashton) with committee change.

## COMMITTEE CHANGES

**Mr. Steve Ashton (Second Opposition House Leader):** Start with whichever one—on the committee substitution.

I move, seconded by the Member for Brandon East (Mr. Leonard Evans), that the composition of Municipal Affairs Committee be substituted as follows: the Member for Dauphin (Mr. Plohman) for the Member for Thompson (Mr. Ashton), the Member for Rupertsland (Mr. Harper) for the Member for Churchill (Mr. Cowan).

**MOTION presented and carried.**

\*\*\*\*\*

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Housing (Mr. Ducharme), Bill No. 42, standing in the name of the Honourable Member for Flin Flon (Mr. Storie).

**Mr. Steve Ashton (Thompson):** Mr. Speaker, the Member for Flin Flon does not wish to speak on this particular Bill. If I could just make one very brief comment on this Bill—

**Mr. Speaker:** The Honourable Member has lost his right to speak on second reading. The Honourable Member for Thompson.

**Mr. Ashton:** I just want to indicate that we would like to see this pass through to committee. We had hoped to have time to deal with a number of other Bills but time is rapidly running out. However, we do want to indicate that there are a number of Bills that we still see as being important to the province in terms of consumer protection and the environment, and we hope to deal with them early in the new year. In the meantime though, we are very pleased to be able to pass through Bill No. 42 to committee.

**QUESTION put, MOTION carried.**

**Mr. Speaker:** I am advised His Honour the Lieutenant-Governor is about to enter to grant Royal Assent.

## ROYAL ASSENT

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

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

**Mr. Speaker:** May it please Your Honour:

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

Bill No. 7—The International Sale of Goods Act; Loi sur la vente internationale de marchandises;

Bill No. 12—The Legislative Assembly Management Commission Amendment Act; Loi modifiant la Loi sur la Commission de régie de l'Assemblée législative;

Bill No. 33—The Ecological Reserves Amendment Act; Loi modifiant la Loi sur les réserves écologiques;

Bill No. 38—The Statute Re-enactment and By-law Validation (Winnipeg) Act; Loi sur la réadoption de lois et la validation d'arrêtés concernant la Ville de Winnipeg;

Bill No. 67—The Social Allowances Amendment Act; Loi modifiant la Loi sur l'aide sociale;

Bill No. 76—The Real Estate Brokers Amendment Act (2); Loi no 2 modifiant la Loi sur les courtiers en immeubles.

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

**Mr. Speaker:** May it please Your Honour:

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

Bill No. 90—The Interim Appropriation Act, 1989 (2); Loi no 2 de 1989 portant affectation anticipée de crédits.

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

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

At 12.30 p.m., His Honour was then pleased to retire.

**Mr. Speaker:** The hour being 12:30 p.m., this House is now adjourned and stands adjourned until January 8, 1990, at 1:30 p.m. (Monday).

Merry Christmas to everybody.