



First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLV No. 58 - 1:30 p.m., Monday, October 30, 1995

ISSN 0542-5492

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

| <u>Name</u> | <u>Constituency</u> | <u>Party</u> |
|----------------------------|---------------------|--------------|
| ASHTON, Steve | Thompson | N.D.P. |
| BARRETT, Becky | Wellington | N.D.P. |
| CERILLI, Marianne | Radisson | N.D.P. |
| CHOMIAK, Dave | Kildonan | N.D.P. |
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| GAUDRY, Neil | St. Boniface | Lib. |
| GILLESHAMMER, Harold, Hon. | Minnedosa | P.C. |
| HELWER, Edward | Gimli | P.C. |
| HICKES, George | Point Douglas | N.D.P. |
| JENNISSON, Gerard | Flin Flon | N.D.P. |
| KOWALSKI, Gary | The Maples | Lib. |
| LAMOUREUX, Kevin | Inkster | Lib. |
| LATHLIN, Oscar | The Pas | N.D.P. |
| LAURENDEAU, Marcel | St. Norbert | P.C. |
| MACKINTOSH, Gord | St. Johns | N.D.P. |
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| PRAZNIK, Darren, Hon. | Lac du Bonnet | P.C. |
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| VODREY, Rosemary, Hon. | Fort Garry | P.C. |
| WOWCHUK, Rosann | Swan River | N.D.P. |

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 30, 1995

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

**Emergency Health Care Services—
Seven Oaks General Hospital**

Mr. Dave Chomiak (Kildonan): Madam Speaker, I beg to present the petition of Archie Orlikow, Judy Burns and Ann-Marie Pound requesting the Legislative Assembly to request the Premier (Mr. Filmon) to consider maintaining 24-hour access to emergency health care at Seven Oaks Hospital as was promised in the 1995 general election.

**Emergency Health Care Services—
Community Hospitals**

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I beg to present the petition of Valerie Dewson, Donna Hancox, Harv Mock and others requesting the Legislative Assembly urge the Minister of Health (Mr. McCrae) consider making a commitment to the people of Manitoba that emergency health care services in Winnipeg's five community hospitals will remain open seven days a week, 24 hours a day.

READING AND RECEIVING PETITIONS

**Emergency Health Care Services—
Community Hospitals**

Madam Speaker: I have reviewed the petition of the honourable member for Inkster (Mr. Lamoureux), and it complies with the rules and practices of the House. Is it the will of the House to have the petition read?

An Honourable Member: Yes.

Madam Speaker: Yes. The Clerk will read.

Mr. Clerk (William Remnant): The petition of the

undersigned residents of the province of Manitoba humbly sheweth

THAT emergency health care services are the core of Manitoba's health care system;

THAT Manitobans deserve the greatest possible access to this care;

THAT the government is considering reducing access to emergency services.

WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Minister responsible for Health consider making a commitment to the people of Manitoba that emergency health care services in Winnipeg's five community hospitals will remain open seven days a week, 24 hours a day.

**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

**Standing Committee on Agriculture
First Report**

Mr. Jack Penner (Chairperson of the Standing Committee on Agriculture): I wish to present the First Report of the Standing Committee on Agriculture.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Your Standing Committee on Agriculture presents the following as its First Report.

Your committee met on Thursday, October 26, 1995, at 8 p.m. in Room 255 of the Legislative Building to consider bills referred.

At that meeting, your committee elected Mr. Penner as the chairperson and Mr. Pitura as vice-chairperson.

Your committee heard representation on bills as follows:

Bill 27—The Cattle Producers Association Amendment Act; Loi modifiant la Loi sur l'Association des éleveurs de bétail

James Bezan, Manitoba Cattle Producers' Association
Tony Riley, Private Citizen
Keith Proven, Private Citizen
Terry Drul, Manitoba Independent Agricultural Producers
Fred Tait, Regional Coordinator, National Farmers Union

Written Submissions:

Chris Todosichuk, Private Citizen

Bill 15—The Agricultural Producers' Organization Funding Amendment Act; Loi modifiant la Loi sur le financement d'organismes de producteurs agricoles

Leslie Jacobson, President, Keystone Agricultural Producers Inc.
Bruce Dalgarno, Manitoba Canola Growers Association
Doug Jones, Manitoba Pulse Growers Association
Clayton Robins, President, Manitoba Sheep Association
Ed Guest and Andrew Paterson, Western Grain Elevator Association
Tony Riley, Private Citizen
Keith Proven, Private Citizen
Terry Drul, Manitoba Independent Agricultural Producers
Fred Tait, Regional Coordinator, National Farmers Union

Written Submissions:

George Penner, Private Citizen
Chris Todosichuk, Private Citizen

Your committee has considered:

Bill 15—The Agricultural Producers' Organization Funding Amendment Act; Loi modifiant la Loi sur le financement d'organismes de producteurs agricoles

and has agreed to report the same with the following amendments:

MOTION:

THAT the following be added after Section 12 of the bill:

12.1 The following is added after Section 34:

Referendum if 30 percent of producers request refund 34.1(1) *When an organization by regulation under subsection 34(1) and, within any year, the producers requesting a refund of the fees*

(a) comprise more than 30 percent of the producers of the agricultural product; and

(b) account for at least 30 percent of the fees collected from producers during the year;

the agency shall conduct a referendum of the producers of the agricultural product to determine whether the organization should continue to be designated.

Recommendation to revoke designation

34.1(2) *When in a referendum held under subsection (1) a majority of the producers voting on the question vote against continuing the designation, the agency shall recommend to the minister that the designation be revoked.*

MOTION

THAT Legislative Counsel be authorized to change all section numbers and internal references necessary to carry out the amendments adopted by this committee.

Your committee has also considered:

Bill 27—The Cattle Producers Association Amendment Act; Loi modifiant la Loi sur l'Association des éleveurs de bétail

and has agreed to report the same without amendment.

Mr. Penner: I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that the report be now received.

Motion agreed to.

Bill 17—The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la Loi sur la Ville de Winnipeg

* (1335)

**Standing Committee on Municipal Affairs
First Report**

Councillor Glen Murray, City of Winnipeg Historic Buildings Committee

Your committee has considered:

Mr. Mervin Tweed (Chairperson of the Standing Committee on Municipal Affairs): I wish to present the First Report of the Committee on Municipal Affairs.

Bill 5—The Education Administration Amendment Act; Loi modifiant la Loi sur l'administration scolaire

An Honourable Member: Dispense.

Bill 21—The Rural Development Bonds Amendment Act; Loi modifiant la Loi sur les obligations de développement rural

Madam Speaker: Dispense.

and has agreed to report the same without amendment.

Your Standing Committee on Municipal Affairs presents the following as its First Report.

Your committee has also considered:

Your committee met on Thursday, October 26, 1995, at 2:30 p.m. in Room 255 and at 8 p.m. in Room 254 of the Legislative Building to consider bills referred.

Bill 6—The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques

At this meeting your committee elected Mr. Tweed as chairperson and Mr. McAlpine as vice-chairperson.

and has agreed to report the same with the following amendments:

Your committee heard representation on bills as follows:

MOTION:

Bill 5—The Education Administration Amendment Act; Loi modifiant la Loi sur l'administration scolaire

THAT section 231 as set out in section 2 of the bill be amended

Ed Lipsett, Manitoba Association of Rights and Liberties

(a) in clause (4)(b), by striking out "a written" and substituting "an oral or written"; and

Linda York, Manitoba Teachers' Society

(b) in subsection (5) of the English version, by striking out "written notice" and substituting "notice given".

Claudia Sarbit, Seven Oaks School Division

Carolyn Duhamel, Manitoba Association of School Trustees

MOTION:

Bill 6—The Public Schools Amendment Act; Loi modifiant la Loi sur les écoles publiques

THAT section 2 of the bill be amended by adding the following after the proposed subsection 231(6):

Ed Lipsett, Manitoba Association for Rights and Liberties

Court order relating to offence

John Gisiger, Manitoba Teachers' Society

231(7) When a person is convicted of an offence under subsection (2) or (4), the court may, in addition to imposing a fine, make an order having one or both of the following effects:

John Wiens, Seven Oaks School Division

Dwight Botting, Manitoba Association of Principals

(a) prohibiting the person from entering or being on the school premises in respect of which the offence was committed;

(b) requiring the person to comply with any conditions the court considers appropriate in the circumstances for securing the person's good conduct and for preventing the person from repeating the same offence or committing other offences.

Your committee has also considered:

Bill 17—The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la Loi sur la Ville de Winnipeg

and has agreed to report the same with the following amendments:

MOTION:

THAT the proposed section 608.1, as set out in subsection 8(3) of the bill, be struck out and the following substituted:

By-law re authority to terminate variances

608.1(1) Council may by by-law authorize a designated city administrator to terminate orders of variance under subsection (2).

Termination of variance

608.1(2) Notwithstanding anything in this act, the designated city administrator may terminate an order of variance with the written consent of every person who is an owner as defined in The Real Property Act in respect of which the order of variance was granted.

MOTION:

THAT the proposed section 612.1, as set out in section 11 of the bill, be struck out and the following substituted:

By-law re authority to terminate conditional uses

612.1(1) Council may by by-law authorize a designated city administrator to terminate approved conditional uses under subsection (2).

Termination of conditional use

612.1(2) Notwithstanding anything in this act, the designated city administrator may terminate an approved conditional use with the written consent of every person who is an owner as defined in The Real Property Act of the property in respect of which the conditional use was approved.

Your committee has also considered:

Bill 22—The Municipal Amendment and Brandon Charter Amendment Act; Loi modifiant la Loi sur les municipalités et la Charte de Brandon

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

MOTION:

THAT the French version of the title of the Bill is amended by adding "LA LOI SUR" after "MUNICIPALITÉS ET".

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

Motion agreed to.

TABLING OF REPORTS

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I am pleased to table the Annual Report of Manitoba Trading Corporation and the audited financial statement for the period ended March 31, 1995.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw all honourable members' attention to the public gallery, where we have 15 students from the Salvation Army Literacy Program under the direction of Miss Tracy Johnson. This school is located in the constituency of the honourable member for Point Douglas (Mr. Hickes). On behalf of all honourable members, I welcome you this afternoon.

ORAL QUESTION PERIOD

Health Care System Capital Projects

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

Madam Speaker, a week before the election campaign, the Minister of Health announced the government's capital programs for health care, some \$191 million in projects. A couple of weeks ago, we asked about some specific projects and their status because we have been hearing from a number of sources that many of these projects have been put on postelection hold.

Madam Speaker, I would like to ask the Premier, could he table today the status of the capital reports and the status of the approvals and the go-forward dates insofar as the same capital projects were listed in the Premier's (Mr. Filmon) promise during the election campaign?

Hon. James McCrae (Minister of Health): Madam Speaker, proponents of projects under our capital program are indeed interested in knowing the current status, and as we reported last week, capital projects in Manitoba are currently under review.

Projects are being reviewed this year as they are every year as we move through the budgetary process, and this is all happening against the backdrop, as the honourable member knows, of the federal government taking \$220 million in funding from the Province of Manitoba.

The honourable member also is aware that we have before us balanced budget legislation, and we continue to look at each capital project on its merits.

Mr. Doer: Madam Speaker, the federal budget was tabled at the end of February. The provincial budget was tabled March 9. I asked the Minister of Finance (Mr. Stefanson) on March 10 whether any government spending decisions would be affected by the federal budget cutbacks in health and post-secondary

education, and he said, no, they would go back to the federal minister.

Madam Speaker, the document that I referred to in the capital budget was also contained within the Conservative Filmon Vision promise.

I would like to ask the Premier (Mr. Filmon), in light of the fact that the capital projects are contained on page 53 of the government's promises during the election campaign, can the Premier account for the promises? Which ones are going ahead and which ones are not?

These are his words during our campaign, Madam Speaker. I think he should account back to the public on where they stand.

Mr. McCrae: The honourable Leader of the Opposition would, no doubt, recognize that within a budget of \$1.85 billion on an annual basis, which, incidentally, is at 34 percent of budget, the highest level anywhere in the country, as part of a budget like that, there would, of course, be capital considerations to be taken into account as we go forward, and that is exactly what is happening, Madam Speaker.

Mr. Doer: Madam Speaker, I would like to ask the Premier, how can he go from \$10 million of capital expenditure—promise, limit, bottom line, limit by the government, go no further for the arena—and how can he go from \$191 million to a questionable amount now on health care?

Is it going one way on hockey and another way on health care, Madam Speaker? What are the priorities of this government, and why is he not fulfilling his promise that was contained, long after the federal budget, on page 53, his word in his election document called his vision of Manitoba? Do not break your promise.

Hon. Gary Filmon (Premier): Madam Speaker, as the member knows, we are no longer spending the \$10 million on an arena. That has changed, obviously.

We would be irresponsible not to review all of our plans, all of our abilities, to fulfill any commitments in

light of the loss of \$147 million of transfer payments from Ottawa this coming budget and \$220 million the following budget.

Madam Speaker, we have to be realistic. That is what the public expects of us.

* (1340)

Health Care System Board Appointments

Mr. Dave Chomiak (Kildonan): Madam Speaker, the regional health board system is not set up, and already the minister is using that as an excuse as to why the capital plans have been stalled and terminated by this government.

My question is to the Minister of Health, Madam Speaker. The minister is going to be appointing all of the boards in Manitoba by ministerial decree, not elected. The minister is going to be appointing boards, and my question for the minister is, why are these board appointments going to be for periods of two to four years? Because the public is very concerned about the kinds of appointments this minister is going to make and the decisions his appointees make, decisions in rural Manitoba that may adversely affect the health care of Manitobans in rural Manitoba.

Hon. James McCrae (Minister of Health): Madam Speaker, as no legislative framework exists for the first elected boards and as there is a need to have boards in place to assist in the implementation of the new system of regionalized health boards, as all of those things are before us, the honourable member would realize the necessity to get on with the process.

We are on time, Madam Speaker. We are on target in terms of the work. It is taking longer in Manitoba and it is deliberately so. In our neighbouring province to the west, of course, they reduced from 300 hospital districts to 30 by the stroke of a legislative pen. This is in Saskatchewan.

The honourable member should recognize that the consultative approach whereby we consult some thousands and thousands of Manitobans in the

development of the health care system that we will have for future generations seems to be a better way to proceed.

Legislation

Mr. Dave Chomiak (Kildonan): Madam Speaker, will the minister who has indicated that the process is on time indicate to members of this House whether or not we will be seeing legislation?

Because this is calling for a massive change in health care, will we see the legislation that according to his own study committee is to be in effect by April 1 of next year? Will we and Manitobans have an opportunity to see the legislation that is going to massively affect changes in rural Manitoba prior to the minister going in and making those changes?

Hon. James McCrae (Minister of Health): Well, Madam Speaker, we hope that the legislation could be ready for next spring, but if that cannot happen, it would be the following legislative session, and the reason if it was not to be, it would be because of the work being done by the interim boards that are being set up.

By the way, Madam Speaker, those appointed members, 12 of 15 in each case, are from nominations received from the community, so the honourable member ought to make it a little clearer when he asks his questions in this House what he is talking about.

This is not the kind of process that he or his colleagues would have done had they been in office where it is all done in the back rooms. That is not the way we do things on this side of the House, Madam Speaker.

Regionalization

Mr. Dave Chomiak (Kildonan): Madam Speaker, my final supplementary to the Minister of Health who suggests back-room politics, and I think it is beneath the dignity of a minister to suggest that, but my final question to the minister is, can the minister confirm what his musings were at the mental health coalition meeting last week when he said that Winnipeg would

maybe not be a region but would have a centralized governing authority dealing with all health care matters?

Are we looking at Winnipeg as a region with a central board, probably run out of the minister's office, I might suspect, but are we looking at a region for Winnipeg?

* (1345)

Hon. James McCrae (Minister of Health): Before the honourable member refers again to something being beneath me, Madam Speaker, I suggest he read Hansard for today and his own questions as to what motivation he suggests might be actuating me.

Madam Speaker, I had a very interesting and open discussion the other day—the honourable member and a couple of his colleagues attended—with the mental health coalition, and I think it was a very useful dialogue, the sort of thing that goes on quite often with respect to Manitoba Health in general and me in particular working with the various people who have an interest in health care in our province.

Indeed, when we talk about integration of services in the city of Winnipeg, we are finding that when we can bring the various elements of the system together, we get better results, Madam Speaker. We get better patient care, and we also get a more effective use of health care dollars which the honourable member knows are going to be under great pressure as a result of federal action.

In the future in Winnipeg, we would like to see more of an integrated planning approach that would include people from the various facilities and services presently provided independently and autonomously here in the city of Winnipeg.

Health Care System Regionalization

Ms. Rosann Wowchuk (Swan River): Madam Speaker, the Women's Institute in the Parkland Region held their meeting, and at that meeting they raised

concerns about the move to regional health authorities and the impact that this change is going to have on small community hospitals, and they worry about the loss of services in smaller facilities.

The Women's Institute in the statement also said that the recommendations were very idealistic, but the council that is supposed to be representing the grassroots has very little power.

I want to ask the minister what steps he will take to ensure that smaller facilities are not marginalized under this system and that district health councils which are supposed to be the grassroots representation do have some power.

Hon. James McCrae (Minister of Health): I believe, Madam Speaker, that the process itself will assist in achieving what it is the honourable member wants to see achieved in rural regions of Manitoba.

By asking that decision making rest with the regional and district authorities as opposed to the so-called ivory towers here on Broadway in Winnipeg, I see a real potential for better grassroots input into health care decision making in the future.

Ms. Wowchuk: Since it is the district health councils which are supposed to be the vehicles through which communities' residents have their input and these councils have no funds attached to them, will the minister address that issue and attach funds to the community health councils so that they can be a real voice for the communities?

Mr. McCrae: There certainly is a wish to ensure that there is a real voice for the communities, as the honourable member points out, and as the regional boards are implemented before the end of this year, I would like to impress upon those regional associations the requirement for as much local input as we can possibly achieve.

Ms. Wowchuk: I want to ask the Minister of Health if he recognizes that aboriginal people in rural Manitoba have been blocked from participating on existing health boards, and since aboriginal people are a large percentage of the population in rural areas and are large

users of health facilities, will he give his assurance that there will be the opportunity for aboriginal people to have a place on these district health councils and that there will be funds attached to these councils so that they can operate properly?

Mr. McCrae: No, I do not recognize that aboriginal people have been blocked, but should there be evidence of that, I would like to know about it.

Aboriginal people are frequently invited to participate, to send representatives, and if the honourable member has information about someone having been blocked, I would like to know about it.

* (1350)

Youth Crime Gang Reduction Strategy

Mr. Gord Mackintosh (St. Johns): My question is for the Minister of Justice.

This weekend, we found out that one of the minister's own probation staff and this person's family were forced to leave their home by a street gang.

During the minister's tenure, the number of street gang members in Winnipeg has more than doubled while this minister talked about imaginary interagency surveillance and talked about an unresponsive gang hotline.

My question for the minister is, when will she finally get beyond talk and walk the walk and take some meaningful action to deal with street gangs?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): The member tends to put on the record information that I am not sure where he gathered it. I think it is very important to say that there is an incident which has been reported which is currently under investigation, and so that issue I do not think the member—unless, as he often does, he wants to go ahead and just convict before any evidence is presented. I think he should be very careful about the information that he is trying to put on the record here, Madam Speaker.

Madam Speaker, in the area of youth crime and violence, youth gangs and street gangs, let me say that this government was, I believe, the first province in this country to take a stand on the Young Offenders Act, the strongest stand in this country.

I wonder why it took the other side so very long, if, in fact, we even now have a clear message from the NDP as to whether or not they are supportive of strengthening the Young Offenders Act. When this government moved towards rigorous confinement in our correctional institutions, the other side opposed it. Madam Speaker, the member is wrong again.

Street Peace Status Report

Mr. Gord Mackintosh (St. Johns): Would the minister who has publicly said that her youth gang hotline, which is just a little, old, lonely answering machine, is so vital, would she explain why, according to the officer assigned to this phone line, Sergeant Ron Hodgins of the Winnipeg Police Services, that hotline's messages are only being checked every couple of days?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): The youth gang line, Street Peace, is a very important tool in dealing with information about youth gangs, and the member continues to minimize any steps that have been taken in any part of this province to deal with youth crime and violence.

I have explained before, Madam Speaker, that in studies dealing with information to be received about youth gangs and violence, the individuals who are using the line have, in fact, indicated a preference to have their anonymity protected and to use the voice mail or mechanical device. The member continues to minimize that, but that has been found to be the most effective.

Madam Speaker, the information that I have is that this information is taken off the youth gang line very, very regularly. I wish the member would perhaps elaborate to me if he has any other information. That is not what I understand from Winnipeg Police Services.

Point of Order

Mr. Mackintosh: The minister is saying I am minimizing the answering machine being used here. Perhaps I am just guilty of believing what the minister tells Manitobans because 100,000 wallet cards said, your call will be answered by a police officer.

Madam Speaker: Order, please. The honourable member for St. Johns does not have a point of order. It is clearly a dispute over the facts.

* * *

Madam Speaker: The honourable member for St. Johns, with a final supplementary question.

Mr. Mackintosh: A final supplementary to the minister: If the hotline's little answering machine is so vital, would she explain to the youth and parents who are forced to bang their heads against this impossible barrier and being unable to speak with a human being knowledgeable on youth issues, even when they press zero in an emergency—is this why the Salvation Army had to establish its own effective gang hotline?

The hotline has gone cold, Madam Speaker.

Mrs. Vodrey: There we have a perfect example of the member across the way minimizing a tool that the Winnipeg Police Services indicated that for their benefit has been very useful.

Individuals using this tool, that among others, this in specific, have found this to be, in fact, very useful—very useful in the giving of information and very useful in the following up of information.

Madam Speaker, there is contact, with an officer following up. Sometimes individuals just wish to deliver information. Other times, there is a requirement for follow-up where families wish to get additional information.

Madam Speaker, that most certainly happens, and, again, we have the member across the way making it very difficult for Manitobans to take advantage of all the tools available to them due to his minimization

continually of everything available. When will he stand up and take a position that will help the people of Manitoba?

* (1355)

Hecla Island Resort VLTs/Casino

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister responsible for Lotteries.

Gambling policy from this government has been one of revenue generation, and you can tell that in the sense that when you look anywhere in the city of Winnipeg—you can go to The Maples and the local high school there, Madam Speaker, and you can have VLTs right across the street from there. [interjection]

Madam Speaker: Order, please. I am experiencing great difficulty hearing the honourable member for Inkster's question.

The honourable member for Inkster, to pose his question now.

Mr. Lamoureux: My question to the Minister responsible for Lotteries is, we believe that it should be tourism driven. The Crown Corporations Council, in talking to the Hecla Island resort states: The council recommended that the resort be sold. If a buyer cannot be found, consideration should be given to closing the resort or converting it to alternative use.

My question to the minister is, will he recognize and support the reallocating of VLT machines from the city of Winnipeg over to Hecla Island resort?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): If I understand the member correctly, he seems to be suggesting that we treat the resort at Hecla Island differently, provide it with more VLTs than is the case with any other business establishment across Manitoba, and he also rolled that into questions about casinos, and I do not know whether he is suggesting that a casino be located at that

Gull Harbour Resort or where he is heading with his question.

The issue is that the Gull Harbour Resort qualifies for VLT machines in their licensed establishment, the same as any other licensed establishment, and as a result of that, they do have some VLT machines, Madam Speaker, and that is the extent of gaming at the Gull Harbour Resort. There are certainly no plans to convert that facility to a casino.

We have a moratorium in place here in Manitoba right now. As the member knows full well, we are expecting that report by December 15 from Mr. Desjardins and his commission, and we will await that report for any future gaming decisions, Madam Speaker.

Mr. Lamoureux: Madam Speaker, can the Minister responsible for Lotteries tell me how, on one day, Mr. Sparrow from Venture Manitoba Tours in his report will say that the corporation is not having anything to do with consideration of the gambling casino, and then only two days later from the Crown Corporations Council, it was indicated to me that, in fact, there was discussion about gambling casinos at Gull Harbour?

Can the minister clarify that discussion?

Mr. Stefanson: Madam Speaker, I hate to see the member for Inkster making more of this issue than is really the case. I was at the Crown Corporations Council when this whole discussion came up about Gull Harbour Resort. The CEO, Mr. Sherwood, indicated that, amongst many issues, there was some brief discussion about casinos at Gull Harbour Resort, but it was acknowledged, Mr. Sherwood himself acknowledged to the member for Inkster that that was the extent of it.

They recognize that there are no plans to expand casinos. They recognize there is a moratorium, so other than a very brief discussion about the future viability of Hecla, along with a whole range of issues, that was the extent of the discussion.

I cannot speak for Mr. Sherwood, but I think I can paraphrase what he said at committee, and it seems as

though the member for Inkster is making an awful lot more of a very insignificant comment from Mr. Sherwood amongst a whole range of issues that Hecla was looking at.

As I clarified for the member for Inkster at that committee, I want it to be perfectly understood that there are no plans to put any casino at Hecla. There are no plans to expand casinos or gaming in Manitoba, and we currently have a moratorium in place, for which we expect a report from Mr. Desjardins and his commission by December 15.

Mr. Lamoureux: Madam Speaker, can the minister responsible for Venture Manitoba then tell this House—given the recommendation either to close down, moth-ball the casino or find an alternative use, or, of course, allow Manitoba taxpayers to continue to subsidize this operation, as they have done for over a decade—what is this government's intentions with Hecla Island?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, the member attended the committee hearing where we went through the three yearly reports of Venture Manitoba Tours Ltd., and at that time I made a very definitive statement that we were not going to be looking at selling Gull Harbour at this time, that the financial picture had increased favourably by quite a degree and that we are looking at further improvements in that Gull Harbour operation out there.

We are working together with the board, and we feel very positive about it, and the member had all these answers about two weeks ago.

* (1400)

University of Manitoba Labour Dispute

Mr. Daryl Reid (Transcona): On several occasions the Minister of Labour has stated that it would be very imprudent for him to interject into very delicate labour negotiations at the University of Manitoba. All the while his actions belied his words. Finally, last Monday, the Minister of Labour met and agreed to let

the parties decide on a mediator by Saturday, no strings attached, and to pay for the mediator. Now the minister has broken his word, poisoning the negotiations and costing more class time.

Can the Minister of Labour, who says he will not interfere in negotiations and then does, explain why he went back on his word to the U of M parties last Monday night to allow the parties to agree on a mutually acceptable mediator, which they have, and to set their own terms of reference? Is it true that this government does not want mediation or arbitration to work?

Hon. Vic Toews (Minister of Labour): If the two parties have, in fact, agreed to a mediator and the terms of reference, I have no choice but to appoint that mediator. That is what the law is.

Mr. Reid: Can the Minister of Labour, Madam Speaker, who has a double standard in labour relations, explain why he is trying every available way to prevent a mediator from assisting the U of M parties, when it is our understanding that the parties have agreed to monetary items and could conclude an agreement if a mediator was involved?

Why is the minister throwing roadblocks in the way of these parties in concluding an agreement?

Mr. Toews: I am not sure what roadblocks the honourable member is referring to. As I indicated, if the two parties have agreed upon a mediator, the law mandates that I appoint that mediator.

Mr. Reid: Will the Minister of Labour set aside his own bias, remove the roadblock conditions which he does not have specific legislative powers to impose and immediately appoint Owen Shime as the mutually agreed-upon mediator who was prepared, Madam Speaker, to start mediation services yesterday?

Mr. Toews: Madam Speaker, it is my information that the parties have not, in fact, agreed upon a mediator or the terms of reference of that mediator.

I continue to be disappointed that the negotiations have commenced and that UMFA has apparently

retracted its public position that it would, in fact, return to the bargaining table when those negotiations commenced.

Now if, in fact, there is a mediator and if that mediator has been agreed upon and the terms of reference have been agreed upon, I will appoint that mediator, Madam Speaker.

Manitoba Housing Authority Committee Schedule

Ms. Marianne Cerilli (Radisson): This government has centralized the management and governance of public housing, eliminating community-based housing authorities and essentially shutting out tenants in local communities from having a say in how their housing is governed.

They did not establish in 1991, as they said they would, social housing advisory groups, which according to their own terms of reference were to provide necessary input so that housing stock would be managed in a manner that was sensitive to local concerns.

I want to ask the Minister of Housing, given that he has replaced these social housing advisory groups with the Manitoba Housing Authority board-appointed committee that was to hold meetings outside of Winnipeg and provide advice to the board, how many committee meetings has this committee had, and what recommendations have they made to the board?

Hon. Jack Reimer (Minister of Housing): One of the greatest assets that can come out of the localization of housing and housing positions is the creation of a local authority board, an advisory council, an advisory board, within that system.

That has been an ongoing commitment through this government. There is an allocation of funding regarding the amount of money that is put towards this association and the creation of it.

The board does go out into the area, also, as the member has referenced, to rural areas for advice and commentary. The numbers of meetings they had, I do

not have that particularly on hand, but I can get that information for the member, but one of the things that is stressed is the openness and the willingness to meet with people.

Tenant Representation

Ms. Marianne Cerilli (Radisson): I would ask if the minister agrees that tenant involvement would help fill the vacancies in public housing units—in 14 complexes in Winnipeg, there is a vacancy rate of more than 10 percent—if he would agree that tenant involvement would help solve the social problems that are creating the vacancy problem, and if so, why there is no plan from this government to involve tenants in the management and delivery of public housing.

Hon. Jack Reimer (Minister of Housing): Madam Speaker, one of the things that is very, very important, and I will repeat again, is the fact that tenants associations will form and do form a very vital point in making any type of decisions within the framework of the complex.

A very good example is the tenants association that has formed at Gilbert Park. They have shown the initiative, they have shown the ingenuity to be involved with the tenants, be part of the decision making, to keep the minister and keep the department informed of what they might have as objectives, and working together on some of these things makes it much better in trying to come to a mutual agreement on the objectives for everybody who is involved with public housing, Madam Speaker.

Social Housing Advisory Councils Establishment

Ms. Marianne Cerilli (Radisson): Madam Speaker, my final question for the minister is, why for five years going on six years has this government not established social housing advisory groups, which would have provided the support for tenants associations and ensured that the community was involved in solving problems in and around public housing? Why have they not followed through with the recommendations from 1991?

Hon. Jack Reimer (Minister of Housing): Madam Speaker, this government has had a commitment, and there has been a continual commitment, to try to work and to encourage—and, in fact, I would believe that almost every housing authority does have an advisory committee within their conference.

There are very few that do not have it. The ones that do not have it are in the process of working towards that through the tenant relations officer and through the department in trying to foster this. It forms a very, very important part of the communications and the ongoing dialogue between public housing and the Manitoba Housing Authority.

Election Campaigns Contributions—Tax Deductibility

Mr. Marcel Laurendeau (St. Norbert): Madam Speaker, my question is to the Minister of Urban Affairs.

Seeing as we have just gone through a city-wide election, Madam Speaker, there was a Q and A put forward by City Hall that went out to all their candidates, both those for council as well as trustees.

If I may, Madam Speaker, the questions were very simple. Number 15 was, can a registered political party make contributions towards a candidate's campaign, and No. 16 was, can I get an income tax receipt for contributions to a candidate? Could the minister responsible give me the answers to those two questions?

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, as anyone would know and in particular even in this House, everybody who runs for public office has the responsibility of knowing the rules, the regulations and the parameters within what is and what is not allowable within The Elections Act.

The individuals who are running for elections actually in Winnipeg operate under The City of Winnipeg Act, The Local Authorities Elections Act, the Canada Elections Act and also The Elections Finances Act.

Contributions are defined within The City of Winnipeg Act, and a contributor means an individual, an organization, corporation or trade union, but it does not include a political party registered under the Canada Elections Act or a constituency association of such a registered party or a political party registered under The Elections Finances Act or a constituency association of a registered political party.

I would hope that everybody who is involved with any type of election campaigning would be aware of the contributions and the parameters of what it all entails, Madam Speaker.

* (1410)

Mr. Laurendeau: I would like to thank the minister for that answer.

Madam Speaker: Order, please. The honourable member for St. Norbert has been recognized for a supplementary question.

Mr. Laurendeau: Madam Speaker, for the Minister of Urban Affairs, seeing as there is a double standard here, will he look into getting the—

Madam Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I hesitate to rise on a point of order when the member is also the Deputy Speaker, but I do know the member does know our rules in terms of preambles, and we are often reminded on this side of the House in terms of Beauchesne.

I would ask if perhaps you might also wish to remind the member about our rules in terms of questions.

Madam Speaker: Order, please. The honourable member for Thompson indeed does have a point of order. I had already cautioned the honourable member for St. Norbert that he was recognized for a supplementary question that requires no preamble or postamble.

* * *

Mr. Laurendeau: Madam Speaker, will the minister responsible take note and ask the City of Winnipeg then to clarify their Q and A's, so that we do not have a double standard at the next election before City Hall and the school trustees?

Mr. Reimer: I would hope that anybody who is running for political office in any venue would have the wherewithal to try to make sure they are falling within the parameters of the contributions that are involved with their campaign.

In regard to The City of Winnipeg Act, I can ask for some sort of clarification, so that by the time the next election does come around, that possibly the contributor's kit is more informed, has more parameters, is more definitive as to what is and what is not eligible for contributions.

Post-Secondary Education Council Establishment

Ms. Jean Friesen (Wolseley): My questions are for the Minister of Education.

Madam Speaker, the Roblin commission on post-secondary education reported in 1993 and made 41 clear recommendations to the minister. Seventeen of those recommendations require the prior establishment of a post-secondary education council, but the government has not yet established such a council, and the earliest date it can begin its work now is summer '96, fully 31 months after the Roblin report was tabled.

Could the Minister of Education tell us why the Roblin commission has received such low priority in her department?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, the member assumes because no public announcement is made that nothing has been done, and that is an incorrect assumption.

I do not come every day and make announcements every day of the week as to the work that is going on in the department. I can indicate to the member that the

work is very much underway towards the establishment of a post-secondary education council for Manitoba and that she can expect to hear some more formal announcement of that shortly.

Ms. Friesen: Could the minister list for the House the membership of the interim committee she intends to establish to examine the possible composition of a potential post-secondary education council?

Mrs. McIntosh: Madam Speaker, I continue to be constantly amused by the question that usually comes first, followed by my answer, followed by a second question which indicates the member had an answer in mind for the first question.

It is not only amusing but—

Madam Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): On a point of order, Madam Speaker, I do not think there is any reference in Beauchesne to ministers being able to provide play-by-play commentary on Question Period, and I would ask that you call the minister to order, please.

Madam Speaker: Order, please. On the point of order by the honourable member for Thompson, indeed the honourable member for Thompson does have a point of order. I would remind the honourable Minister of Education that answers should be as brief as possible and should speak to the question raised.

* * *

Madam Speaker: The honourable Minister of Education, to quickly complete her response.

Mrs. McIntosh: Madam Speaker, I appreciate the point of order. I continue to be amused, but I appreciate the point of order. Madam Speaker, shortly.

Aboriginal Veterans Day Government Recognition

Mr. George Hickes (Point Douglas): Madam Speaker, my question is for the Minister of Northern and Native Affairs.

Last year, this Legislature unanimously passed a resolution endorsing November 8 as Aboriginal Veterans Day.

Can the minister tell the House what plans the government has for recognizing November 8 this year?

Hon. Darren Praznik (Minister responsible for Native Affairs): Madam Speaker, I believe last year we had a request through normal process for a proclamation to that effect, and to my knowledge, I have not seen a similar request. I will check after Question Period.

Whether it has come to my department or not, it has not made it up to my desk at this time. I will check on it for the member.

Mr. Hickes: Madam Speaker, the resolution reads: THEREFORE BE IT RESOLVED the Legislative Assembly of Manitoba support the designation of November 8 as Aboriginal Veterans Day. There is no year attached to this, so this should be ongoing year after year, year after year, automatically.

Madam Speaker, will the minister do the honourable thing and make arrangements for this event, similar to the Seniors Day and Christmas open house that we have every year, ongoing, continuously?

Mr. Praznik: Madam Speaker, now I understand a little more clearly the member's question.

Last year, an organization of aboriginal veterans—in fact, I think they are a formal organization—took it upon themselves to arrange that day.

We participated as a government in the province of Manitoba on behalf of the people of Manitoba, and we would be most pleased to do the same again if that organization, just like the Royal Canadian Legion and the Army, Navy and Air Force Veterans and other organizations take it upon themselves to organize November 11 ceremonies across this province—we will participate in that event, as we do in others, recognizing the veterans, but at no time do we as a Legislature or a government organize specifically Remembrance Day services on November 11.

The veterans organizations themselves take it upon themselves to do so, and there is an aboriginal veterans organization that, if I remember correctly, last year wanted to take on the responsibility to organize those activities.

Mr. Hickes: Madam Speaker, will the minister contact representatives of the Manitoba Aboriginal Veterans Association, along with representatives of the Canadian Armed Forces, to discuss November 8 for the possibility of activities to be held for the Aboriginal Veterans Association? [interjection]

Mr. Praznik: Madam Speaker, the member for Transcona (Mr. Reid) from his seat asks why I wear a poppy. I wear a poppy because I respect the sacrifice of all of the veterans of Canada who served this nation, and on this particular day of any, we should be honouring that contribution of all Canadians who served this country.

Madam Speaker, in the discussions that I had last year with the very vibrant committee of the Aboriginal Veterans Association, who organized that event, they were very willing, they were prepared and very interested in carrying on that event on November 8, recognizing aboriginal Canadians who served this country, which allowed, of course, those veterans to spend November 11 in their home legions across our province, and just like every other veterans group, we will co-operate with them if they take the initiative to recognize that day.

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

* (1420)

Speaker's Rulings

Madam Speaker: I have three rulings for the House.

On October 19 during debate on Resolution 31, the honourable Minister of Highways and Transportation (Mr. Findlay) on a point of order asked that the honourable member for The Pas (Mr. Lathlin) be

directed to withdraw the words "and the minister can sit there and laugh and ridicule and say we are trying to score political points." The minister indicated he was listening intently.

I took the matter under advisement to check Hansard. What we have here is a dispute over the facts. The member for The Pas said one thing and the Minister of Highways said another. There is no point of order.

* * *

Madam Speaker: I took under advisement on October 17, 1995, during debate on private member's Resolution 29, a point of order raised by the honourable Leader of the official opposition about words used by the honourable Minister of Industry, Trade and Tourism (Mr. Downey).

Having examined Hansard, I find the words in question were "we heard the arsonists today trying to put out the fire. The Leader of the New Democratic Party is trying to put out the fire."

In my opinion, the minister did not make a personal charge. Therefore, I find there is no point of order.

* * *

Madam Speaker: Order, please. On October 18 during Question Period, a point of order was raised by the honourable member for Kildonan (Mr. Chomiak) about words spoken by the honourable First Minister (Mr. Filmon). The words were, "I know that the member for Transcona (Mr. Reid) takes great glee in having this kind of major public issue."

There is no point of order as I do not believe unworthy motives, as contemplated in Beauchesne's Citation 481.(e), were ascribed to the honourable member for Transcona.

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Municipal Affairs be amended as follows: Radisson

(Ms. Cerilli) for Dauphin (Mr. Struthers); Burrows (Mr. Martindale) for Wellington (Ms. Barrett) for Monday, October 30, 1995, for 8 p.m.

I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Transcona (Mr. Reid) for Brandon East (Mr. Leonard Evans); Interlake (Mr. Cliff Evans) for Broadway (Mr. Santos) for Tuesday, October 31, 1995, for 10 a.m.

I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Law Amendments be amended as follows: Flin Flon (Mr. Jennissen) for Burrows (Mr. Martindale); The Pas (Mr. Lathlin) for Crescentwood (Mr. Sale); Swan River (Ms. Wowchuk) for Radisson (Ms. Cerilli); Selkirk (Mr. Dewar) for Wellington (Ms. Barrett) for Tuesday, October 31, 1995, for 10 a.m.

Motions agreed to.

NONPOLITICAL STATEMENT

Winkler and Morden Community Activities

Mr. Peter Dyck (Pembina): I would ask leave to make a nonpolitical statement.

Madam Speaker: Does the honourable member for Pembina have leave to make a nonpolitical statement? [agreed]

Mr. Dyck: Madam Speaker, on Friday, October 27, the Winnipeg Symphony Orchestra performed in Winkler. This exciting and music-filled evening was highlighted by a stirring rendition of O Canada!, our nation's official anthem.

Also on Friday I attended the press conference and official signing of the contract in Morden which was hosted by the 1997 Morden Safeway Select host committee and the Manitoba Curling Association. As many of you may be aware, Morden has secured the right to host the 1997 Safeway Select curling tournament. The host committee is to be congratulated on this achievement. It is due to their hard work and

efforts that the town of Morden has received this honour.

Finally, I would like to mention the Miracle of Life Trust Fund which was recently established in Morden. When I heard about the organization and its purpose, I was both excited and encouraged. What a tremendous cause and great idea. I strongly support this undertaking and believe that all communities need to take this kind of initiative to help their neighbours.

All of the organizers of this fund and all those who have contributed donations have again shown what makes Morden and area such a wonderful place to live, the love that people have for their neighbours and their willingness to help one another. Thank you very much.

ORDERS OF THE DAY

House Business

Hon. Jim Ernst (Government House Leader): Madam Speaker, on a couple of items of House business, I would like to advise the House that the meeting of the Standing Committee on Public Utilities and Natural Resources called for Tuesday, October 31, 1995, at 10 a.m. to consider the 1994 Annual Report and Five-Year Operating Plan of the Workers Compensation Board will be cancelled due to the ill health of the chair of the Workers Compensation Board.

Madam Speaker, the meeting of the Committee of Municipal Affairs scheduled for this evening at 8 p.m. to consider Bills 18, 34 and 36 has also been cancelled.

I propose to call the Committee of Municipal Affairs to consider those bills, that is 18, 34 and 36, at 10 a.m. tomorrow, Tuesday, October 31.

Madam Speaker, just for the information of the members of the House, I would propose this afternoon, shortly, to move into Committee of the Whole to consider Bill 28, followed then by Report Stage of the bills as listed in the Order Paper, and then following that, by third reading on the balanced budget legislation, Bill 2.

Madam Speaker, in light of significant events going on elsewhere in our country today and the results of which will be reported earlier this evening, I believe there may be a will of members of the House to call it 10 p.m. at 6 p.m.

Madam Speaker: Is it the will of the House to call it 10 p.m. at 6 p.m. [agreed]

Mr. Ernst: I move, seconded by the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer), that Madam Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider and report on Bill 28, The Statute Law Amendment (Taxation) Act, 1995 (Loi de 1995 modifiant diverses dispositions législatives en matière de fiscalité), for third reading.

* (1430)

Motion agreed to and the House resolved itself into a Committee of the Whole to consider and report Bill 28, with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair.

COMMITTEE OF THE WHOLE

Bill 28—The Statute Law Amendment (Taxation) Act, 1995

Mr. Chairperson (Marcel Laurendeau): The Committee of the Whole will come to order to consider Bill 28, The Statute Law Amendment (Taxation) Act, 1995 (Loi modifiant diverses disposition législatives en matière de fiscalité). Does the honourable Minister of Finance have an opening statement? No. Does the Finance critic for the official opposition have a statement?

Mr. Leonard Evans (Brandon East): Mr. Chairman, no general opening statement except to say that we appreciate the notes the minister has given us on some specific clauses, but we will have to ask him to elaborate on them so that we have a better understanding of the specific sections.

Mr. Chairperson: We shall now proceed to consider Bill 28 clause by clause. Shall Clause 1 be passed?

Mr. Leonard Evans: As I understand, we are on Part 1, The Gasoline Tax Act.

Mr. Chairperson: That is correct.

Mr. Leonard Evans: We have no major problem with this proposal, Mr. Chairman, but I wonder if the—

Mr. Chairperson: Order, please. Could I ask the honourable members who want to carry on their conversations to do so out in the hall or in the loge? I am really having difficulty. In this position down here, all your noise is coming straight to me.

The honourable member for Brandon East, to continue.

Mr. Leonard Evans: Mr. Chairman, well, we would support the government's initiative in this respect, because exemption from aviation fuel tax on international cargo flights does, hopefully, support employment creation in the air cargo business, the air cargo transportation. As the minister informed us, this has been in effect since July 1 of 1993, and what this bill does is expand on the exemptions.

I am wondering if the minister could tell us just what has been the impact of the exemptions to date and what will be the impact of this particular change. Could he talk in terms of the volume of cargo, for instance, or the volume of flights as is impacted by this particular amendment?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, the member is correct that this amendment expands the tax incentive program which was implemented in 1993 to assist the development of a major air freight distribution centre in Manitoba. My understanding is that to date it has had a very negligible impact on revenues. This expansion certainly is expected to have a very negligible impact on revenues, because it really expands the definition to include carriers that include both people and cargo.

But in terms of the specific numbers, I can certainly undertake to provide the member for Brandon East (Mr. Leonard Evans) with specific impacts of the existing legislation.

The expectation is that this amendment will have a very negligible impact on revenue.

Mr. Leonard Evans: Mr. Chairman, I do not know whether I heard all of the answer because of certain noise in the Chamber. Nevertheless, I presume it is rather difficult to note just what impact an additional exemption will make. Perhaps one has to wait until time passes to see what has been the change.

I was wondering if the minister could explain to the House or advise the House how these exemptions compare with exemptions, let us say, in neighbouring prairie provinces, Alberta, Saskatchewan. Is he aware of what these other provinces are doing? To some extent they are in competition in with us. Has he any comparison information?

Mr. Stefanson: Mr. Chairperson, we would have those comparisons—I do not have them with me, and I would not want to start going by memory to provide them to the member. So, again, I will undertake to provide him with that comparison with other Canadian provinces.

Mr. Leonard Evans: I look forward to getting that information. Generally speaking, then, we have no difficulty—assuming we are getting that information—in passing Part 1, and to go on to Part 2.

Mr. Chairperson: Clause 1—pass.

I would remind the committee that as we proceed clause by clause, may I suggest to the committee that we block the clauses. Is that agreeable?

Mr. Leonard Evans: What is the impact of that, Mr. Chairperson? I guess I am more concerned with specific parts, but sometimes you get into a subcomponent of a part.

Mr. Chairperson: If the honourable member would like to give me the list of areas that he has, I will make sure we stop at those specific clauses.

Hon. Darren Praznik (Deputy Government House Leader): Mr. Chairperson, as acting House leader of this committee, I appreciate the concern of the member

for Brandon East (Mr. Leonard Evans) and the willingness of all of us to expedite this process.

I would suggest that we just show some latitude as we move through it. If there are particular parts that the member for Brandon East has questions on or clarifications, as long as he stops, we will ensure that his questions are met.

Mr. Chairperson: Clause 2—pass; Clauses 3, 4 and 5.

Mr. Leonard Evans: Mr. Chairperson, these clauses deal with The Health and Post Secondary Education Tax Levy Act. As I understand it, this provides for some technical changes to clarify the wording of the payroll tax exemption with regard to trucking firms. Again, I am not clear what the impact is of the this particular amendment, so I wonder if the minister could elaborate to the House, to the committee, just what impact does he see this particular change having.

Mr. Stefanson: Again, the member is correct. This is to clarify that the relief under this section is for the transportation industry to enable them to compete. It is not meant to apply where hauling of goods is just one element of a particular industry or business because they are obviously not competing in the transportation industry. It is only one component or a small portion of their business.

I am assuming the member is looking for the financial quantification of what this could mean, if I understand that. Again, those are very, very difficult to determine, but the principle is clearly to allow this legislation to provide relief for companies or organizations that are in the field of transportation, so when they are competing with other similar companies from other provinces they are on a level playing field as it relates to the payroll tax or the health and post-secondary education levy.

In terms of the financial quantification, again, I can undertake to attempt to provide the member with some additional information on that issue, Mr. Chairman.

Mr. Leonard Evans: Mr. Chairman, again, I appreciate it is very difficult to forecast impacts although I note that past budgets, budget documents

from time to time do estimate the impact of the taxation adjustments. In the case of the aviation fuel tax, incidentally, I gather there is either no estimate or no impact known immediately, but there is nothing with respect to this particular one on health and post-secondary education taxes.

I was probably more concerned—well, I was more concerned with the impact on the industry. The name of the game is to presumably stimulate the economy, and the argument is, well, if you reduce these kinds of taxes you have a stimulative effect on this particular industry. So this was really the nature of my question and, of course, there were exemptions provided previously. This is just a clarification. So I guess this is my main concern, not so much the revenue impact to the Treasury but what is the impact on the economy.

* (1440)

Mr. Stefanson: Mr. Chairman, again, as the member knows, we have approximately I believe six or seven of the head offices, the headquarters for the major interprovincial trucking firms right here in Manitoba. I think that is six or seven out of 11 I believe or a number somewhere in that range. So it certainly is a very significant part of our economy. The Minister of Industry, Trade and Tourism (Mr. Downey) has provided numbers in terms of the job opportunities today in the transportation field. I know they are looking for literally hundreds of employees to meet their requirements.

So, again, the transportation sector is a major employer within our economy. There continue to be more and more job opportunities. Certainly, one element of that—besides our central geographic location and other aspects of doing business—that allows those firms to compete on a level playing field is the fact that companies that are in the transportation industry and sector are relieved from paying the health and post-secondary education tax levy.

So I think those kinds of numbers, the fact that they continue to be headquartered here, to continue to keep their presence here, the fact that they are looking for hundreds of additional employees, shows that through initiatives like this they are able to compete from right

here in Manitoba as they should be able to, Mr. Chairman.

Mr. Leonard Evans: Just by way of clarification, Mr. Chairman, I would ask the minister: Was there never any attempt to collect such taxes from firms who were not necessarily headquartered in Manitoba but who operated in and through Manitoba as interprovincial-international firms?

Mr. Stefanson: Mr. Chairman, in terms of how those firms were treated prior to this original amendment, which goes back some period of time, which goes back prior to 1990, I would have to again determine how they were treated, but I would believe, as it would relate to services in Manitoba, that there is a strong possibility that we are subject to the tax for payroll here in our own province.

But, as I said, we have many of these companies that are interprovincial, so they are competing into these other provinces that do not have a payroll tax. They are providing services into provinces right across Canada. So the levelling of the playing field is not so much the levelling in our own province; it is the levelling of the playing field in the other nine provinces across Canada, Mr. Chairman.

Mr. Leonard Evans: Well, I just make a comment, Mr. Chairman. While we do not oppose this amendment, I would just comment that we still have this levy. When we were in office back some many years in the early to mid-'80s I guess we took a lot of criticism from the then opposition and the then opposition leader who is now the Premier (Mr. Filmon) about the very existence of this levy referred to by many as the payroll tax.

Of course, no government likes to implement a new tax. No government wishes to increase taxes—that is not a way to win popularity contests for sure—but one does have to take responsibility to obtain sufficient revenues to ensure that deficits either are minimized or deficits do not occur. Of course, this was one area of obtaining revenue. We were not trailblazing in this, because I believe Quebec at least had a similar tax, and there were shades of it in Ontario as well because many companies did pay towards medicare premiums, health

care services and in effect had something in the nature of a levy for health and, if not, for education.

I do recall distinctly that the then Leader of the Opposition, now Premier, stated categorically that a government that he would head would totally eliminate this levy. I know it is stated often by the Minister of Industry (Mr. Downey) and others, that while we have raised the level of exemptions, so we have caused many thousands of small firms from being exempted.

I just might point out, we did that as well. Through a couple of years, we increased the exemption level so that fewer small businesses would have to pay this tax. Indeed, I know we would have increased the exemptions further, but that is not what was promised by the Premier at that time. He promised categorically—in fact, one would only have to take a few minutes to look up Hansards from back at that time to see where there were various speeches made, when members on this side who are now on the government side—that this tax would be totally eliminated, not just amended, not just tinkered with, so to speak, but totally eliminated.

I remember shouting across at that time, an interjection, I suppose, that no way will you get rid of this tax, because it brings in too much money for you to ignore. Indeed, last year, 1994-95, according to this year's budget document, the tax brought in, the levy brought in \$194 million, and this year it is estimated to bring in \$193 million even with the exemption. This is one of the most significant revenue sources; it exceeds many other areas of taxation, including tobacco taxes, gasoline taxes, corporate capital taxes and so on. It is one of the most significant areas of taxation.

Regrettably, the fact is that I do not see this levy ever going. We would like to see it go. I know, as they say, no government, no party, wants to impose additional taxes or increase taxes, but I do not see it going in the near future, because the government needs the money. Even though this government is squeezed on its expenditure side, the fact is the revenues have not flowed in to the same extent that they would have liked to have seen, or we would have liked to have seen.

As a result, we have had many a year, year after year, of deficits. I am not going to go over the whole

argument of the Dominion Bond Rating Service and its comments, but even just looking at the minister's own budget document, we could just see year after year after year of deficits. Without this near \$200 million, those deficits would be significantly higher.

I do not know whether the minister wants to respond or not, I am sure he will not be getting up to suggest that this tax will be eliminated in the near future.

Mr. Stefanson: I think the member for Brandon East is trying to drag me into debate here. In terms of the payroll tax or the health and post-secondary education levy, as the member knows, the rate has not been increased since 1987, since our entire term in office, and, as well, the threshold has been consistently increased.

Today, the basic threshold I believe is \$750,000, with an additional element over and above that. Today, in excess of 90 percent of the businesses in Manitoba no longer pay this payroll tax, so very significant improvements have been made in terms of the impact of this tax on businesses here in our province.

The member is correct. Even with less than 10 percent of businesses paying the tax, it still generates a significant amount of money, \$193 million. Our objective will be to continue to work towards the ultimate elimination, but in a fairly short period of time, with governments coming through difficult times, recessions right across Canada, I believe we have made very significant inroads in terms of improving the situation relative to the exemption levels and the number of businesses that no longer pay that tax. Obviously, I believe it has had a very important impact and positive impact on our economy.

I could go on at length explaining why to the member for Brandon East, if he so wishes, but I will leave my remarks at that for now, Mr. Chairperson.

Mr. Chairperson: Shall Clauses 3, 4 and 5 be passed?

Mr. Leonard Evans: Just very briefly, I agree we do not want to burden small business, but I think the minister will have to acknowledge, one of the attractions of the particular tax was that it did allow us

to obtain significant revenue from federal Crown agencies, from the federal government and also from some fairly large corporations that operated in this province and are still operating in this province in spite of the tax. So the tax has benefited this Minister of Finance and other Ministers of Finance in bringing in revenue he would not have otherwise.

Having said that, I do not want to carry on a debate on this. I am prepared to pass this section.

Mr. Chairperson: Clauses 3, 4 and 5—pass.

Shall Clauses 6, 7 and 8 be passed?

* (1450)

Mr. Leonard Evans: Mr. Chairperson, Clauses 6, 7 and 8 deal with mutual fund trusts, and I do not know whether I understand all of it but I wonder if the minister—and I do appreciate the minister's note on it—is prepared to make any further comment on what he sees as the impact of these Clauses 6, 7 and 8.

Mr. Stefanson: Mr. Chairperson, the member is right. The notes are fairly comprehensive and this is really a technical area, but what we have today is an element of double taxation where the mutual fund trust pays net income tax and surtax on allocated taxable dividends to them, and then any unit holders may ultimately also pay net income and surtax on capital gains realized when they redeem their units.

So we, in effect, have a double taxation which is in part unique to provinces like Manitoba because of the net income tax here in our province and the applicability of surtaxes. So what this does again is put the treatment of this kind of income on a level playing field with most other jurisdictions in Canada.

Obviously, again, it is important to Manitoba in terms of this type of income generated, particularly with the presence of trust companies and so on here in Winnipeg and Manitoba. Again, it is to eliminate really what is an unfair double taxation because of the tax treatment in the mutual fund trust and then the ultimate tax treatment when that is allocated to individual Manitobans.

Mr. Leonard Evans: I thank the minister for that explanation, and we have certainly no difficulty in supporting this.

I would just like to take the opportunity to offer a suggestion here with regard to—since we are talking about RRSPs, whether the minister has ever considered attempting to classify Manitoba bonds, our provincial bonds, as RRSP eligible? Now maybe I am off base here, but I do not think they are RRSP eligible to date. I believe the federal government is now seriously looking at the possibility of federal government bonds being eligible for RRSP purposes, and I would think that, if this could be arranged, then it would certainly help the sale of Manitoba government bonds. Again, I wondered if the minister had any comment on this.

Mr. Stefanson: Mr. Chairperson, I do stand to be corrected, but I think Manitoba bonds may well qualify under a self-administered RRSP. I will certainly undertake to get more information on that issue and follow up with the member for Brandon East.

Mr. Leonard Evans: I wonder if I could ask the minister: Has he noted the news accounts of the federal government looking at this matter of allowing federal bonds automatically on their purchase to be registered as RRSP eligible?

Mr. Stefanson: Mr. Chairperson, that might just be. The technical difference is you need a vehicle like a self-administered RRSP to then invest in a Manitoba Builder Bond or a Canada Savings Bond, as opposed to buying the unit direct and qualifying for an RRSP. I believe through the mechanism of a self-administered RRSP that they do in fact qualify, but as I say, I have not practised accounting now for five or six years in the public sense. I will certainly undertake to get more details and discuss that further with the member for Brandon East.

Mr. Chairperson: Clauses 6, 7 and 8—pass; Clauses 9 and 10—pass.

Shall clauses 11, 12, 13, 14 and 15—

Mr. Leonard Evans: Mr. Chairperson, this amendment allows, as I see according to the notes, a

taxpayer to appeal an assessment or reassessment to the Tax Appeal Commission.

I am wondering whether the minister could tell us, just who is on the Tax Appeal Commission, and how does it work?

Mr. Stefanson: Mr. Chairperson, if I recall correctly, we discussed this at length during my Estimates here in this Chamber, and I would encourage the member to read my comments and subsequent information that I did provide him after that with the name. It is one individual. I provided the name to the member for Brandon East.

I apologize, I cannot recall the individual's name here today. I did provide some additional information, but it is the same commission that currently considers appeals under The Sales Tax, The Payroll Tax and The Corporation Capital Tax Acts. So I think we have provided a fair degree of information during the time of our Estimates for the Finance department back in June.

Mr. Leonard Evans: Mr. Chairman, I did not recall whether this was the same Tax Appeal Commission that we were discussing at that time during the Estimates, and as I understand now, the minister says it is one individual who does this. The minister talks about a level playing field in his previous remarks, so what we are doing here is allowing an appeal mechanism in this area that has not been available to date but has been available in other forms of taxes.

For just a matter of information, has the commission now received—I imagine the word has been out in the mining industry—have there been many inquiries made of the Tax Appeal Commission or applications to that commission to date?

Mr. Stefanson: Mr. Chairman, again, in terms of any recent or current requests, I will have to take that as notice, and I will provide that information.

Really this change came about in part as a result of representation we had from the mining industry. They made the point that the member just did that when they look at the other statutes, the sales tax and payroll tax and corporation capital tax, there is an appeal

mechanism as part of the process, and this really levels the playing field in terms of allowing mining companies who are affected by The Mining Tax Act to follow the same process. Whether or not we have had any indications of any potential appeals, I would have to take that specific question as notice, Mr. Chairman.

Mr. Chairperson: Clauses 11, 12, 13, 14 and 15—pass. Clauses 16, 17 and 18—pass.

Shall Clauses 19 and 20 be passed?

Mr. Leonard Evans: Mr. Chairman, this is a change with regard to sales tax remittances, I guess, rebates at the time of selling a used vehicle. I gather this is to facilitate or simplify immediate tax credit on a private sale of a vehicle being replaced. Does this have some bearing or does the change in the motor vehicle legislation regarding people selling used vehicles having to have inspections before they can sell their vehicles, the safety inspection that we were talking about—is this somehow or other linked with that particular legislation?

Mr. Stefanson: No, it is not, Mr. Chairman. It really is a convenience issue to the public—maybe in part to the Autopac agents, as has been pointed out—that when individuals are both buying and selling a private vehicle, they can net the provincial sales tax at the time that they make the transaction when they register their automobile.

* (1500)

Instead, right now, they have to pay the provincial sales tax when they register their new vehicle and they apply for a refund to the Department of Finance to get their money back on vehicles they have sold. Sometimes that can take several days or weeks and obviously requires an application process as opposed to being able to go into an Autopac agency and do it all at the same time. So it really is a service delivery function to the public.

Mr. Chairperson: Clauses 19 and 20—pass; Clause 21—pass; Clauses 22 and 23—pass.

Clause 24.

Mr. Leonard Evans: Mr. Chairperson, I guess we wanted to talk about deductions in respect of bad debts.

Again, am I correct then by reading this note that it is a budget commitment to forgive retail sales taxes and tax on electricity and natural gas which has not been collected on bad debts. Have I got the right reading of this particular clause or section?

Mr. Stefanson: Mr. Chairperson, the member is correct; that is what this will allow: the nonpayment of the retail sales tax and revenue tax as a result of any bad debts. Again, it is a fairness issue; it is one that was brought to light by various individuals and organizations. What we are now proposing to do in this area is similar to tax adjustments allowed in many other provinces across Canada.

The fundamental principle that if the business does not collect the amount owing them and the tax on that transaction, they should not ultimately be held accountable for paying that tax to government.

Mr. Chairperson: Clause 24—pass; Clause 25—pass; Clauses 26, 27, 28—pass.

Clauses 29 and 30.

Mr. Leonard Evans: The item here is regarding the transfer for benefit of an Indian band. We are talking about land transfer tax.

Again, this is presumably mainly an administrative matter, I understand, to simplify land claims settlements. Is this correct or is there any revenue implication for the Crown in this respect?

Mr. Stefanson: Mr. Chairman, the revenue implications would be to us that this is actually a new exemption from land transfer tax, and, really, where it applies is where land is transferred to a transferee for the use and benefit of an Indian band as part, as the member has said, of a treaty land entitlement settlement. Under those kinds of situations, no land transfer tax will be charged on the transfer if an agreement between the government of Manitoba and the Government of Canada provides that that land

transfer tax would normally be payable. So it is in only those situations.

Mr. Leonard Evans: Mr. Chairman, we have no problem with that, but I would ask the guidance of the Chair or the minister with regard to one item that we wanted to touch on, and we may have passed it by because I think we are pretty well at the end of the bill.

I wanted to ask about the rebates for first-time buyers of new homes. There are notes on that, but I am trying to quickly find out where that is in the bill. I think we may have slipped by that one. I wonder if the minister or the Chair could guide us.

An Honourable Member: Twelve.

Mr. Leonard Evans: Clause 12? No, that is not it.

Mr. Chairperson: Is there leave of the committee to revert to Section 22?

An Honourable Member: Leave.

Mr. Chairperson: Leave. Leave has been granted.

Mr. Leonard Evans: Section 22, is this—I am not so sure whether I am still following you. I wonder if the minister or the Chair could indicate what page.

An Honourable Member: Twelve.

Mr. Leonard Evans: Page 12. There is a reference to rebates of up to \$2,500 of retail sales to first-time buyers of new homes, and you are extending it to December of this year, 1995. You note that almost 340 families have received rebates totalling over \$737,000.

I wonder if the minister can update this at all. Does he expect to get considerably more people interested in buying homes, because it seems to me, Mr. Chairman, as I pointed out in the House by way of questions to the minister in Question Period, this is one industry that is relatively weak. Our housing starts in Manitoba have fallen, and the amount of starts we are having today is quite a small fraction of what was normally achieved about 10 years ago.

It is really amazing how the housing starts in this province have fallen off. Now, there can be various reasons for that. One reason, of course, is the mortgage interest rates that are available to first-time buyers or to buyers of new homes, period, and also, of course, what is happening to personal disposable income. That has a great bearing on the ability of Manitobans to buy new housing. But, for whatever reason, we have a very serious situation.

We have a very weak housing industry that nobody wants to see. I just find it very surprising that we are at a very low level and we have been for the last several years compared to what we used to realize in Manitoba in the '80s and way back in the '70s and '60s. I go back even to the '50s when I worked as an economist for CMHC. We used to have far more housing starts then than we do today. It is just a wonder.

At any rate, I wonder if the minister could comment then or respond with regard to any future potential of this particular rebate?

Mr. Stefanson: As the member knows, this was introduced in our 1994 budget on April 21, 1994, and was again extended in our 1995 budget to the end of this year, to the end of December 1995.

The total approvals to the end of September of this year are now 416 for total rebates of \$908,481. There obviously were still some in process at the end of September. In fact, there is a major campaign going on now.

This has been a program that certainly the homebuilders, in terms of meetings and representation made to me, have been very positive about. They have suggested that it has been very helpful and beneficial in terms of stimulating additional activity in the new home building and buying area.

The member for Brandon East and I have discussed the whole issue of housing starts during Question Period in this House. The performance in 1995 is not that great right across Canada. But again if you look at Manitoba's relative performance over the last few years and the projection for 1996, we certainly fare amongst

the best in all of Canada in terms of our performance in housing starts and the housing industry.

The briefing note that I provided earlier showed the information to the end of May. Now to the end of September there are 416 applications approved.

Overall I would say it has been a very successful program. Obviously any future determinations all become part and parcel of our next budget process, Mr. Chairman.

Mr. Leonard Evans: Certainly we are not opposing this. I am a little surprised that there has not been more take-up than is shown here. Even though the minister may be correct in saying that Manitoba does not look that bad compared to some of the other provinces, the fact is that the level of housing activity, new housing construction in Manitoba, is considerably below some of the previous historic levels that we have achieved.

So you can talk about how we compare with the rest of Canada and so on, but we are way down in the valley, so to speak, in terms of new housing starts, and we do not seem to be able to really come out of it. We might say, well, our percentage increase is better than most other provinces and so on, but we are still way in the depths of the valley, Mr. Chairman. So, obviously, this particular amendment does not hurt. It does stimulate. I am simply saying I am rather surprised that it has not had more impact than the minister indicates.

* (1510)

I note, too, that there is no reference to it in the 1995 summary of tax changes. I presume it was in last year's, but it is certainly not noted in this 1995 tax changes. So I imagine the department or whoever has looked at this does not figure that it is not going to be a very significant item because normally you list these changes in the budget document.

Mr. Chairperson: Clauses 29 and 30—pass; Clause 31—pass; Clauses 32, 33, 34, 35—pass; Preamble—pass; Title—pass. Bill be reported.

Committee rise. Call in the Speaker.

IN SESSION**Committee Changes**

Mr. Edward Helwer (Gimli): Madam Speaker, I would like to make some committee changes.

Madam Speaker: The honourable member for Gimli, with committee changes.

Mr. Helwer: I move, seconded by the member for St. Vital (Mrs. Render), that the composition of the Standing Committee on Law Amendments be amended as follows: the member for Springfield (Mr. Findlay) for the member for Arthur-Virden (Mr. Downey); the member for Morris (Mr. Pitura) for the member for Brandon West (Mr. McCrae); the member for Gimli (Mr. Helwer) for the member for River East (Mrs. Mitchelson); the member for St. Vital (Mrs. Render) for the member for La Verendrye (Mr. Sveinson); and the member for Pembina (Mr. Dyck) for the member for Fort Garry (Mrs. Vodrey).

I move, seconded by the member for Morris (Mr. Pitura), that the composition of the Standing Committee on Municipal Affairs be amended as follows: the member for Emerson (Mr. Penner) for the member for Assiniboia (Mrs. McIntosh).

Motions agreed to.

Committee Report

Mr. Marcel Laurendeau (Chairperson of Committees): Madam Speaker, the Committee of the Whole has considered Bill 28, The Statute Law Amendment (Taxation) Act, 1995, and has directed me to report the same without amendment.

I move, seconded by the honourable member for Morris (Mr. Pitura), that the report of the Committee of the Whole be received.

Motion agreed to.

Hon. Jim Ernst (Government House Leader): Would you call report stage, Madam Speaker, for the bills as listed in the Order Paper.

REPORT STAGE**Bill 4—The Real Property Amendment Act**

Hon. Jim Ernst (Minister of Consumer and Corporate Affairs): Madam Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that Bill 4, The Real Property Amendment Act (Loi modifiant la Loi sur les biens réels), as amended and reported from the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

Bill 9—The Wills Amendment Act

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I move, seconded by the Minister of Environment (Mr. Cummings), that Bill 9, The Wills Amendment Act, Loi modifiant la Loi sur les testaments, reported from the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

Bill 10—The Development Corporation Amendment Act

Hon. Harry Enns (Minister of Agriculture): On behalf of my colleague the Minister of Industry, Trade and Tourism (Mr. Downey), I move (seconded by the honourable Minister of Highways and Transportation (Mr. Findlay), that Bill 10, The Development Corporation Amendment Act (Loi modifiant la Loi sur la Société de développement), reported from the Standing Committee on Law Amendments, be concurred in with amendment.

Motion agreed to.

Bill 11—The Trustee Amendment Act

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Urban Affairs (Mr. Reimer), that Bill 11, The Trustee Amendment Act; Loi modifiant la Loi sur les fiduciaires, reported from

the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

Bill 12—The Louis Riel Institute Act

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I am privileged to move, seconded by the Minister of Highways and Transportation (Mr. Findlay), that Bill 12, The Louis Riel Institute Act (Loi sur l'Institut Louis Riel), as amended and reported from the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

Bill 13—The Split Lake Cree Northern Flood Implementation Agreement, Water Power Amendment and Consequential Amendments Act

Hon. Darren Praznik (Minister of Northern Affairs): Madam Speaker, I would move, seconded by the honourable Minister of Agriculture (Mr. Enns), that Bill 13, The Split Lake Cree Northern Flood Implementation Agreement, Water Power Amendment and Consequential Amendments Act; Loi concernant l'accord de règlement de la première nation crie de Split Lake relatif à l'application de la convention sur la submersion de terres du Nord manitobain, modifiant la Loi sur l'énergie hydraulique et apportant des modifications corrélatives, reported from the Standing Committee on Economic Development, be concurred in.

Motion agreed to.

* (1520)

Bill 14—The Mines and Minerals Amendment Act

Hon. Darren Praznik (Minister of Energy and Mines): Yes, Madam Speaker, I would like to move an amendment to this particular bill. It is with respect to a particular Clause 84(4). We had some extensive discussion in committee and we agreed to amend it at this stage to allow the official opposition party an opportunity to review the amendment, and I believe there is an agreement to see this passed.

I would move, therefore, seconded by the honourable Minister of Highways and Transportation (Mr. Findlay),

THAT Bill 14 be amended by adding the following after the proposed subsection 84(3), as set out in subsection 15(2) of the bill:

Holder may be exempted from acquired work

84(4) The director may, on application by the holder of the claim on or before the anniversary date of the recording of the claim, grant an exemption from performing some or all required work where the director is satisfied by the holder that the holder is unable to gain access to the claim to perform required work owing to a forest fire or other special circumstances beyond the control of the holder.

[French version]

Il est proposé que le projet de loi soit amendé, au paragraphe 15(2), par adjonction, après le paragraphe 84(3) qui y est énoncé, de ce qui suit:

Exemption

84(4) Si le titulaire en fait la demande au plus tard à la date anniversaire de l'enregistrement de son claim, le directeur peut l'exempter en tout ou en partie des travaux obligatoires s'il le convainc qu'il ne peut avoir accès à son claim pour faire les travaux en question en raison d'un feu de forêt ou de circonstances spéciales hors de son contrôle.

Madam Speaker: It has been moved by the Minister of Energy and Mines (Mr. Praznik), seconded by the honourable Minister of Highways and Transportation),

THAT Bill 14 be amended by adding the following after the proposed subsection 84(3), as set out in subsection 15(2) of the bill:

Holder may be exempted from acquired work

84(4) The director may, on application by the holder of the claim on or before the anniversary date of the recording of the claim, grant an exemption from performing some or all required work where the director is satisfied by the holder that the holder is unable to gain access to the claim to perform required

work owing to a forest fire or other special circumstances beyond the control of the holder.

Agreed?

Some Honourable Members: Agreed.

Madam Speaker: Agreed and so ordered.

Mr. Praznik: Madam Speaker, I move, seconded by the most honourable Minister of Agriculture (Mr. Enns), that Bill 14, The Mines and Minerals Amendment Act; Loi modifiant la Loi sur les mines et les minéraux, as amended and reported from the Standing Committee on Economic Development, be concurred in.

Motion agreed to.

Bill 25—The Real Property Amendment Act (2)

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Labour (Mr. Toews), that Bill 25, The Real Property Amendment Act (2) (Loi no 2 modifiant la Loi sur les biens réels), as amended and reported from the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

Bill 26—The Liquor Control Amendment Act

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I want to inform the House that there is an amendment to this bill. I would like to move that amendment, seconded by the honourable Minister of Northern Affairs (Mr. Praznik)—oh, there is no amendment. I was going to move another amendment, but I will scratch that from the record.

I simply move the bill. That Bill 26, The Liquor Control Amendment Act (Loi modifiant la Loi sur la réglementation des alcools), reported from the Standing Committee on Economic Development, be concurred in.

Motion agreed to.

Bill 33—The Statute Law Amendment Act, 1995

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Government Services (Mr. Pallister), that Bill 33, The Statute Law Amendment Act, 1995; Loi de 1995 modifiant diverses dispositions législatives, reported from the Standing Committee on Law Amendments, be concurred in.

Motion agreed to.

THIRD READINGS

Bill 2—The Balanced Budget, Debt Repayment and Taxpayers Protection and Consequential Amendments Act

Hon. Darren Praznik (Deputy Government House Leader): Madam Speaker, I would move, seconded by the honourable Minister of Agriculture (Mr. Enns) once again, that Bill 2, The Balanced Budget, Debt Repayment and Taxpayers Protection and Consequential Amendments Act; Loi sur l'équilibre budgétaire, le remboursement de la dette et la protection des contribuables et apportant des modifications corrélatives, be now read a third time and passed.

Motion presented.

Mr. Leonard Evans (Brandon East): Madam Speaker, I rise to speak in third reading on this particular piece of legislation, which I presume the government considers to be one of its most important pieces of legislation brought forward in this session. Certainly a great deal was made about it during the election.

Madam Speaker, we heard many representations in the Standing Committee on Economic Development. There were many groups that presented some very insightful presentations, briefs, some professors, some people representing teachers, the Manitoba Teachers' Society.

We had people from the Government Employees' Union. We had the people from other teacher

organizations, some unions. We had some business organizations representing their interests as well. We had the Manitoba Taxpayers Association and others.

So we heard a range of testimony. Some, particularly one or two, I might point out, were very insightful with regard to the consequences of this kind of legislation.

* (1530)

But as I have said in discussion of this bill in second reading, unfortunately it is not in keeping with our democratic parliamentary traditions. A democratic parliamentary tradition is where the Minister of Finance, where a government, brings in a budget in a given year based on the economic and financial circumstances facing the minister and the government at that time.

What this purports to do is to set out a framework of budgeting which is not in keeping with our traditional practices. What it attempts to do is to, in effect, put a straitjacket on future governments who are dealing with fiscal matters. It purports to impose a certain debt repayment regime on people—10, 20, 30, 31 years from now—and I say it is up to the people who live at that time, up to the MLAs who are in this House in the future 10, 20 years, to make decisions as to how they want to tackle the fiscal challenges facing the government of that day.

Many of the briefs provided some insight that all of the members of this Legislature should be made aware of. There was one brief, in particular, from an individual who talked about the fact that it would be a burden on small business and middle- and lower-income families who would likely be the first to suffer increases in the tax burden. He mentions that the bill requires a referendum to increase tax rates, but no referendum is needed, Madam Speaker, to decrease or eliminate tax deductions, credits or exemptions which he referred to in his brief as TDCEs for short; T-D-C-E, namely, tax deductions, credits or exemptions. What we have done here is allow the government—constrain the government with regard to major tax increases, such as income taxes or sales taxes, but allowing it to be able to decrease or eliminate the tax deductions,

credits or exemptions which could have a significant impact on taxpayers including small business.

This person, who presented this brief, was particularly concerned about the negative impact on small business, and he pointed out, for example, the rate of provincial tax on corporate income as 17 percent. However, there is an 8 percent provincial small business deduction on active business income earned in Manitoba by Canadian-controlled small business corporations. He points out that this deduction, Madam Speaker, is the cornerstone for tax planning and tax fairness for small and family-owned businesses in the province. Also, the \$750,000-exemption on remuneration under the health and post-secondary education levy protects small business from this tax.

Well, there is nothing preventing the Minister of Finance (Mr. Stefanson), his colleagues in the cabinet, for making these changes. They can impact negatively on small business by changing these levels, and they do not have to have a referendum, as is required for the other tax changes, for income tax or sales tax changes. So these tax credits and deductions are very, very important to a small business; they are very important to middle- and low-income families.

Individuals with net incomes of \$30,000 or less are protected from the 2 percent surtax, for example. The tax reduction program, which provides nonrefundable tax credits and the property tax credit program provide tax relief to middle- and low-income families, these can be reduced or eliminated. The property tax credit could easily be eliminated without any referendum, without any consultation with the public at large. So that is something that is worthy of note.

There were some other excellent briefs pointing out some of the features that we had mentioned in our debate in second reading. They point out that, back after World War II, there was the Liberal Progressive government of Douglas Campbell, between 1949 and 1958, which gave overriding priority to reducing the debt, indeed, that had accumulated during the Depression. Honourable members will remember the Great Depression; provincial governments across the land built up quite a bit of debt, and it was Douglas

Campbell's concern that that debt had to be paid down. Of course, it meant balancing budgets, operating in capital, it meant having surplus. Of course, he wanted to maintain taxes at a low level.

Madam Speaker, the problem with the approach that was taken by the Campbell government was that it had the effect of retarding Manitoba's economic development. It has been estimated that the provincial economy grew much more slowly than the Canadian average during that time. Manitoba's share of national income was reduced from 6.1 percent in 1945 to 5.1 percent in 1958.

The interesting thing is that it was a Conservative government that came along, the Conservative government of Duff Roblin, which opposed the fiscally restrictive policies of the previous Campbell government and called for public investments to modernize Manitoba's economic and social infrastructure. So this was a change in philosophy, a change in philosophy brought in by a former Conservative premier, Premier Duff Roblin.

It was neatly summarized in one of Roblin's first budgets, one of the first budgets of the Roblin government, and I am quoting here from that budget: We have consistently maintained that inadequate capital investment in recent years has handicapped the growth of the province. Parsimony is rarely true economy. When such parsimony operates to inhibit normal growth, it can become the very opposite of true economy. That is a quote from one of the early Roblin budgets.

In effect, historically, you can observe that the defeat of the Campbell government marked the beginning of a period of modernization. During the Roblin years, 1958-67, and also in the Schreyer years of '69-77—which I had the pleasure of being active in cabinet at that time—as well as the Roblin government, made major public investments in this province in education, in health, in hydro and other major capital projects. I have maintained that without these investments Manitobans would not enjoy the standard of living and access to services which we now take for granted today.

They did incur a significant amount of provincial government debt, but it is misleading to just look at the debt burden without taking account of the public assets acquired by borrowing. Indeed, Madam Speaker, estimates had been provided and are available, really, from Statistics Canada on the public assets that we have in this province, and I can tell you without having the numbers before me that they far exceed the accumulated public debt of this province. Yes, we have public debt but we have also accumulated public assets. These public assets provide us with good education, good health care, good highways, provide us with services that we take for granted, as I said, today. We take them for granted but they were only possible because of these previous investments.

So there is a role, there has been a role and historically this role is there to be observed, and that is that the provincial debt utilized for investments has accounted for the major development in health, education, electrical energy and other services that are vital to maintain a good standard of living.

In fact, again, I would like to quote Premier Duff Roblin who very eloquently said, and he made this statement in this Legislature: Who can say what the monetary cost is of not building a road, a school or a hospital? Must we assume that investment for growth can only be justified when it can be supported by a settlement of profit and loss. Nevertheless, this factor is as real as any reflected in a profit-and-loss statement. All factors must be weighed and the direct and indirect benefits offset against the costs.

So as I said, no government, unfortunately, keeps a comprehensive record of the value of our public assets. Our practice is only to report our liabilities, not our assets, and really this does give a lopsided view of the situation.

There was another period of balanced budget orthodoxy which we experienced under Sterling Lyon, the Sterling Lyon government from 1977 to 1982. Actually it changed, I believe, November 30, 1981. Again, the Lyon government's theory was that we had to cut back seriously on spending. They were committed to reducing the size of government. Unfortunately, they made no distinction between

borrowing for current consumption and borrowing for investment, and like this government, Madam Speaker, they regarded all debt as dead weight. As a result, in the way the budgets were prepared, the Lyon government inflated the reported deficit by raising the distinction in government counts between current and capital expenditures.

* (1540)

Bill 2, unfortunately, likewise treats borrowing for capital purposes as though it was a current expenditure, a move which I believe is contrary to the business practices we see across the country, the standard business practices.

Like the present government, Premier Lyon also attempted or aspired to reduce taxes by cutting government spending. He cut civil service jobs; he held up capital spending on public hydro and housing; he cancelled spending on job creation; welfare benefits were reduced by over 20 percent during the term of the Lyon government. Lo and behold, Madam Speaker, these measures deepened the downturn in the economic cycle that we experienced at that time.

By 1979 Manitoba had the worst economic record of all Canadian provinces. What we saw was a very serious exodus of people from this province. The provincial population, the total population, even fell by 7,000 between 1978 and 1980. That is because the loss on interprovincial migration exceeded the natural rate of increase. That is, when I refer to the natural rate of increase, I mean the births over the deaths which normally give us a steady, natural rate of increase.

We have some foreign immigration, but then we have this interprovincial migration that goes up and down. It is very volatile. It is impacted by the business cycle, and because Manitoba did so poorly around 1978 to 1980 we actually had our total population fall. In other words, the interprovincial law superseded and more than cancelled out the natural increase in the population. As a matter of fact, while we were dropping, Saskatchewan's population increased.

I suppose you might say Manitobans at that time were voting with their feet because they were leaving

the province. But at any rate the Lyon government was distinguished by only serving one term. It is very unusual for governments to only have one term in this province, but indeed the Lyon government experienced that.

So we are facing great challenges today to stabilize our provincial economy. Everyone in this House wants to see the provincial economy expand. We want to maintain our standard of living, but regrettably this Bill 2 does put us in a straightjacket. It causes us to be inflexible. We need the flexibility to cope with financial and economic matters that challenge government and unfortunately this bill does constrain and limit the ability of governments to be flexible.

I do not know what is going to happen when we get the next major North American recession which some economists are saying we might get by about 1997. These are forecasts of economists in the United States predicting an American recession in 1997 which will unfortunately spill over into Canada and have a negative impact on Manitoba. Last spring both government and private forecasters were predicting the provincial economy would grow at a rate of 3 percent in both '95 and '96, but there has been a weakening of U.S. demand, and the dollar strengthened, which does not do our exports any good in the first half of 1995. As a result, one bank, at least, the Toronto Dominion, revised its forecast down to 1.2 percent for this year and 1.9 percent for 1996.

In other words, what I am suggesting, Madam Speaker, is that this province may not achieve the revenue that it needs to obtain the surpluses that are required to help pay down the debt. What this is going to mean, of course, is that the government, because the government will not be able to increase major taxes, will look at expenditure cuts. What will happen, of course, is, if the government attempts to cut expenditures at a time of economic recession, this government will make that recession even worse.

Instead of having sort of the built-in stabilizers that we do have here—that is whereby we have automatic deficits in terms of recession and these deficits help to offset the recessionary forces—what we are going to have now is a situation where we exaggerate the

recession, where we contribute to the recession, just like governments contributed to the Great Depression in the 1930s, by cutting back at a time when private spending was cutting back.

It seems that we have learned nothing from the 1930s. We have learned nothing from the great economist John Maynard Keynes who himself was a great capitalist. John Maynard Keynes was a millionaire. He was a capitalist. He was very much in favour of private enterprise, but he also said that governments had a responsibility to offset the business cycle by increasing spending in times of recession in order to bring the economy out of the recession and to bring about more prosperous times when everyone benefits, including businesses.

Madam Speaker, I do recognize that there is another problem on the horizon, and that is the federal government offloading, which adds some importance to the provincial government measures to support stable economic growth. I understand that the cuts to federal-provincial transfers could cost us well over \$240 million in the next two years. I do not know the precise figures, and there are different estimates around, but that is one number that has been suggested.

What I am talking about is the elimination of federal cost sharing for provincial welfare and social service programs, as well as other transfer cuts. This is, without question, as the Minister of Health (Mr. McCrae) keeps on reminding us, putting great pressure on the government. I suggest, Madam Speaker, that all provincial governments are going to suffer because of these cutbacks by the federal government.

As a matter of fact, Madam Speaker, I would say that regrettably this may be one of the issues underlying the current referendum in the province of Quebec, that the people in Quebec say, well, why worry about staying with the federal government or with the Canadian nation because all we are going to get is major federal cuts and other cost-sharing measures which will be diminished? People in Quebec look at this and recognize this for what it is, and, I would submit, on that account are more likely to vote yes, regrettably, in this referendum. The federal government is cutting back on UI, denying eligibility to a lot of people and all

in all this is going to contribute to our unemployment problems in a time of recession as well.

I am suggesting that the austerity policies of this Bill 2 will impose that these policies could have more disastrous effects than we realized during the Lyon years. As I said, I do not know whether we learned anything from the Great Depression of the 1930s because what we should allow is the operating budget, we should normally allow it to balance out over the business cycle. We would have a deficit in times of recession, hopefully offset by revenue increases in times of buoyancy so that, in the long run, yes, we will have a balanced budget, but the balance would be achieved over the entire business cycle and not year by year.

As I said in previous debate, Madam Speaker, what is so magical about balancing each year anyway? There is nothing magical about balancing your books in a given fiscal year. As I have suggested before, if a year is so great, why not every quarter or how about every month? What is so magical about balancing in a year? I suggest that the more realistic method of balancing a budget is over the entire business cycle. That makes sense and that is achievable.

* (1550)

I would also add, while the government is wanting to talk about financial goals in Bill 2, and that is mainly the goal to cut back on debt, it is regrettable that the government sets no clear targets for economic development, for social development, apart from the fiscal targets, and I believe that the budget should contain more information so that we can monitor the government's performance in relation to these particular targets.

As I said, there were a lot of insightful comments made at these hearings, even references to the adequacy of the fund, going along with the proposal of the minister. They wonder whether the monies the minister is attempting to put aside in the debt reduction fund is sufficient in order to achieve the objectives set out in that schedule. These concerns have been raised by more than one economist in this province.

Concern was also raised specifically about the bill allowing the government to include the sale of Crown assets in revenues. We believe that this is bad accounting practice. We just do not agree with it.

As a matter of fact, Madam Speaker, one of our members, the member for Crescentwood (Mr. Sale), did bring forward an amendment to the bill in committee stage whereby the sale of public assets would not be allowed for the purpose of balancing the budget. We say that because it is misleading because it portrays extraordinary income as if it were current revenue.

As a matter of fact, you get criticisms from bonding agencies, such as the Dominion Bond Rating agency for this kind of practice. Indeed, I would suggest that the Provincial Auditor would have some comments on this as well.

Speaking about the Provincial Auditor, we attempted in committee to have the Provincial Auditor come forward to give us her comments on this particular bill from her particular point of view as the Provincial Auditor. Regrettably, the government would not allow this. The government, in its wisdom, on the committee, refused to allow us to have the advice and wisdom of the Provincial Auditor, particularly because of the fact that this is a new approach

I realize that the Provincial Auditor is to be called in to review the debt repayment and so on—there is reference to the role of the Provincial Auditor in the bill—but nevertheless, I think that in order to ensure that the government for its own reasons has the best possible legislation from its point of view, we disagree with it wholeheartedly. But from their point of view, you would think that they would want to have the benefit of the Provincial Auditor.

That opportunity was denied when they turned down our suggestion to have the Provincial Auditor come to the committee and state her views on the technical aspects, not wanting to draw the Auditor into policy matters because that policy matter is rightfully the purview, rightfully the responsibility of the cabinet, of the government, of the Legislature. Nevertheless, there

are technical matters that she could be asked to speak on quite freely and which would have been very useful.

As I said in earlier debate, this legislation is bad legislation from that point of view, also, that it is not necessary legislation. I say that because I am convinced that there is nothing that the government wishes to achieve that could not be obtained and achieved without the legislation. In other words, there is nothing preventing the government from having surpluses year after year to pay down a debt. There is nothing preventing the government from saying they are going to hold the line on income tax increases or sales tax increases.

As a matter of fact, the government continually brags about how it has not increased income tax rates and that it has not increased sales tax rates. We know that it has extended sales taxes to the tune of about \$100 million, but it has not increased sales tax rates. So it can withhold action on tax increases, rate increases. It can do whatever cutting it wishes in various programs, and it can do that without this legislation.

Therefore, I would say that this legislation is more in the nature of an ideological statement than it is of being absolutely necessary for the government to be able to have surpluses to pay down the debt.

The editorial page of the Winnipeg Free Press, which I do not always agree with, had some very critical remarks to make of this legislation. This is in an editorial of the Free Press on September 23, 1995, quote: The bill is full of stupidities. Fiscal prudence is important. So is the capacity to govern with flexibility and creativity. The bill should be withdrawn. Unquote.

Of course, they are referring to the flexibility that I referred to. Also, on April 7 in an editorial the Free Press said, quote: The Filmon government's fiscal games never really fooled anybody. Wouldn't clever politicians have figured out that it was better to come clean in the budget than to be found out in the middle of an election campaign? Unquote.

Also, there is another source I would like to refer to, Madam Speaker, namely the International Monetary

Fund, which has never been known as a hotbed of socialism or radical thinking. As a major international agency dealing with many, many countries who are wrestling with debt and deficit problems and some of them enacting various forms of balanced budget legislation, it is interesting that the IMF, that is, the International Monetary Fund, recently commented on this trend of this balanced budget legislation.

This is a quotation from staff papers published in March 1995 under the headline: The political economy of budget deficits. This is the quote from the IMF: The costs of a balanced budget law are the loss of fiscal stabilization over the cycle and the loss of flexibility in reacting to shocks on expenditure or revenue. The enforceability of a balanced budget law is also a complex question. Any law can be changed by a sovereign. Unquote.

I think that quotation is very insightful. That observation is very insightful and is a major condemnation of what the government is doing here. As I have said also before, I do not often agree with the federal Minister of Finance, Mr. Paul Martin, but he too is opposed to balanced budget laws. He is saying, and I am quoting a statement made by Finance Minister Paul Martin in a recent Winnipeg Free Press story of September 22, 1995, about balanced budget laws, quote: Not the way to go. Apart from limiting the choices of newly elected governments, this legalistic approach simply encourages ingenious politicians and bureaucrats to spend time looking for ways to get around the rules through accounting hocus-pocus and subterfuges of various kinds.

So, Madam Speaker, I agree with that. What I am advocating, what we are advocating on this side is not balanced budgeting, except through a business cycle, but we want responsible budgets. We want governments to take the responsibility that they must take year by year in bringing down their budgets, and they must do the right thing in dealing with the economic problems that are facing the province.

We are concerned that Bill 2, putting the government in a budgetary straitjacket, is going to end up in major cuts in health care and education in this province that we cannot afford to see being reduced. It is going to

transfer a major burden onto the lower- and middle-income groups in this province. There is no question, Madam Speaker, that this is built into this particular piece of legislation. We say the legislation was brought in—

* (1600)

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Brandon East (Mr. Leonard Evans) will have 10 minutes remaining. As previously agreed, the hour being 4 p.m., time for private members' hour.

PRIVATE MEMBERS' BUSINESS

PROPOSED RESOLUTIONS

Res. 38—Western Grain Transportation Act

Mr. Peter Dyck (Pembina): I move, seconded by the honourable member for Emerson (Mr. Penner), that

WHEREAS the federal government, in its recent budget, eliminated the 98-year-old Western Grain Transportation Act; and

WHEREAS Manitoba grain producers are the most severely hurt as a result of the recent federal cuts in agriculture, facing the highest freight rate increase of any province, 300 percent, as of August 1, 1996; and

WHEREAS Manitoba producers will be required to make significant adjustments in their farming operations in a very short period of time, using a \$300-million fund provided by the federal government budget; and

WHEREAS this fund is not sufficient to meet the demands of Canadian farmers.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the federal government to provide the majority of the \$300-million fund to Manitoba in order to assist Manitoba farmers during this period of adjustment and transition.

Motion presented.

Mr. Dyck: On August 1 of this year, the Western Grain Transportation Act was eliminated. Federal Liberal Agriculture Minister Ralph Goodale also announced this year that the Canadian Wheat Board would change its pooling structure so that the pooling points would be moved to require producers to bear the full cost of transporting their grain through the St. Lawrence Seaway to export positions. Madam Speaker, Manitoba's grain and commodities producers have accepted these changes with the same resolve and determination that they have exhibited time and time again. While the Crow rate elimination and Canadian Wheat Board pooling changes will substantially increase the costs to Manitoba grain producers, our farmers have recognized that these are evolving times in international trade, and they are willing to do their part.

Yet, when the federal government announced the distribution for the one-time \$1.6 billion that would be available to prairie farm landowners and the probable distribution for the multiyear \$300 million adjustment fund, it quickly became clear that Manitoba farmers were not to receive their fair share from the federal Liberals.

Madam Speaker, the increased freight costs that resulted from the elimination of the WGTA will be most severely felt in Manitoba. By 1997-98, the year in which the Canadian Wheat Board pooling changes come to completion, the negative impact on the major grain producers of Manitoba, as outlined in the Manitoba impact study on grain transportation reform, will be over \$113 million annually. When we look at the total tonnage of major grains in Manitoba, we see that our farmers are faced with a \$22.46 per tonne increase in costs for their product. This is substantially more than the \$16.77 per tonne increase faced by Saskatchewan producers. It is also well above the \$10.69 per tonne impact faced by Alberta and the \$10.64 per tonne increase facing farmers in British Columbia.

Yet, Madam Speaker, based on the federal government's current plan for distribution of the \$300 million adjustment fund, it appears Manitoba farmers will receive a much smaller percentage than they are entitled to, based on the impact they will face.

As well, Madam Speaker, the federal Liberal government has seen fit to provide Manitoba with only 16.1 percent of the \$1.6 billion established to offset the anticipated reduction in land prices. Compare this to the 56 percent being given to Saskatchewan and the 27 percent being allocated to Alberta. This is an example of the new math that is being practised by our federal counterparts, a new math that is founded upon allocating funds based upon something other than fairness and equality. What we see from Ottawa is a government that operates on the premise that is not rooted in fairness and reality, but rather a Liberal government that has an agenda, a political agenda, that does not include the well-being of Manitoba farmers.

Unfortunately, Madam Speaker, this is not the first time we have seen the Liberals in Ottawa turn their collective backs on Manitoba's farmers. By buckling to American pressure and placing a cap on wheat exports, we have seen that, when it comes to standing up for the rights of Manitoba's producers, our Liberal counterparts cannot be relied upon.

The impact of the elimination of the Western Grain Transportation Act has ramifications that go beyond the simple cost of grain transportation. The effects will also be felt on the federal transfers to safety net programs that our farmers, who work in an industry that is widely impacted on by circumstances beyond their control, rely upon. Transportation reform is expected to result in a lower farm gate price for grains and oilseeds in Manitoba. These lower returns to producers for eligible crops will result in reduced federal contributions to programs such as the Net Income Stabilization Account, or which is commonly known as the NISA program, which will most greatly affect Manitoba and Saskatchewan.

Madam Speaker, the elimination of the Western Grain Transportation Act will likely mean that more of the major grains are forced to be transported by means other than rail. As railways abandon branch lines that are no longer profitable following the elimination of the Crow rate subsidy, increased commercial trucking traffic can be expected. This will mean that there will be an increased cost realized by municipalities and the provincial government as roads are put under more

stress and usage, yet these realities fall on deaf ears in our nation's capital.

While our province's farmers are accepting the fact that they must deal with realities in the international marketplace, all they ask for from the Liberal government in Ottawa is fairness. Our government believes that public policy in Canada should reflect equitable treatment of all provinces in any allocation of compensation or adjustment funding stemming from the reforms in the grain transportation system, yet this does not seem to be a belief of the legislators in Ottawa.

Madam Speaker, when the federal government announced that \$1.6 billion would be available to prairie farm landowners, it was stated that these funds would partially offset the reduction in land prices that would result in the elimination of the Crow benefit. This was based upon the assumption that the value of the subsidy was built into the value of the farmland. Farmland values in Manitoba stood at \$375 per acre in June of this year. A 10 percent reduction in land prices would result in an average farmland devaluation of \$35.50 per acre in Manitoba based upon June's prices. This decrease is a result, as stated by the federal government, of the additional costs Manitoba producers will incur.

Based on the analysis and the Manitoba impact study on grain transportation, Manitoba and Saskatchewan will experience considerably larger overall losses in land values as compared to land owners in Alberta and British Columbia. Most notably, however, Manitoba farmland owners face the greatest loss of value per acre of their fields. Despite these facts, however, the mathematicians and policymakers in Ottawa have seen fit to allocate a mere 16 percent of the \$1.6 billion capital payment to Manitoba farmland owners.

Madam Speaker, this is a shameful inequality. The impact study on grain transportation reform has determined, after taking into account such factors as long-term freight costs, long-term decrease in the federal net income stabilization account and the one-time decrease in land value, that the negative impact of the transportation reforms for Manitoba is in fact \$107 per seeded acre.

The funding that Manitoba farmers receive from the federal government, \$1.6 billion Western Grain Transportation Act payout and the \$300 million adjustment fund only makes up for \$34 of this impact. This leaves a \$73-per-acre negative impact that Manitoba's farmers are forced to absorb. Yet, as disturbing as this may be, I believe that our farmers understand that sacrifices are needed to be made.

* (1610)

The same study, a joint study between the Keystone Agricultural Producers, Manitoba Pool Elevators and the Manitoba government, shows that every province is not subject to the same \$73-per-acre impact. In fact, we see that Saskatchewan farmers only face a \$57-per-acre shortfall between impact and federal funding. Also, Alberta and B.C. face only a \$28-per-acre negative impact.

The farmers of this province are fair people who have accepted the reality that they should absorb a fair share of the negative impact that reform to the Transportation Act will bring. Yet the Liberal powers in Ottawa have not asked Manitoba farmers to take on a fair and equitable amount of the burden. Instead, the legislators in Ottawa have said to Manitoba's farmers that they are not equal partners in this reform and that they will be forced to suffer more than the other western prairie provinces.

It is this government's firm belief that the federal government's plan for distribution of compensation and adjustment dollars is shamefully unjust. When the per-seeded-acre impact of the transportation reforms are examined, it is clear that Manitoba's farmers are the most severely affected.

Madam Speaker, the farmers of this province are not pleading for an increase in the total amount of dollars being put forward in the compensation package; they are merely, and justifiably, asking for equal treatment. We realize that there are only so many dollars that are available, so all that we are asking for is that we be treated fairly and equally. Madam Speaker, I cannot imagine that the federal government, or any members of this House for that matter, are opposed to equality as it relates to Manitoba's farmers.

The farmers of this province take a back seat to no one. They produce the highest quality of crop in the world and should not be relegated to second status from their own federal government in Ottawa. Madam Speaker, it is clear that our farmers are entitled on the basis of equality to the majority of the \$300 million adjustment fund.

Therefore, I ask all members of this Assembly to support this resolution. It is a resolution based solely on fairness and equality, qualities that all members of all political stripes should find reason to support. Thank you very much.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, we have a resolution put forward here that is addressing the change to the transportation assistance, the Crow benefit and pooling changes. Certainly these changes that have been brought forward by the federal government are going to have a very negative impact on producers across western Canada, and the impact will be felt most severely by the producers in Manitoba. [interjection] True, we can blame the Liberal government, because it was the Liberal government that did make the final changes, and it is unfortunate that farmers were sacrificed as the Liberals attempted to bring down the deficit created by other governments.

Madam Speaker, I wonder where the Conservatives on the opposite side of the House were when Brian Mulroney started this whole process of reducing the Crow benefit. This is where this all started, and we saw nothing from this government when those reductions began. Clearly, it was a process started by the Conservatives and carried on by the Liberals, but I guess it is like two peas in the pod, not much difference, and it is not surprising that we see a process started by one government, the Conservatives, carried on by the Liberals.

When I look at this resolution, certainly Manitoba producers are the hardest hit, but why did this government not speak up more forcefully and ensure that this did not happen? Why did they accept that? When the decision was made that the Crow benefit was going to end, why did they not go to Ottawa and say, no, this is wrong, we need the Crow benefit to be in place? But we heard nothing, because this falls in line

with exactly what they want to see, and now they are crying because the Manitoba producers are suffering. They should have taken a much stronger stand to ensure that this Crow benefit was not eliminated.

Madam Speaker, I hear members across the way talking about an agreement that was refused to be signed. I can tell you that I would not have signed that agreement because, in that agreement, this government says that this change to the transportation policy should have a positive effect on Manitoba's overall agriculture industry. So, in one hand, they are saying that this is bad for producers, but, in their statement, they were saying that this is positive for Manitoba producers. Well, this is anything but positive for Manitoba producers, and we should have heard much more from this government in that respect instead of now saying that we should get a bigger share of the \$300 million.

In fact, I am surprised that the government waited until they had their Manitoba impact study done sometime in August, I believe, when people on this side of the House and producers in rural Manitoba were saying, this is wrong; this is going to hurt us. But this government would not take a position on that because they believe that the change to the Crow benefit—they believe in it. It is what they started, and this is part of a process they had started—[interjection]

I hear the member across the way talking about free trade, and definitely this ties in to free trade. I go back to listening to some of the comments that we heard when we were in the free trade debate, and people were saying: oh, no, do not worry; the Wheat Board is not going to be affected; the transportation subsidy is not going to be affected; our unemployment insurance is not going to be affected and neither is our health care. Well, here we are. We have a Free Trade Agreement, and we have all of these things. We have had our transportation subsidy taken away. We have caps on the amount of grain that we can ship into the U.S., and we have producers who are bowing to the American line and having the Wheat Board come to an end and moving to a dual marketing system.

I am very concerned about the impact of this change on producers and especially concerned for the producers in my part of the province, Madam Speaker,

where the highest transportation costs will be paid, the highest costs. It is going to be very difficult for producers in that area of the province to continue to grow grain without this transportation support.

One of the things that we can work towards is to have the Port of Churchill maintained because that is one hope for Manitoba producers, to ship grain through that port. Unfortunately, again, we hear lots of lip service paid by this government when it comes to the Port of Churchill. We see them taking the opportunity for photo ops and signing agreement but very little action, much less grain going through the Port of Churchill, since we have had the Conservative—
[interjection]

* (1620)

We should be working very hard, Madam Speaker, to have more grain going through the Port of Churchill, but I hear little, very little, from this government that is in power right now, to see that happen. If you look back at the records, when there was an NDP government in power, there was much more grain going through the Port of Churchill than there is under a Conservative government in Manitoba and a Liberal government in Ottawa, a Liberal government that promised that they would ship much more grain through the port, but that has not happened.

So, Madam Speaker, I wish that the members opposite who are supportive of this move to do away with the Crow would realize that the Crow benefit was put in place some 98 years ago when the Western Grain Transportation act was brought forward, because farmers realized that there was disparity between people in one part of the country and another one. Those closer to the port had a much cheaper freight rate and farmers recognized that in order for all of them to benefit they should share the costs. It was what the farmers wanted, and it has worked for many, many years.

It has brought equality to people across the country, and it was a big benefit to Manitoba producers, because they had the opportunity to get a fair return for the product that they produced, as well as the producers in other parts of the province. We should have had a

much stronger position taken by the government, by the Conservative government here in Manitoba but, unfortunately, that did not happen. As a result, we are seeing now that people who live farther from the main lines are going to pay a much higher cost to ship their grain, and that is not fair. That is not what Canada was built on.

Western Canada grew because of co-operation. Farmers recognized that for them to be successful they had to co-operate. It is actions taken by, first, Brian Mulroney to begin the dismantling of the Crow benefit and now further the complete elimination of the Crow benefit under the Liberal government. Madam Speaker, that is the concern I have.

The other concern I have with the change to the Crow benefit, you hear the government saying that we want a bigger share. Well, the government has ruled on that. They are not going to give Manitoba a bigger share.

But what this government should have been doing when they were negotiating on this, there is a discrepancy. Certainly, we did not agree with the payment going to the landowner. We wanted the payment to go to the producer because, after all, it is the producer who pays the cost of shipping the grain. It could have been handled much more simply by using the Wheat Board permit books instead of creating another bureaucracy that will take a large chunk of money out of the \$1.6 billion that is supposed to go to the producers. I am very disappointed that this government has not pushed harder to ensure that there are guidelines in place as to how the money should be distributed between the renter and the landlord or guidelines on how the appeals board is supposed to answer the questions when there is an appeal that comes forward.

I am also very disappointed, Madam Speaker, that we did not hear more from this government when we found that forage crops were not covered under the disbursement of the funds from the WGTA because, if we have a government that pretends that it is concerned about sustainable development and has encouraged farmers to put some of their land into hay as part of a sustainable practice, which I certainly support, then it

would have been recognized by the people who were setting up the plan that forage as part of a natural crop rotation should not be excluded in an area that should be getting a payment. We did not hear this government address those issues.

We hear very little, and I guess I have to say that we hear very little from them on this issue because they believe the dismantling of the Crow benefit and the change to the pooling is a good move for producers and, unfortunately, we do not agree with them.

I think that we are not feeling the real impact of this change because of the higher grain prices. I am very pleased to see the higher grain prices because farmers are the producers of food and many times make very little for their work. The Minister of Agriculture (Mr. Enns) is here, and I am sure he will agree that farmers who grow grain are not nearly getting their fair share for the work they do. They should be getting much more, and they are many times gouged by high fertilizer and chemical prices.

We have got the change to the Crow benefit this year, but we also have higher grain prices, so we are not feeling the real brunt of it. I dread the day when the payment of the \$1.6 billion is finished. There will be no more funds available there. We will see input costs continue to increase, and I hope, Madam Speaker, we will not see a decrease in grain prices.

It is long overdue that farmers should be getting a better price for the product that they produce, but can you imagine if the Crow benefit had stayed in place and farmers had been able to capitalize on the increased grain prices? Can you imagine what impact that would have had on the rural economy? For once, after many years, we would start to have a fair return, and we would see some farmers be able to pay off some of their debt that they have. Instead, because of actions taken by the federal Liberals, we are, in fact, going to see very little improvement in the rural economy.

So, Madam Speaker, although this resolution says that we should be getting a larger share of the pool, certainly we agree that we should be getting a larger share of the fund, because Manitoba has the most negative impact.

But this government has neglected to address the real concerns, and the real concern is why should the Crow benefit have been eliminated in the first place. If we were able to afford it in years when the gross national product of this country was much lower, why is it that now, at a time like this, we cannot afford to have supports in? Why is it that we cannot afford to do agriculture research? It is all being offloaded onto producers.

There is a lack of support for the farming community by the federal government, and it is a big disappointment, Madam Speaker. I wish that we would hear this government speak more loudly on that and try to get the federal government to have this government take a stronger position rather than putting out press releases that say that this is good, we are going to see an increase in price.

What we should have seen is a provincial government that would have united with other provinces and said no, this is not acceptable, we will not agree to this, and try to work out something that was much better. There was much more money on the table when these negotiations first began, and I believe it was over \$7.2 billion that was on the table. If that money would have been negotiated, we would have had an ongoing—

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

Mr. Jack Penner (Emerson): Madam Speaker, you know, all of us have, over the past years, watched very closely every spring when the birds migrate to southern Manitoba and from there on north. The emergence of the crow—and the crow was of course one of the first birds to migrate out of southern United States back into Manitoba in the spring of the year. So we watch for this bird, that it flutters, hovers over our areas on its migration north to raise its young and to bring forth a new crop of birds.

* (1630)

Well, there is particularly one bird that has been doing this for the last 98 years, and the old Crow that we have seen became a rather sickly bird over the last two or three decades, because continuous levels of

government, and you can include all of the parties, began taking shots at it, and the feathers that flew when the bird was hit were of such impact that it became very difficult for this bird to fly. It was not only Canadians taking a shot at it when it started migrating back in the south, it was our American friends, our European friends who took to 747s and came over here and started shooting at the bird.

But the bird survived. The old Crow survived. For years, it took this kind of punishment but it was a tough old bird until two years ago when we elected a new administration in Ottawa. Never before in the history of this country have we elected a Minister of Agriculture that was a greater hunter than we have now. Ralph Goodale, to his credit, had better aim and was better prepared than I believe, in all due respect to our Minister of Natural Resources and our Minister of Agriculture—I truly believe that he used steel shot and he brought the old Crow down.

Now, what does this mean? One can probably say this with a bit of tongue in cheek, but what does the death of the Crow mean to Manitobans, especially, and western Canadians? First of all, it means that a farmer in Alberta will see a net increase in direct freight costs of about \$16 a tonne, and it will see a direct increase of roughly about \$55 an acre to the farmers' cost of operation in raising and selling grain. In Saskatchewan the cost per acre will increase by about, oh, \$91 an acre, and in Manitoba the cost increase will be about \$107 an acre. That is the impact on a per-seeded-acre basis.

Now I ask anybody in this room, whether you are a labourer, a railway worker, or whether you are a teacher or whether you are a lawyer or a street repairman, who of you could withstand an increase in your cost of living of somewhere in the neighbourhood of 50 percent in one year? That really is what the farmers of Manitoba are being asked to absorb by the Minister of Agriculture (Mr. Enns) taking a shot at the Crow and killing it. That is what the cost to the Manitoba farmer is.

Now, what do we do? Oh, Mr. Goodale was so absolutely distraught over having fired the shot and killing the Crow that he said well, I am sorry, I am

going to pay you for it. He budgeted \$1.6 billion, and he said to all the farmers in western Canada, I want to see the Crow fly again, but I know that will not happen, because once a bird has died, it has died, but in order to bring a proper gift to the funeral, I will put \$1.6 billion in a little pot, and I will bring it to the graveside and park it there and let you people fight over it—because that is what it really amounts to.

He said to the true farmers, the operators, you will not be part of this; you have no say in this. We will allow the landowners, the land barons, that either reside in Manitoba, Saskatchewan or England or Holland or Germany or France or Italy, wherever they might be, we will let them make the decision as to how much money the peasants of this province and western Canada will receive—that is what Mr. Goodale said—what we relegate the operators, the actual farmers, the operators to, because we will not let them be part of the decision-making process, nor will we allow them to receive any of the funding that has been put in place, because they, after all, will be the people that will bear the brunt of the cost of operations in western Canada.

So what has this done? Well, it has done two things. It has set up a two-tiered production system in this country. One, we recognize the fact that the cost of shipping grain out of the west coast ports for the province of Alberta is a lot less than Manitoba. We recognize that the cost of shipping grain out of the western part of Saskatchewan is much less than the cost of shipping grain out of the eastern part of Saskatchewan.

Similarly, the cost of shipping grain out of Manitoba will be the highest of any of the three prairie provinces anywhere.

Thirdly, we have designated the landowner, who need not be an operator, as the recipient of the \$1.6 billion. They need not share that with their operators at all. So the leaseholders get stuck with the bill; the operators get stuck with the true cost.

Now, what does that mean? Well, as for Manitoba agriculture, our Minister of Agriculture (Mr. Enns) said, we cannot allow this to happen. So he formulated a committee made up of virtually the total industry, and

they studied the impact, the true impact of the Crow benefit to farmers.

They made some very clear recommendations, and the recommendations are that further action should be taken to ensure that, No. 1, the operators receive the funding, and that Manitoba farmers are treated as all other farmers in relationship to the cost of shipping grain out of the province of Manitoba.

That, of course, would mean that you would have to increase Manitoba's share of the Crow benefit fairly significantly. As a matter of fact, it would have to increase by some \$20-odd a tonne over the next three years to make up the shortfall that Manitobans have caused to take in this area.

Now, Madam Speaker, I find it absolutely astounding that farmers in this province have not rallied in huge numbers before the minister's offices in this province or that they have not mounted trains and planes and automobiles and headed in huge delegations to Ottawa to demonstrate their dissatisfaction with the way the Crow benefit is being distributed.

I think it is absolutely astounding that the majority of grain farmers today still do not know what the true impact of what has been done will cause them on their own farms. I believe it will be at least two or three years before the true impact, the full impact of the benefit, is truly realized, the reason being that we have seen over the last six months a very dramatic increase in grain prices across the world for two reasons.

* (1640)

Madam Speaker, No. 1, there have been significant crop production decreases right across the world; and, No. 2, many of the countries have withdrawn from the subsidization of agriculture products across the world. That, of course, is kicking into place a truly competitive price in the commodity markets. That is beneficial.

However, when the grain prices in this country will start levelling off again into more traditional values, the impact of the Crow benefit and the distortions that have been created by the way the Crow has been

implemented will truly come to bear in Manitoba, and that will cause this province some economic headaches. I think for that reason that it is important that the honourable Minister of Agriculture in Ottawa, Mr. Goodale, should strongly reconsider his position.

That is really what the resolution speaks to, that we ask as a united front, from all members on all sides of this House, to support the significant changes that have been recommended by our Minister of Agriculture at numerous conferences that he has attended, where all the provinces have been present, and the case that he has made for a significant increase to Manitoba of the Crow benefit payment and that there be an ongoing recognition of the severity of the impact to Manitoba farmers.

Unless that is done, Manitoba grain producers will be at a proportionate disadvantage over the next number of years. Yes, Madam Speaker, I would say even into the next decade.

I think the concern that this resolution expresses cannot be overstated. I would suggest that all the members in this Legislature support this resolution, but not only support the resolution. I think we should take the opportunity as members of this Legislature and demonstrate at every public function where we have an opportunity to speak and voice our opinions, to clearly state the impact to Manitoba farmers of the dissolution of the Crow benefit and the \$1.6 billion compensatory package that has been put in place.

If we do that properly, maybe there can be enough political pressure brought to bear by the general farm community, and I would even ask for support from the other sectors in the province, that they support us in this manner. In the long term, there is only one thing that will determine the success of the agriculture community in this province, and that is the fair distribution of a costing formula that can be and should be implemented equally through all the provinces in western Canada. Until we do that, we are going to be in a negative kind of position for a long time to come.

I thank you, Madam Speaker, for allowing me this short period of time to put some of my thoughts on record on this very, very important matter.

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I found the debate to be very interesting to say the very least and appreciate a lot of the concerns. No doubt, a good majority of the concerns that have been expressed are in fact very genuine and heartfelt, but not necessarily wanting to impute motives of any members, I find it very interesting that the Conservative Party likes to speak of itself as the party for free trade. The Conservative Party through Bill 2 likes to talk about the party that is there for deficit control. The federal government in Ottawa has come across and has expanded the whole concept of free trade not only to include the United States but the Asian Pacific, Europe, Mexico and so forth.

The other issue of deficit reduction, there was a commitment from the federal government to achieve deficit reduction, to do what it can to address the deficit, and the Minister of Agriculture (Mr. Enns) says, Madam Speaker, that is not fair. Well, the province of Manitoba and the Prairies were not alone.

There is no doubt that it is a very tough budget, and there is going to be a lot of political cost after you pay, but to try to say this is the federal government picking on western Canada and in particular the Province of Manitoba, like the member for Swan River (Ms. Wowchuk) is saying, is just not true. That feeds into the principles of former New Democratic administrations that took great pride in slamming the federal government, realizing that they could score political points by scoring against the government that was in Ottawa knowing full well that New Democrats would never form government in Ottawa. This is the reason why they hold no cost at doing that.

This government has proven in recent history that it is prepared to take a stand even when the federal government is of the same political stripe as it is when it makes a bad decision, and, Madam Speaker, I supported them doing that then and I support them doing that now.

That is why when I look at the resolution and I read the **THEREFORE BE IT RESOLVED**, you know, sure \$300 million, I believe Manitoba should get more than the Province of Saskatchewan and the Province of Alberta. A majority is what this resolution is

advocating. [interjection] Well, I am not entirely convinced of a majority, but I do believe that Manitoba should get its fair share.

The member for Emerson (Mr. Penner) talked about, you know, why was there not an uproar in the public? Why were farmers not rallying and going to Ottawa and phoning? And we are having rallies in front of the Legislature and so forth. Well, Madam Speaker, what I found interesting was how the member for Emerson (Mr. Penner) answered his own question. He said, well, the farmers do not know about it; no problem, we as Manitoba legislators should go out into the communities and just tell them how bad that federal government is and that this is a bad program.

I am not entirely convinced that the member for Emerson is right on on this particular issue. Madam Speaker, I believe that farmers in rural Manitoba are a lot smarter than what the member for Emerson implies. I believe that they are very much aware of it. I have never been one to defend the status quo. I will leave that up to my New Democratic friends. What concerns me is the apparent attempt from some of the Conservative caucus to defend the status quo. I look at the dean of the Chamber. The dean of the Chamber, as a man of integrity, has, on several occasions, talked about the Crow and the benefits and the flaws of the Crow. I am sad to see that the Crow is in fact leaving. I am encouraged to see that in fact there has been money put in place to compensate.

A good Progressive Conservative government, I know a Liberal provincial government, would ensure that Manitoban farmers are going to be equipped to take as much of that money as possible that is being offered and to diversify. The hog industry has wonderful, fantastic potential in the province of Manitoba. The Minister of Agriculture has commented on that. Madam Speaker, there is no reason why we cannot see the hog industry, the cattle industry and many other agrifood industries prosper as a direct result of seeing this money being put into the province. If we had more of a government that was prepared not to take the political cheap shots of trying to say that the federal government in Ottawa is doing a bad job, but rather to try to take a more progressive approach, a more aggressive approach and try to say, here is how we as

Manitobans, in particular the farmers, can benefit through change.

I hope that this is not a rut that the Conservatives here have fallen into, that of defending the status quo. I hope that that is not the case, because, Madam Speaker, I have listened to many different debates and have participated on either side of that debate on the free trade. There are some individuals within the Conservative ranks, in all fairness, who had talked about the western grain and the Crow rate. The Wheat Board—just the other day, I was talking to the member for Emerson (Mr. Penner). The New Democrats will say, well, do not change the Wheat Board; there is no need to change the Canadian Wheat Board. Well, once again, they proved a point that they are there for the status quo. It is not a question of slow death; it is a question of global economy—

* (1650)

An Honourable Member: We have had a global economy for 300 years.

Mr. Lamoureux: Three hundred years of a global economy—I will disagree with the member for Wolseley (Ms. Friesen) on that particular point.

Things change, and New Democrats have to realize that you cannot put up a wall around the province of Manitoba, that there is that need for change. I encourage the New Democrats—actually, I do not want to encourage the New Democrats to change the status quo because, if they keep on this course, the Liberal Party will come back to life in the province of Manitoba in a very significant way. So you go ahead and defend the status quo, but I digress somewhat.

The Wheat Board—the member for Emerson (Mr. Penner) and I had an interesting discussion and dialogue the other day. The member for Emerson brings up a valid point when he talks about the price of wheat on the boards just across our border and some of the frustration that some of the producers are experiencing when they have to sell their wheat to the Canadian Wheat Board at a set price, and I believe it is somewhere around \$2—[interjection] It is higher than that. I do not want to say that I am an absolute expert

at it—in around \$4. You know, I do believe—now I see some thumbs going down—between \$2 and \$4. I guess it can fluctuate somewhat and a lot depends in terms of the actual selling of that commodity, and then the Wheat Board will quite often give money back depending on how much they sell it for.

No doubt there has to be some frustration when a farmer sees how much money is being paid over in the United States for that bushel of wheat, given the amount of time, effort, energy and resources and just downright commitment to producing that product and to see what they are actually receiving.

That in itself should at least allow elected officials the ability to look and see if there is something that we can do to appease some of those concerns. It does not mean that we have to get rid of the Wheat Board. I believe personally that the Wheat Board has a wonderful future in the province of Manitoba, that in fact selling our wheat to countries throughout the world is very important to our farmers. Hopefully, we will see that continue.

To address the issue of parity, we like to believe that every government has to do some changes. Some of those changes we are not necessarily going to agree with. We are always going to want to get more, but I do take exception to when politicians inside the Chamber try to give the impression to Manitobans that a decision is targeted to a particular region and that region is being treated unfairly.

I am wondering about the Atlantic freight subsidy that was also being eliminated. I would hazard a guess that there were a lot of people in Atlantic Canada that would have been upset, and no doubt a lot of elected politicians and so forth. There was also feed freight assistance subsidies that were called into question. There was the dairy industry and some changes in that area. There have been changes that have had an impact, a real hard impact, no doubt, on Canadians throughout our country.

Was Manitoba singled out by the federal government and additionally penalized? Well, I disagree with the member for Swan River (Ms. Wowchuk), Madam Speaker. I believe that if we take a look at some of

those numbers—you know, every day I hear the Minister of Health (Mr. McCrae) point out, well, the federal Liberals have cut \$220 million out of our health care budget. [interjection] Well, look in your own book, '95-96 Estimates, it is \$4 million. A moment of silence on the other side of the benches.

Madam Speaker, there is no doubt some legitimate concern that is raised, and this resolution addresses a lot of those concerns. I support the first three. I do not have any problem with the first three WHEREASes, but then it says "this fund is not sufficient." Well, what would be sufficient?

Given the context of deficit control, something in which this government likes to take great pride in, all we need to do is to look. [interjection] And the Minister of Agriculture (Mr. Enns) is saying it, in essence, equal treatment. Yes, that is what we have to fight for. We have to fight for equal treatment, and that is the reason why I am not going to say that, look, I am not going to be standing up in defence of the federal government at every opportunity that I get.

There is no doubt, there are some things in which I do not support what the federal government has done, and I have no hesitation in saying some of those things, Madam Speaker. Equally, I do not expect—I should not say I do not expect. I expect to see a certain amount of what I have classified as fed bashing, but at times it gets somewhat excessive.

You know, in Quebec there is a referendum, and I often wonder in provincial politics we see a lot of effort where you try to pry additional power and authority from the federal government or the national government. Well, Quebec politicians in part have used the question of sovereignty in order to try to gain more of that power and authority. Manitoba politicians, and we have seen that through the Charlottetown and the Meech Lake, also tried to get more or the Meech. [interjection]

No, you are talking about the task force, but, again, you are taking me off topic. I only have about 30 seconds left, so I am told, and, unfortunately, with an issue such as agriculture, which is so very important, I

could spend the next 40 minutes talking about the importance.

An Honourable Member: Go for it.

Mr. Lamoureux: Madam Speaker, I see the New Democrats, my good friends, are offering me leave. If the Conservatives are prepared to give me leave, I am quite content to continue to talk about agriculture in the province.

An Honourable Member: Leave.

Mr. Lamoureux: Madam Speaker, well, not wanting to push it—after all, one of the things I did say to my constituents is I was hoping not to be a long-winded politician, and 15 minutes is an appropriate amount of time on this particular resolution.

But, Madam Speaker, I would have loved the opportunity to have been able to talk about so many other aspects of farming in the province of Manitoba, primarily because I think that farming, the family farm has so much to offer to Manitoba well into the future, and the Liberal Party supports the farmer.

Point of Order

Mr. Penner: Could I seek leave from the House to continue the debate on this important resolution? I know there are a number of speakers on this side of the House and maybe on the other side of the House that would want to continue debate, so I seek leave of the House.

Madam Speaker: Order, please. Is there leave to continue the debate on this resolution after five o'clock? No? No. Leave has been denied.

* * *

Mr. Stan Struthers (Dauphin): Madam Speaker, just in the few minutes that I do have left to speak on this motion, I want to rise in concurrence with what the member for Swan River (Ms. Wowchuk) said. I want to try to inject a little bit of common sense into what we

have heard from both the blue Tories and the red Tories in this House today.

Let us cut to the chase here. This is not just one private member's resolution—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Dauphin will have 14 minutes remaining.

* (1700)

The hour being 5 p.m., as previously agreed, time to give consideration to a new resolution, Resolution 39.

Res. 39—Selkirk Water

Mr. Gregory Dewar (Selkirk): I move, seconded by the member for Radisson (Ms. Cerilli)

WHEREAS concerns have been expressed by Manitoba Health with regard to the use of the Red River, north of Winnipeg, as a source for a municipal water infrastructure system; and

WHEREAS concern has been expressed by Manitoba Environment with regard to the depositing of lime sludge from the treatment of the municipal water supply into the Red River; and

WHEREAS 80 percent of the citizens of the town of Selkirk have expressed a concern with regard to any possible use of the Red River as the source for the municipal water supply system; and

WHEREAS to address these and other concerns about the utility infrastructure of the town of Selkirk, the Town of Selkirk and the provincial and federal governments entered into a tripartite agreement to improve the utility infrastructure within the town of Selkirk at an estimated cost of \$5 million in a two-stage process; and

WHEREAS Stage One has now been started.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba request the

provincial government to consider continuing support for its share of the agreement; and

BE IT FURTHER RESOLVED that this Assembly urge the federal government to consider maintaining its share of the agreement; and

BE IT FURTHER RESOLVED that this Assembly direct the Clerk of the Assembly to forward a copy of this resolution to the federal minister responsible for Western Economic Diversification.

Motion presented.

Mr. Dewar: As all members would appreciate, this resolution is very important for the community of Selkirk, and, in fact, all communities downstream from the city of Winnipeg. I urge this House to support the town of Selkirk in its attempt to end its reliance on the Red River as an emergency source of drinking water.

As all members know, Selkirk from time to time requires water from the Red River to supplement its drinking water supply. The blend is between 35 and 40 percent water from the Red River and the remainder from existing wells. The water, of course, is treated; however, it does not go far enough I would suggest to convince the residents of that community that the water supply is safe to drink.

In 1991, a well pumping station broke down in the town of Selkirk, and at that time we were forced to use the Red River as a supplement to our drinking water supply. At that time, the blend was about 35 percent treated Red River and the remainder from our wells. Because of the dry conditions of this past summer, the situation occurred again when once again, unfortunately, we needed to rely upon the Red River to supplement our water supply.

This situation, as members can appreciate, puts the residents of Selkirk in a very unenviable position of drinking water from one of the most polluted waterways in Canada. So you can sense the urgency of resolving this issue once and for all.

There are times when the fecal coliform count is 10 times the acceptable level, Madam Speaker. The provincial level is 200 organisms per 100 millilitres of

water and at times, unfortunately, that level has gone up close to 2,000 and over that, as a matter of fact, when water is tested in the town of Selkirk.

The City of Winnipeg, from time to time, discharges nondisinfected sewage. They treat it, Madam Speaker, but it is not disinfected and, because of this, the bacteria is not destroyed.

In fact, I have called upon the Minister of Environment (Mr. Cummings) both in the House and in the Department of Environment Estimates to work with the City of Winnipeg to resolving this problem. I consider this to be a very modest request considering the end results. We know we raised this issue just this past session about the high levels of bacteria found in Lake Winnipeg. This, of course, affected the water quality at Manitoba's beaches.

These are some of the concerns that we are raising in regard to this issue. As the member for Osborne (Ms. McGifford) has told me, she in fact went swimming I believe at Victoria Beach and was diagnosed with pinkeye.

So it is fairly obvious to all of us on this side of the House and we would like to mention, once again, that it is a very serious concern. In fact, when the Red River approaches the city of Winnipeg, the levels of the fecal coliform are quite low in relation to how it leaves the city of Winnipeg.

I am reading from the State of the Environment Report, 1995. On average, it is around 10 to 20 organisms per 100 millilitres but, when it leaves it goes as high as, well, it has been recorded as high as 4,000. You can imagine. This all occurs as the Red River flows through the city of Winnipeg. These are some of the concerns that we face in the town of Selkirk when at times, and the times are rare, granted, but nevertheless it does happen when we have to reply upon the Red River as a source of emergency drinking water.

So, Madam Speaker, you can appreciate, I am sure, as all members do, the negative effects this would have upon the growth of our community, whether it is tourism or business growth.

This situation, well, let us face it, we are the brunt of some very unpleasant jokes at times from different individuals concerning the situation in Selkirk. However, I was very pleased, Madam Speaker, that the town was able to receive funding under the now-expired agreement that was called the Partnership Agreement on Municipal Water Infrastructure. It was signed in the spring of 1993. It was an initiative of all three levels of government. I want to applaud the Town of Selkirk for pushing forward this initiative to ensure that we no longer have to rely upon the Red River as an emergency source of drinking water. It was designed to end Selkirk's reliance on the Red River.

The project was divided into two phases, and total project costs were about \$5 million. Phase I, which represented \$3 million—which is nearly completed, I might add—included the construction of an underground storage facility. Now this underground storage facility was designed to increase the town's water capacity almost sevenfold. The idea, of course, was that, in times of drought, in times of mechanical breakdown, Selkirk, instead of relying upon the Red River, could use the water that was stored in this chamber.

Phase II of this project, a number of different aspects to it, but included the funding of a new well, and the well was designed to fill the storage facility which under normal circumstances would be sufficient to keep the town off the Red River, in particular, during dry periods as we had this past summer. In fact, had this project been completed prior to this summer, we would not have had to rely upon the Red River for our emergency source of drinking water. So Phase I was basically the construction of a storage facility; Phase II was to dig a well to fill Phase I.

* (1710)

Originally, all levels of government said they would fund their share of Phase II. They all, at the time—the province, the Town of Selkirk and the federal government—signed the document saying that we would honour both Phase I and Phase II, but it was brought forward last summer. It was indicated by federal officials that the federal government would no longer honour the second phase; in fact, they are withdrawing \$30 million from the project, from the complete

program. Because of that withdrawal, there would be no funds available for Selkirk to finish this much-needed project. In fact, this action by the—

An Honourable Member: \$30 million?

Mr. Dewar: Well, the Minister of Rural Development (Mr. Derkach) is questioning my numbers; I am sure he will have the chance after I am finished to correct me. But it was a substantial financial withdrawal from the federal government that jeopardized Phase II of this project, so no funds were available for Selkirk to finish this much-needed project in our community.

This action by the federal government created a great deal of uncertainty in Selkirk; in fact, it put this project in jeopardy, but thanks to the concerted efforts of residents of the town and pressure from the town and from this side of the House—as members opposite would know, we raised the issue in Question Period, we raised it in the Estimates and in fact we raised the issue during the election campaign this past spring.

We were very pleased, because of the pressure that we were able to put on the federal government, that the federal government finally succumbed to that pressure, and in September of this past year they did what was right and they gave notice that they will honour the 1993 agreement.

In fact, the project should be completed by this fall, and it should give us the capacity in Selkirk to no longer rely upon the Red River until the year 2011. Of course, between now and then, we will have to look at alternative sources, perhaps a pipeline, perhaps expanding or improving upon the current system.

Even though the issue that we dealt with in the resolution was more or less resolved, I still want to urge all members of this House to pass this resolution, No. 1, to continue the pressure on the federal government to remind the federal government of their commitment to Selkirk and to serve as well as a testament to all the hard work of the town of Selkirk, the mayor and council and the people of Selkirk over the last number of years to really put the pressure on the federal government to honour their agreement.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

They signed this agreement with the province and with the town of Selkirk to upgrade our water supply, then for some reason they reneged on that agreement, but because of the pressure that we were able to put on them, we are reasonably convinced now that they will honour it. They apparently have issued the cheque, so hopefully it is as good as done.

As well, I urge members not only to support it for that, but I also urge members to pass this resolution as a commitment from all members of this House to ensure that all Manitobans have a safe drinking water supply and as well a commitment from all members of this House to clean up our polluted waterways.

So with those few comments, I just urge the members of this House—and I do not see why the members opposite will not support this resolution. It places the blame clearly on the federal government. So with those few comments I would just like to urge passage of this resolution by all members of this House so that the community of Selkirk will no longer have to rely upon the Red River as an emergency source of drinking water, Mr. Deputy Speaker. Thank you very much.

Hon. Leonard Derkach (Minister of Rural Development): I am pleased to be able to rise this afternoon and address this resolution that has been put forward by the opposition and the member for Selkirk (Mr. Dewar). I would like to say that this particular project is one that is of fairly significant importance to the community of Selkirk and for the water supply for that community. As members of this House know, Mr. Deputy Speaker, the water source for the community of Selkirk, from time to time, has been the Red River, which is certainly a concern to the residents because of the pollution of that water source and the problems that arise because of the condition of the water.

Mr. Deputy Speaker, back in 1991, there was an agreement signed, a tripartite agreement on municipal water infrastructure between the federal government, the provincial government and municipalities, and, in total, the agreement was for \$90 million. Each level of

government would then be contributing \$30 million to the agreement.

One of the communities that was a part of that agreement was Selkirk, and the project that was undertaken in Selkirk was actually a two-phase project, one which included the construction of a reservoir for the community, and this was a \$3-million project. That project did proceed and was completed, and the second phase of the project involved drilling of wells to extract ground water, and this part of the project was worth a million and a half dollars. Again, that part would be shared by the three levels of government.

However, the federal government announced in 1993 that it had plans to withdraw some of the funding from the tripartite agreement. The member for Selkirk (Mr. Dewar) indicated that the federal government withdrew \$30 million. That was an error, because, in fact, the federal government withdrew \$3 million from the agreement which, in essence, meant that the total \$90-million agreement would be reduced by \$9 million.

What it did to certain communities, Mr. Deputy Speaker, was it perhaps stopped projects halfway through, and, in the case of Selkirk, what happened in their case was that the second phase or the drilling of wells could not be proceeded with.

Mr. Deputy Speaker, I have to indicate that from the very beginning, when we learned about the reduction on the part of the federal government to this program, we did take action as a government, a provincial government, and we immediately began to dialogue with the federal government to try and encourage them to uphold their share of the agreement.

Letters have gone back, and I have a bundle of letters in my hand now that date back to 1993, which were written to various ministers of the federal Crown asking them to reconsider their position and fund this very important infrastructure project in the province of Manitoba.

My first letter, Mr. Deputy Speaker, went to the Honourable Lloyd Axworthy back in September of 1993. That letter, again, expressed concern about the withdrawal of funds from the PAMWI program, urging

the federal minister to look at our province as one that had need of these kinds of projects and to encourage his cabinet to reinstate the \$3 million that they were withdrawing from the program.

Between that time and now, members of our cabinet met with various ministers, and I can tell you that the issue was raised at each and every occasion that we could to try and reinstate this funding because our funding and the municipal funding was in place, and we were prepared to move ahead with the projects.

In late 1994, I did meet with the Honourable Art Eggleton who was minister responsible for the Treasury Board. We did discuss the issue with him directly. He did receive us very positively and did indicate at that time that he would be addressing this issue with his counterparts.

Later, in September of 1995, I again wrote to, this time, the Honourable Art Eggleton, again following up on our conversation and seeking some assistance from him to fund this project but also to reinstate the funding for other projects as well.

I think it would be fair to say that we worked very co-operatively with PFRA who were the administering body for the program to try and reinstate the funding that was taken away from our infrastructure program. I must say that on September 29, 1995, my department received confirmation that the federal government would indeed be fulfilling their contractual obligation by providing the one-third funding to two projects: one being the project in Virden, Manitoba; and the other one in Selkirk. The Selkirk project would be funded to its original commitment of \$1.5 million.

So, Mr. Deputy Speaker, I find this resolution somewhat redundant today because indeed the funding is already in place to go ahead with the project at Selkirk, and the community of Selkirk will indeed receive the wells that they were promised and will have fresh water in the near future.

Although the member for Selkirk (Mr. Dewar) tries to take credit for them, I have a host of letters here that were written to various ministers in the federal government, but I do not have one written by the

member for Selkirk, unfortunately. But I must say it was this government that worked together with the federal government that indeed did put the pressure on to make sure that this project was completed and that other projects like it would also be completed as well.

* (1720)

I would like to say also that our government believes in the use of partnerships on a number of fronts, whether it means building consensus on key issues, establishing an economic framework for Manitoba or successfully undertaking the cost of the infrastructure development in our province. I think that a perfect example of this was the infrastructure program that we entered into with the federal government throughout Manitoba, where we were one of the first provinces to move ahead with the projects and to complete many of the projects across this province.

The approach that we took was a partnership approach where we invited municipalities to bring forward their programs. We invited the Union of Manitoba Municipalities as well as the Manitoba Association of Urban Municipalities to the table. Members from their organizations then were charged with the duties of selecting the projects that they thought should qualify under the infrastructure program.

I would have to say that the experience in Manitoba has probably been one of the most successful experiences under the infrastructure program across Canada. I think it is characteristic of the approach that this government has taken in that we believe very strongly in working with other levels of government. Whether they are the senior federal level of government or the municipal levels of government, we feel that they are partners in developing our province, both economically and socially, and it is for that reason that we work very closely with them.

Mr. Deputy Speaker, I think it is worth mentioning that, by using this approach, we have been able to successfully complete some fairly important economic development initiatives in rural Manitoba. I simply want to mention a couple, and the first one is, of course, the McCain expansion in Portage la Prairie,

where McCain will be spending something like \$75 million to expand their potato plant in Portage la Prairie.

Along with the federal government, the provincial government and the municipal government, we will be providing the infrastructure for the project. In addition to the expansion of their sewage treatment system, we will be investing another \$15 million to make sure that the infrastructure for the expansion is there and is adequate for the expansion that is going to be taking place.

We are also inviting a new partner to the table, and that is the private sector. We are asking the private sector to also come into the picture to ensure that some of the infrastructure that is so badly needed in our province is addressed in perhaps a creative or an innovative way. I only need to mention the construction of the Charleswood Bridge, which is now complete or very close to being completed—I guess the official opening was just last week—where we have a partnership of municipal levels of government, the federal level of government and also the private sector to ensure that an important infrastructure is in place for Manitobans. [interjection]

Well, Mr. Deputy Speaker, I hear a little noise from the opposition. I really do not know what that means except to say that they are probably opposed to even this kind of an arrangement in our province, and that is so unfortunate.

Mr. Deputy Speaker, I would like to also make mention of the \$55-million creation of the Canadian agriproject at the Interlink Industrial Park in Ste. Agathe. Again, this speaks to the partnership approach of putting infrastructure into our province because here, once again, we have a private company, the municipal government, the provincial government, and, yes, we are hoping that the federal government will come to the table to ensure that a project like this is completed, as well.

Mr. Deputy Speaker, I think that throughout Manitoba we have demonstrated as a provincial government that we are serious about providing the kind of infrastructure for Manitobans that will not only

serve the needs of the current population but will also allow them to build on the infrastructure that they have to be able to attract new industries, new development, into their communities. This is also true when we talk about the provision of natural gas to rural Manitoba. We entered into an agreement where communities that do not have natural gas today will soon be able to access natural gas because of the partnership approach that I speak about that was taken by the three levels of government.

When we look at the Selkirk project, Mr. Deputy Speaker, I think that we can be proud as a provincial government that we have done everything we can to ensure not only that the people of Selkirk have an adequate supply of water, but, indeed, that all partners did come to the table in an appropriate way. We were very pleased that the federal government did, in fact, see fit to live up to their commitment of \$500,000 to make sure that the second phase of the Selkirk project did proceed.

So let me say I am pleased about the lobbying efforts of our government, and I think that we can continue with this approach in other projects as well. Thank you very much.

Ms. Marianne Cerilli (Radisson): Mr. Deputy Speaker, I am pleased to rise to support the resolution put forward by the member for Selkirk. I am pleased to support any resolution that would advocate better water protection, particularly in the area of drinking water but also in the case of any water quality protection.

It is interesting, though, when I listen to the debate in the House and—

Mr. Deputy Speaker: Order, please. I am having great difficulty hearing the honourable member. If the honourable members want to continue on with their discussion, as we will call it, they can do so out in the halls.

The honourable member for Radisson, to continue.

Ms. Cerilli: I was saying, Mr. Deputy Speaker, that we have to recognize that this resolution is advocating for water treatment in the community of Selkirk so that

they do not have to rely on Red River water for drinking water. They want to have the provision of additional well capacity so that they can have drinking water that is not going to be of the quality of the Red River, and they want to be able to treat the water that they have.

* (1730)

It is interesting, if we look at that as the end and the solution—because it is not going to solve the problem—of the fact that the Red River is horribly polluted, and the real answer to this problem is going to be dealing with that fact and dealing with the problems that are causing the pollution in the Red River. We know that Winnipeg is largely at fault here. Winnipeg continues to have only primary treatment of sewage. The sewage from Winnipeg is not disinfected, so that is one part of the problem. The second part of the problem is that we still have sewers that put raw sewage into the Red River in the event of heavy rains and when the sewage capacity in the area where the sewers are combined is overrun.

So those are two of the problems, but there is also the problem of agricultural runoff, which is causing problems along the river watershed, all the area that feeds into the river, including the Assiniboine River.

Members of the House may remember a couple of years back a little canoe trip that me and a couple of environmental friends took. It was amazing to see all along the river the kinds of impacts and the kind of drainage from industry and other municipalities and lagoons flowing into the Red River basin. So those are a couple of the other areas that have to be dealt with if we are really going to address the drinking water needs of populations all along the Red River.

I would also be remiss, in talking about the provision of well water for Selkirk, if we did not also look at the fact that we have a number of industries that are threatening the underground well water sources in and around the capital region, including Selkirk.

I am very concerned about the livestock intensity growing in the area threatening aquifers when we have hog operations of this size and magnitude on sensitive

ground water hazard areas. We have to be cautious that we are not, on the one hand, going forward with economic expansion that may be very costly for us as a province, on the other hand, when we have to look at dealing with the impact on our drinking water sources.

So again we have to look carefully at all of the kinds of development that are going on to ensure that we are going to protect our drinking water sources. So when we are looking at drinking water treatment, we have to be very careful with moving forward with any alternative that is increasing the reliance on chemical water treatment.

We know that there are studies coming forward that draw a relationship between chlorine water treatment and organic chlorines and cancer and other illnesses in the population. So if we are moving to more reliance on chemical water treatment, we could again be in the long run having a greater cost in health care, because we may be, rather than solving the problem and making sure the water sources do not get polluted in the first place by simply introducing chlorination into the system which binds with organic matter in the water, we may indeed still be having adverse health effects. It would not be the same as the bacterial contamination that would occur if we did not chlorinate the water in the first place, but there still may be long-term health consequences.

There are new alternatives such as ozonization as a water treatment source that are being tried in a number of different places. These are the most environmentally advanced kinds of water treatment systems.

I think all of us are very concerned in Manitoba when we know that there are many communities that do not have equality of condition in terms of either water supply or sewage treatment. We not only have to look at communities like Selkirk but all the other communities in northern Manitoba that do not have adequate water supply and water treatment, and I think that these are issues that we have to look at very seriously.

It is disconcerting when we look at the fact that a community like Selkirk relies at times on 30 to 40 percent of their drinking water coming from the Red

River. What this ends up encouraging is more and more reliance on bottled water, and that becomes a huge cost for individual families.

Families are very concerned, I think, that there is a lead problem with drinking water. Some people are very concerned about fluoride in drinking water, and then, as I said already, people are also concerned not only about bacteria and fecal coliform but also concerned about the chlorination that is used in treating drinking water, and studies are now showing effects of that on health.

One of the other things that I wanted to mention in terms of projects like water supply for Selkirk is, we cannot have the kind of offloading that has occurred onto municipalities for treatment of water, for dealing with provision of waste disposal. We cannot have local municipalities bear the brunt of providing the costs for those kinds of environmental and public health responsibilities.

That is why I think this resolution is so important. I think that the agreement that was undertaken to provide for the water supply for Selkirk is so important because it was a tripartite agreement, so there was a recognition that we cannot offload all of the costs for environmental and public health protection onto municipalities, which have the least ability to generate the tax base and the revenue to pay for those very important public projects.

I think that, unfortunately, we have, for example, the balanced budget legislation being brought in by this government. It is related to this issue, because as we have used as the example so often in the House, projects that are in the interests of the common good of the public like the floodway, like the sewage treatment for Winnipeg's sewage that goes into the rivers in Winnipeg, like the provision of a water source for Winnipeg from Shoal Lake and the improvements in the aqueduct that we need, those things would be very difficult to do under the regime, the financial regime put forward by this government with Bill 2, the balanced budget legislation, because those kinds of capital expenditures would need to be financed with borrowing over the long term over many, many years. We are very concerned on this side of the House that

those kinds of projects will not be given the priority that they deserve right now in the long-term vision that we need to have for Winnipeg.

I see that the members opposite are nodding and seem to be listening to what is being said on this side of the House at this time, and I wonder how they plan to finance the kind of water treatment and water supply that we need, not only in Winnipeg but in a number of communities around the province, when they have put us in this financial straitjacket. These are significant issues, because, as I have said, municipalities do not have the ability to finance these kinds of projects on their own, and they need the support of the provincial governments and they need the support of a federal government that has a larger capability of supplying funds for major infrastructure projects such as water treatment and water supply and sewage treatment.

The other thing that is a factor in this issue is urban sprawl and the effect that urban sprawl has as well on consumption of water and the provision of water. I know when we were dealing with the Assiniboine diversion that this was a concern, and we still are concerned about the provision of water for large centres that are mushrooming around in the capital region. It is a problem. It is a problem for many of these municipalities, and I am very concerned that in a lot of cases we have not had the proper regulations in place to protect ground water.

I have seen myself a number of situations where I had brought to my attention just recently in an area in rural Manitoba—it was in Gilbert Plains, I believe—where a housing development has been put in place in an area that has had, some people believe, contamination by Hydro, and the ground water in that area has been threatened and also the soil. So I think that we have to make sure that we are going to protect ground-water sources so that communities like Selkirk are going to be able to continue to rely on ground water and well water.

* (1740)

I guess in conclusion, I just want to conclude by saying it is a great concern that the federal government was hesitant in providing the funds for this project.

The federal government has cut by 50 percent the funding for the federal Department of Environment in the last budget. We cannot continue on this track because in the long run all of these environmental and public health issues are going to come to bear on the economy of the province not only on the huge costs that eventually will have to be paid in terms of health but also in the long run that we will not have the water that is so important for economic development in so many different areas.

So I would encourage the resolution—the government to support passing on this resolution to the federal minister responsible for Western Diversification so we will continue to have a federal presence involved in funding water protection for rural municipalities. Thank you very much.

Hon. Darren Praznik (Minister of Energy and Mines): Mr. Deputy Speaker, I quite enjoyed the remarks from the member for Radisson (Ms. Cerilli). I did listen to the member for Radisson very intently, and as a member who represents the Selkirk and district in this Legislature I kind of found it a little bit ironical that the New Democratic Party would be rising today to speak about issues of water quality in Selkirk and the need to secure a water supply, because that constituency was represented in this Legislature for a period of nearly 20 years by a former premier of this province.

An Honourable Member: Who was that?

Mr. Praznik: The Honourable Howard Pawley.

I can tell the members opposite, having grown up in and around the town of Selkirk, attended school there, have spent most of my life in this area, that the issue of water quality in Selkirk is not a recent or new issue. It has been an issue that has been there for decades. In fact, it was a pressing issue through all the years that Mr. Pawley was MLA and through the years in which he was the premier of this province. Mr. Deputy Speaker, it was an issue, a great issue to the town of Selkirk when Mr. Pawley sat in this House and revenues to this government were increasing at 10, 12, 15, 16 percent a year, and throughout that period nothing, absolutely nothing was done by the New

Democratic Party in government and by its MLA to solve the problem. It was not, quite frankly, a priority of the New Democratic Party government and its MLA, Mr. Pawley, other than in words. It was a priority in words but never, never in deeds, never in deeds.

I have to tell the member for Radisson if you go back over the years in Selkirk, even I can remember the time when Selkirk, vaguely as a young person, hosted a bottling plant for Coca-Cola, and one of the reasons that was lost to that community was because of water quality. Jobs lost, and that is something that has been known for years in the town of Selkirk.

I have to tell my colleague, the member now for Selkirk (Mr. Dewar), one of the proudest moments as an MLA for that area, although I do not represent the town of Selkirk, my riding comes very close to it on the other side of the river, and it comes—

An Honourable Member: Does it come to the bridge?

Mr. Praznik: Well, the member for Roblin Russell (Mr. Derkach) asks if it comes to the bridge. Well, the bridge connects the great constituency of Lac du Bonnet with the great constituency of Gimli. It links us together, and I must admit that that bridge today is used by many of our constituents, but one should never forget the way in which that project came about, the way in which it was planned, the way in which the site was selected, I understand by the Premier personally, Mr. Deputy Speaker, led to a great deal of public debate and a great deal of ridicule by the people in those surrounding areas at the way it was managed.

Mr. Deputy Speaker, to get back precisely onto topic, about water, one of the proudest moments of my career in public life in that community was when some years ago I attended on behalf of my colleague, the Minister of Rural Development, an announcement under I believe it was the PAMWI plan to improve water quality in the town of Selkirk, and the member for Selkirk was there at that particular meeting. I have to give him credit that at least he was able to attend that function even though his party in its years of representing that community had done nothing in fact to resolve that issue.

We were there with our dollars on the table under that agreement to make the most significant improvements in water quality in the town of Selkirk in decades, and we did that because it was the right thing to do. It was the right thing to do. In fact under the original PAMWI agreement I do not know if Selkirk—where it fit in, but through efforts of myself and others, we ensured that was carried through. It is with great regret that, I understand, what happened was the federal government, and I look to the Minister of Rural Development, Mr. Fewchuk, the member of parliament for that area—no, it was Mr. Bjornson, the Conservative, who made sure that Selkirk received the water. In fact, the irony of it, it was a Conservative member of parliament and Conservative MLAs—my colleague, the member for Gimli (Mr. Helwer) was there—who made sure Selkirk was included in that program and that it went ahead and that the money was there to improve that program.

Yet, Mr. Deputy Speaker, when we elect, the people of that area return a Liberal member of parliament and a Liberal government who campaigns on jobs, jobs, jobs and infrastructure. What do they do to fund their program? They cut that out of the PAMWI agreement and they return some of those dollars to the town of Selkirk, not to fix water, not to improve the quality of life for the citizens of Selkirk, not to provide good clean water for economic development, but what does Mr. Fewchuk and his Liberal friends, Mr. Axworthy, do? They build sidewalks. [interjection] Well, the member for Inkster (Mr. Lamoureux) says what do you have against sidewalks? I will tell you. If the member has ever tried to wash his hair on a sidewalk or drink sidewalk, he will appreciate the need for good quality water in a community.

So, Mr. Deputy Speaker, the member for Selkirk (Mr. Dewar) today comes back, has to come back, to this Legislature with this resolution to solve a problem which neither his party nor with the help of the federal Liberal member of parliament and his cohorts in Ottawa—in fact, actually stole the money from the good people of Selkirk that they required to fix their— [interjection]

Now, the member for Selkirk points to the newspaper clipping, and we remember it well, Mr. Fewchuk

having to explain why the dollars that the federal Conservative government had set aside for the town of Selkirk were stolen from the people of Selkirk for a campaign gimmick. It defies logic.

Mr. Deputy Speaker, when the member for Selkirk rises with this resolution today I can say, yes, the town of Selkirk needs that problem solved, yes, this administration was there to solve this problem, yes, the federal Conservative Party was there to solve that problem, but 20 years of inaction by New Democrats who had the resources and the money and the political will to solve the problem did nothing. Then when the problem was solved the Liberal Party comes on the scene, and keeping with the tradition of 80 years in western Canada, stole right from underneath us, to the great detriment of the citizens in the town of Selkirk. So today we are left with the problem unsolved because of the failure of New Democrats to act and because of the tradition of Liberals to steal from western Canadians.

So we say to the people of Selkirk when they analyze this issue, when they analyze and look to this issue they know only Conservatives in Ottawa and in Manitoba have stood by the people of that town on that most important issue.

Mr. Deputy Speaker, not that I will ever be accused of being partisan, my colleague the Minister of Rural Development, who, in the most difficult of times, left to us by those who have rung up the debt of this province that has to be paid, in the most difficult times, he and my colleagues around the cabinet table, the Treasury Board table continued to find the dollars to put into infrastructure programs for the people of Manitoba, wherever they may be.

Yes, we got some money back from Ottawa, but the accounting about how much has been stolen from us has not yet been done. It has not yet been done.

* (1750)

I want this message to go to the people of Selkirk today, that they should remember that even though we did not represent the seat provincially we have always stood by them and we have delivered and we will

continue to fight those in Ottawa who will take away the drinking water from the people of Selkirk, and we will stand with the citizens of Manitoba yesterday, today and tomorrow.

Mr. Edward Helwer (Gimli): Mr. Deputy Speaker, I am glad I have a few minutes to talk about the resolution as proposed by the member for Selkirk, and I am really pleased that he brought this resolution here because it is important because clean water, first of all, is important to a community and important to a community such as Selkirk.

I have a certain interest in this resolution also because my constituency starts at the north boundary of Selkirk, and I have the Red River then and the Red River flows into Lake Winnipeg and I have a lot of tourists—[interjection]

Mr. Deputy Speaker: Order, please. I am having great difficulty hearing the honourable member for Gimli. It might be my hearing.

Mr. Helwer: Mr. Deputy Speaker, I was just commenting on the importance of the river that runs through Selkirk and also the importance of clean water and, as I said, my constituency starts at the north end of Selkirk and flows into Lake Winnipeg; I have a certain interest in the Red River. One of the major industries in my area is the tourism and one of the biggest fishing spots in Manitoba is just north of Selkirk.

An Honourable Member: Remember that big fish somebody caught there?

Mr. Helwer: That is right, channel cats. That is right.

An Honourable Member: Who was that?

Mr. Helwer: That was the Premier, of course, caught the biggest channel cat at Lockport, actually, in your constituency.

I was commenting on the importance of tourism to the area, not only to Selkirk but to the area north of Selkirk, Petersfield, Winnipeg Beach, Gimli, all the area along Lake Winnipeg. It is important, this Red River.

One of the main issues about the river, and one of the reasons why the town of Selkirk needed an alternate supply of water is because of the contamination in the Red River. This has been an age-old problem that has taken place over the years, for the contamination of the river is becoming more and more. That is affecting the town of Selkirk and the communities north of Selkirk which I represent.

The problem is the water that comes into Winnipeg from the south in the Red River, it is perfectly clean on the south end of Winnipeg. By the time it gets through Winnipeg and comes out north of Winnipeg into Lockport and Selkirk, that river is contaminated.

I know that our Minister of Environment (Mr. Cummings) and the department have been doing many things to try to clean up that river. [interjection] That is right. The Lieutenant-Governor was even cleaning up the Seine River. Well, that is all part of us cleaning up the river system which flows into the Red River. That is the most important part of this debate on this resolution is the cleaning of that Red River.

I wanted to commend our Minister of Environment for working very hard on this, and, first of all, getting the industries along the river, such as the University of Manitoba and a lot of the other industries, to clean up their act, including the city of Winnipeg, of course. They have to clean up their act also to prevent the contamination from flowing into that river and creating the problems that it has for the town of Selkirk over the years, because Selkirk's water problems have gone back many, many years.

As the member for Lac du Bonnet (Mr. Praznik) said, the prior government, the former MLA there, Mr. Pawley, who represented that area for many years, did absolutely nothing to improve the quality of water for the town of Selkirk. Finally we came along, and this government together with the federal Conservative government, Mr. Holtmann and Mr. Bjornson put together this PAMWI agreement and finally recognized Selkirk as important, that the water system of Selkirk would have to be cleaned up.

We can thank—[interjection] That is right, but it was this government and the former government in Ottawa

that brought in the PAMWI agreement. This has cleaned up the water in Selkirk, the sewage lagoon in Gimli, the sewage lagoon in—or we call them waste treatment centres, not sewage lagoons, sorry. These are important to the communities.

I should mention that just a couple of weeks ago we had the opening of one of these programs under the PAMWI agreement in the Teulon area to serve that community, so that they can have proper disposal of their sewage in that area. This agreement was important to Selkirk and Gimli, many communities in the area.

Just getting back to water for a minute for Selkirk, and I am really pleased that they are going to drill wells and try to come up with a new system, a new supply, but we have a water supply just west of Selkirk in the Oak Hammock area where we have a number of flowing wells. As a matter of fact, the Department of Natural Resources has drilled a number of relief wells in that area to relieve the flow of the water pressure, so it does not come up in the fields or one thing and another. That is a fact, we have relief wells, we do. These wells run 24 hours a day, 365 days a year, and this all goes into the creek and into the river, but all this water is going to waste.

There is an excellent alternate supply of water for the town of Selkirk that could be tapped into within about six or eight miles west of Selkirk, they would tap into this aquifer there. Instead of this water flowing down the ditches, it could be made good use of in Selkirk. That is just some excellent water, an excellent supply of water. I do not know why the engineers have not looked at it prior to this, but finally and I am sure they will find good wells there, they will be able to drill water there. They will drill to get the water.

I just want to mention, since I only have a couple of minutes left, when we talked about the importance of a good clean water supply, how important that is to a community, if you look at Selkirk, just in the last little while, how some of the industries that have taken place there and how they are expanding.

One of the newest industries there, Sterling Press, now have two Grow Bonds. They have expanded

twice. One of the reasons they are doing this is because this PAMWI agreement is in place to give them fresh water. Sterling Press, Black Cat Blades right on the boundary; Black Cat Blades is right on the boundary between the member for Selkirk (Mr. Dewar) and my constituency. We have some excellent industries, such as the Manitoba Rolling Mills there, the steel foundry. All these industries that they have in Selkirk need good clean water and that is important.

Selkirk actually is a progressive town and has some very good industries.

Mr. Deputy Speaker: Order, please. When this matter is again before the House, the honourable member will have six minutes remaining.

The hour now being 10 p.m., as previously agreed, this House now stands adjourned until tomorrow at 1:30 p.m. (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 30, 1995

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| Bill 33, Statute Law Amendment Act, 1995 | 4349 | Penner | 4360 |
| | | Lamoureux | 4363 |
| | | Struthers | 4365 |

Third Readings

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| Bill 2, Balanced Budget, Debt Repayment and Taxpayers Protection and Consequential Amendments Act | | Res. 39, Selkirk Water | |
| L. Evans | 4349 | Dewar | 4366 |
| | | Derkach | 4368 |
| | | Cerilli | 4371 |
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