

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 16, 1989.

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have from the Varennes Immersion School twenty-five Grade 6 students under the direction of Raymond Mireault. This school is located in the constituency of the Honourable Member for St. Vital (Mr. Rose).

Also this morning from the John Pritchard School we have six Grade 9 students under the direction of Mr. Irwin Kroeker. This school is located in the constituency of the Honourable Minister of Culture, Heritage and Recreation (Mrs. Mitchelson).

Also seated with us this morning in the Speaker's gallery we have two visitors. We have Mr. James Leskee who is the Director of Financial Aids from the Minnesota Higher Education Co-ordinating Board, and Mr. Helmut Schweiger, Director of Policy and Program Planning, also from the Minnesota Higher Education Co-ordinating Board.

On behalf of all Honourable Members, I welcome you here this morning.

ORAL QUESTION PERIOD

Chemical Storage Mandatory Reporting

Mrs. Sharon Carstairs (Leader of the Opposition):

Mr. Speaker, because of the quick response of police and firefighters, damage from the explosion at the chemical plant in St. Boniface was able to be contained. The explosion, as I know we are all aware in this House, could have claimed lives and caused serious injury. Fortunately last night, the plant manager was on site to provide information to emergency crews as to what chemicals were stored at the plant.

This week in the House we have raised a number of concerns about the Government's standards with respect to the handling and storage of toxic chemicals in the province. My question to the Minister, why are mandatory chemical storage reporting procedures not in place in this province so that emergency crews know exactly what chemicals they are dealing with when they arrive at the site of an accident such as we had last night?

* (1005)

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I would like to add my word of appreciation to the emergency response personnel and the very

capable work that they did last night in containing what could have been a very serious situation, and in fact was serious and was contained within the bounds of the best possible response that could be given.

The question of what is on site on plants of this nature, when they apply for a licence, they must apply to indicate what the nature of the process is and many other things. In terms of precisely what chemicals are on site, they must indicate what process they will be operating and monthly indicate to this department what chemicals they have handled and what they are processing. At the same time, the information rests with the Fire Department as to what chemicals are normally being handled at that site.

Designated Materials List Chemical Exclusion

Mrs. Sharon Carstairs (Leader of the Opposition):

Mr. Speaker, with a supplementary question to the Minister of the Environment (Mr. Cummings), could the Minister tell us why it is that there are over 1,700 chemicals on the federal list, and only some 137 chemicals on our provincial designated material list?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, if I recall correctly, there were a large number of products that were just recently added to the federal list. I think the fact that these lists need to be upgraded and improved on a regular basis is certainly indicative of the increased ability that we have to determine smaller portions of particular chemicals, and to be more aware as the technology becomes available to us as to what are precisely the results of working in close proximity to some of these goods.

Certainly, I will be examining the relationship of our list to the list that the Leader of the Opposition (Mrs. Carstairs) refers to, because it is an important issue.

Methalene Chloride

Mrs. Sharon Carstairs (Leader of the Opposition):

Mr. Speaker, with a supplementary question, on the federal list, methalene chloride is listed as 1044. It is not listed anywhere in our particular list of designated materials that was the material that appears to have been in that explosion last evening. Can the Minister tell us today why we do not have that chemical listed on our provincial list and, therefore, that information was not made available to those on the site except, fortunately, by the presence of the plant manager?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, precisely why it is not included on our list, I will take that question as notice.

Let me indicate to you that the information I have received regarding the lethal aspects of that particular chemical is that it is not at low levels that were

generated. There were no detectable levels in the area of the disaster last night. I think that should be of considerable comfort to those people who feel there may have been some danger if they were exposed to.

Respiratory Sensitizers

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, with a supplementary question again to the same Minister, can the Minister tell this House why this Government has seen fit not to place respiratory sensitizers on their list of designated materials, and that their list in fact only deals with carcinogenic toxins?

Hon. Glen Cummings (Minister of Environment): The technical aspects of that question, Mr. Speaker, I will take as notice.

Workplace Safety and Health Regulation Amendments

* (1010)

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, with a question to the Minister responsible for Workplace Safety and Health (Mrs. Hammond), all week we have asked this Minister why standards have been reduced for hazardous substances, and last night was a perfect example of why they should not be reduced. Will the Minister tell this House today why the prevention plans which must be put in place have also been compromised by this Government? Eliminating all hazardous material is no longer the goal of our prevention programs. Why has this Minister established such regulations?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, as far as the question asked by the Leader of the Opposition, there is no concernable change to that particular regulation as far as handling of hazardous waste.

Mrs. Carstairs: Mr. Speaker, but you know we have had this answer all week. Surely, last night's incident should have made this Government understand the seriousness of this issue.

Mr. Speaker, our new first response in Manitoba will be reasonably practicable which has been thrown out of courts in this country as being a rough and ready balancing of risks and benefits. Is that the acceptable standard now in Manitoba, rough and ready?

Mrs. Hammond: Mr. Speaker, the whole intent of the change to the regulation was to do what is practicable. You can have the lowest level in the world. If it cannot be done, there is no point in having it. Our intent is to get the regulations so that both workers and the employers are protected, that the workers are protected and that what is reasonable, what is practicable can be done. It could be at a lower level than the lowest detectable level. We are doing everything possible.

We follow the same regulations that all Canadian and American jurisdictions use as their standards. The

Canadian Standard Association and the Canadian Centre on Occupational Safety and Health are examining establishing committees to review and develop standards, and labour has indicated an interest in working on any tripartite committees, and as Minister of Labour we are very committed to ensuring that labour participates.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Gary Doer (Leader of the Second Opposition): The errors that are going on in this room have been unbelievable, Mr. Speaker. We have been raising this issue since April 10.

Workplace Safety and Health Regulation Amendments

Mr. Gary Doer (Leader of the Second Opposition): The federal list is referenced in the regulations in Manitoba. The Minister of Environment (Mr. Cummings) should know that. There are a number of other issues. The methyl chloride is an A-2 carcinogen. So therefore, it is affected by the changes in regulations by the Government.

My question is to the Premier (Mr. Filmon). Cancer is the biggest killer in this province. It was presented by the Minister of Health (Mr. Orchard) to preventative health care groups in the presentation he made a couple of weeks ago in this province. His Government has changed four major regulations that affect cancer-causing goods at the workplace, cancer-causing goods in terms of labelling and therefore into the environment. The emergency procedures in the regulations that we have presented here yesterday have been changed radically in terms of no-name chemicals and the threshold values and the prevention plans.

I would ask the Premier, why has he sided with big business, and his Government sided with a narrow, vested-interest group of big business, and turned his back on the health of Manitobans and the environment of Manitobans by the five changes in those regulations?

Hon. Gary Filmon (Premier): Mr. Speaker, I can assure the Leader of the New Democratic Party (Mr. Doer), as I will assure all Manitobans, that we side first with Manitobans, all Manitobans. Their health, their safety, their protection, their personal security is our priority. Everything we do will be aimed at ensuring that we can protect their personal security and that we can ensure their safety and their health.

If the Leader of the New Democratic Opposition (Mr. Doer) is suggesting that in some way, shape or form, this or any other Government would want to promote unhealthy situations in the workplace or anywhere else in this province, Mr. Speaker, I think that he is callous and insensitive to people in this province.

Mr. Doer: There is only one person or one group of people that is callous and insensitive, Mr. Speaker. It is this Premier and this Government that have gone through with regulations that have been recommended by the Mining Association and the Manufacturing Association only.

Workplace Safety and Health Regulation Amendments

Mr. Gary Doer (Leader of the Second Opposition): My question to the Premier is, why did his Government reject the advice of the Workplace Safety and Health Advisory Committee? Why has it only gone on the advice of the Manufacturing Association and the Mining Association? If the Mining Association recommends that we put canaries back in the mine shafts as part of their health care standards, is that going to be the next move of this Government and this Premier in terms of the safety and health of Manitobans.

* (1015)

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, we recognize that this is a very serious question to both the Leader of the Opposition and to ourselves. We are on the side of the worker. What the change has done is we are in line with every jurisdiction in North America. Some of our regulations are stronger than every jurisdiction in the United States. What we have done here is change the regulation so that it says it is practical, it is workable. We could put the lowest detectable no level on everything. If it cannot be done, it is not practicable, and no one is able to do it. So we are looking after the worker and, wherever possible, it is at zero.

Mr. Doer: Mr. Speaker, this is not just a worker issue. It is a worker issue, it is a health care issue, it is an environment issue. These regulations touch every Manitoban.

Cancer-Causing Substances

Mr. Gary Doer (Leader of the Second Opposition): I want the Premier (Mr. Filmon), to answer this question, what justification does he have to Manitobans for rolling back the protection in our environment, the protection in our health care system, for cancer-causing goods at the workplace and the environment? How can he justify rejecting the Health Advisory Task Force's advice? Can he stand up and tell Manitobans what reason he had to change our environmental protection and our health protection in this province?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, the Leader of the Second Opposition can shout all he likes about this regulation. What we had with our committee was a consensus on practically every regulation we brought in. There was not a consensus on this particular issue. The Government then has taken this issue and made it practical.

The NDP has consistently taken the line that you say what you like, but then you do something else. What we are saying is let us do something that is safe and practical and protect the workers.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Workplace Safety and Health Cancer-Causing Substances

Mr. Gary Doer (Leader of the Second Opposition): My question again is to the Premier (Mr. Filmon). At last night's unfortunate incident, methylene chloride, an A-2 carcinogen, was part of the unfortunate fire. People in northeast Winnipeg had to close their windows on this issue.

The regulations covering emergency procedures have changed now, so that that material in the future would be listed in a generic way, and the breakdown of chemicals would not be listed in a specific way, and workers and other people would not be trained on emergency procedures dealing with specific emergency chemicals such as carcinogens.

My question to the Premier (Mr. Filmon) is, why has he rolled back the requirements in all the areas of cancer-causing goods, including emergency procedures under his regulations, and why cancer-causing materials, cancer that has touched everyone in this House, Mr. Speaker? Everyone in this House has somebody in their family who is affected by cancer, so why on God's green earth would he turn back the regulations on cancer-causing material in our province? Why are we turning back the clock in terms of this very, very important health care hazard.

Hon. Gary Filmon (Premier): Mr. Speaker, to begin with, I will repeat for the Leader of the New Democratic Party what the Minister of Environment (Mr. Cummings) indicated, that according to the technical experts out at the scene there was no detectable level of methylene chloride in the area, so he ought not to attempt to frighten people in that northeast area and suggest that there was, or that they were subject to something that was a health concern. I think that would be irresponsible if that was the intent of his preamble.

* (1020)

May I say that the Leader of the New Democratic Party (Mr. Doer) is correct when he says that each of us have been touched, and touched personally in our lives by cancer. That is something that is impressed upon us every day when we make decisions in Government. I might say to him that in no way would we as a Government do anything that we believed would lead toward a health hazard or a cancer problem for anybody in this province.

Manitoba Intercultural Council Board Appointment Criteria

Mrs. Gwen Charles (Selkirk): Mr. Speaker, my question is to the Minister for Culture, Heritage and Recreation (Mrs. Mitchelson). Too many mistakes have been made in this world when Government superimposes their powers over minorities. Because our multicultural mosaic is a fragile concept, easily shattered, Government must work with the people to develop their potential. For this reason, we all can be angered at the steps taken by this Government in arbitrarily making appointments to the Manitoba Intercultural Council last weekend.

Will the Minister for Culture, Heritage and Recreation table in this House the criteria used in making her decision to appoint to MIC an anti-bilingual representative, a non-Vietnamese representative for that community, an unknown Polish representative, no representative for the Sikh community, no representative for the rural community—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Minister of Culture, Heritage and Recreation.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): I am somewhat dismayed at how low the Liberal Opposition will stoop to try to create problems within our multicultural community. On that note, Mr. Speaker, I find it really unbelievable.

I do want to table a letter in this House that indicates my feelings and the reasons why appointments were made to MIC, and it is a letter addressed to Joe Glasgow, who is the Acting Chair of MIC. It says that, "Government appointments are made to represent the multicultural community at large," and I will table this for all of the House. So that, hopefully, will clear up the misunderstanding that Government appointments were made to—

Culture Minister Apology Requested

Mrs. Gwen Charles (Selkirk): Will the Minister apologize to the Manitoba Intercultural Council and to our ethnic communities and withdraw her appointments until true consultation can be made with the communities involved and criteria can be set before reappointments are made?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): If anyone should apologize, it should be the Liberal Opposition who are trying to divide the multicultural community.

Mr. Speaker, Government appointments at large, to represent the multicultural community, included a woman who is of Vietnamese background who was born in Vietnam and was raised for 12 years in Vietnam. She spent six years in the Philippines and then came to our country. I would say that she has much to contribute to the multicultural mosaic of our province, and I really feel that they have discredited both the Filipino and the Vietnamese communities by making these personal attacks on one person who represents—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Member for Selkirk. Order, please; order, please.

Culture Minister Resignation Request

* (1025)

Mr. Speaker: The Honourable Member for Selkirk has the floor.

Mrs. Gwen Charles (Selkirk): Thank you, Mr. Speaker. My question is to the Premier (Mr. Filmon). Certainly support for a multicultural community as given in the Throne Speech is in question due to the actions of the Minister for Culture, Heritage and Recreation (Mrs. Mitchelson).

Will the Premier (Mr. Filmon) withdraw the Minister from this portfolio and replace the Minister with someone who will do credit to this essential part of our Manitoba fabric?

Hon. Gary Filmon (Premier): I am more than a little saddened that the Member for Selkirk (Mrs. Charles) firstly will not recognize the authority provided under The Manitoba Intercultural Act, the authority that suggests Government may appoint members to that community from the community at large to the Intercultural Council. They are now saying that they disagree with that.

I might say to the Member for Selkirk (Mrs. Charles) that her Leader, when she was running for Government, said that the Liberal Party supported that Act. The Liberal Party is now arguing against the very provisions of the Act that say Government may make those appointments. Those appointments are made by people who—(Interjection)— Mr. Speaker, the Liberal Party is now attempting to divide, drive divisions, drive wedges among the multicultural community for their own political purposes. I say that is absolutely wrong, it is absolutely wrong. What we in this multicultural community want to do—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable First Minister.

Mr. Filmon: Our vision of multiculturalism is that people should work together, people should co-operate, people should respect each other, people should do all of those things in a multicultural community. The Liberal Party want to take the multicultural community, make it political and use it for their own purposes. I reject that, Mr. Speaker, I reject that totally.

Ms. Avis Gray (Ellice): Mr. Speaker, we know who is causing divisiveness in the multicultural community, and it is not Members on this side of the House.

Education Availability Unequal Opportunity

Ms. Avis Gray (Ellice): The Canadian Council on Social Development has just released more shocking statistics. Three in five single mothers in Manitoba live below the

poverty line. We already know that financial stress, high unemployment and a lack of education plague many of these families, particularly in the Inner City. Migrancy is high and our future, our children are suffering because of unequal educational opportunities. The Minister of Education (Mr. Derkach) yesterday said his Government was doing everything possible to ensure that Inner City children were being looked after.

My question to the Minister is, what specific initiatives has this Minister undertaken which addresses the problems of unequal opportunity of learning for these children?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I would be pleased to take the technical aspects of that question as notice and then come back with a response to her.

I would like to tell the Member opposite that since we have taken Government, we have come to realize there are very many children within our society, within the Inner City who do have unequal opportunities, but that does not just exist in this part of the province. It exists right through the entire province. For that reason, we have changed the funding formula to better affect the divisions which perhaps could not be getting access to some monies they should be, and we have been able to address those needs in that way. We are prepared to do more with regard to the specifics of that question. As to the specific programs, I will come back to her with that answer.

Ms. Gray: When Ministers on that side of the House make broad statements, one must assume they have the knowledge to back it up. Obviously, they do not.

My question, a supplementary to the Minister of Education is, will he agree today to complete a study and develop concrete recommendations which will help alleviate some of these serious issues affecting our Inner City children, so at least these children have some hope of a future?

Mr. Derkach: That is being done on a continuous basis. We work consistently with the Winnipeg School Division No. 1 and with all school divisions to ensure that all children have the best possible educational opportunities that this province can offer.

Special Needs

Mr. Speaker: The Honourable Member for Ellice (Ms. Gray), with a final supplementary question.

Ms. Avis Gray (Ellice): Can the Minister tell this House how the special needs of these children are being addressed in the education system when there are no provisions in the budget of the Winnipeg School Division No. 1, because they have had a decrease when you look at the rate of inflation? How are these special needs of the children being addressed?

* (1030)

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I suggest that the Member

opposite defer her questions to the Member for Sturgeon Creek (Mrs. Yeo), who is more informed about the funding that goes to Winnipeg School Division No. 1 and to special needs, because this province, this Government, has supported financially all the school divisions in this province far better than has been done over the past few years.

Gold Mine—Shoal Lake Correspondence

Ms. Judy Wasylycia-Leis (St. Johns): I would like to direct a question to the Premier (Mr. Filmon) on another serious environmental issue. As he knows, half of the people of this province are very concerned about the safety of their drinking water. The NDP in this House has been raising the question of the impact of the gold mine at Shoal Lake on our water supply. The Ontario NDP has been raising this since Day One. Yesterday we heard from the Liberal Premier in Ontario that he has not heard anything from this Government about this serious issue.

I want to ask the Premier, who is telling the truth? Is it the Premier of our province and his Government, or the Liberal Premier of Ontario?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I noted the same response that came from the Ontario Premier as the Member just raised. I must confess that I think perhaps the Premier of Ontario was misquoted or misunderstood the question, or for whatever reason chose not to know that I have been in contact with his Minister of Environment, Mr. Bradley.

I had a letter that I sent to him immediately after the issue was raised. I have been in contact with Mr. Bradley personally. On two different occasions, I phoned him. On this past Monday, I spoke to him and we had a discussion on the issue. I have spoken to Mr. Bradley in terms as well of my relationship and my discussion with Mr. Bouchard.

I think, frankly, that there must be some misunderstanding, because I do not think the Premier of Ontario truly intended to say that or, if he did, someone did not brief him properly.

Gold Mine—Shoal Lake Correspondence

Mr. Speaker: The Honourable Member for St. Johns, with her supplementary question.

Ms. Judy Wasylycia-Leis (St. Johns): It is obvious to the New Democratic Party that this has become a political football between the Conservatives here in Manitoba and the Liberals in Ontario. We want to get to the bottom of this for the safety of our water supply.

My question is to the Premier (Mr. Filmon). Given that it is obvious that it is not good enough to talk Minister to Minister or for an NDP Member to ask a question of the Premier in Ontario, will the Premier give his assurances to this House that he will directly communicate with the Premier of Ontario immediately

so we can get to the bottom of this, so we can get clarification about the environmental assessment that is required?

Hon. Gary Filmon (Premier): Mr. Speaker, let me assure you that I appreciate the interest, and I believe the sincere commitment of the New Democratic Party to attempt to ensure that Winnipeg's water supply is protected and maintained safe for all time in future.

But, Mr. Speaker, I want to remind the Member for St. Johns (Ms. Wasylycia-Leis) that there are 11 active mining operations on that lake that were actively mining while she was in Government. All of that would suggest that the New Democratic Party has only found this to be of political interest to them now that they are in Opposition, not while they were in Government.

I can tell you that we are not interested in the politics of this issue. We are interested in ensuring that we can tell the people of Winnipeg that their water supply will be safe, secure, for them and for the use of them and their children and their grandchildren. That is why our Minister of Environment (Mr. Cummings) has contacted the Minister of Environment in Ontario. That is why he has contacted the Minister of Environment in Ottawa. That is why he is asking for assurances of the environmental impact assessment process, so that water supply will be protected.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Environmental Impact Study

Ms. Judy Wasylycia-Leis (St. Johns): I take it from the Premier's answer that he has not communicated directly with the Liberal Premier of Ontario. I would ask him, given the documentation that has been before this Government from the Winnipeg Water Protection Group, a very concerned citizens' group about this issue, if he will in fact today get on the phone, call Premier Peterson in Ontario, and ask him if he has no concerns about this mining project at Shoal Lake, if he will indeed proceed immediately with the required environmental impact assessment?

Hon. Gary Filmon (Premier): Mr. Speaker, as a result of the efforts of our Minister of Environment, the Deputy Premier (Mr. Cummings), Premier Peterson is quoted in the Free Press as saying that he will assure the people of Winnipeg that they will protect the water supply. (Interjection)- So you have not read the Free Press, is that what you are telling me today? The NDP have not even had time to do their research today.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Filmon: I find it very, very regrettable that Members opposite are attempting to make politics of this.

I know that the Liberal Party is not doing that because I know that in January of this year they had Mr. Bradley,

the Minister of Environment, at their annual meeting in Brandon. They took him to a Jets hockey game, sat in the seats of Winnipeg Enterprises, I believe. I met him there with the Member for St. Norbert (Mr. Angus) and I met him there with the Member for Wolseley (Mr. Taylor). So they know that Mr. Bradley knows about the situation and they are not saying anything.

The fact of the matter is we are in contact with Mr. Bradley. We have demanded that he hold an environmental impact assessment meeting here in Winnipeg and that he applies all of the sanctions, all of the legislation of environment—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Filmon: —to protect our water supply.

Mr. Speaker: Order, please; order.

Mr. Filmon: Premier Peterson has publicly confirmed that, Mr. Speaker.

Low Income Housing Subsidy Reductions

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Minister responsible for Housing (Mr. Ducharme). Low-income housing should be a priority with this Government to ensure affordable housing to those in need, but this Government has seen fit to cut the housing budget for non-profit and co-operative housing. These type of cuts will hurt those in our society who are impoverished. My question to the Minister is, why has he cut the budget for low-income housing grants and subsidies while at the same time he is promoting upscale housing at the Fort Osborne Barracks and he enters into high risk agreements to develop more upscale housing?

Hon. Gerald Ducharme (Minister of Housing): Welcome back, to the Member across the way.

Mr. Speaker, this particular Government is forever working on subsidized housing.

An Honourable Member: You are cutting it back.

Mr. Ducharme: We are not cutting back. The Member, when he gets to the Estimates process, will see through line by line this particular Government is working for all Manitobans. Also, if the Member believes that taking raw land and making \$10 million to put back into housing is wrong, then that is his problem.

Mr. Lamoureux: Mr. Speaker, with a supplementary question, the answer heard from the same Minister has not improved either.

Grants and subsidies were reduced by 9.8 percent. That means programs that assist our seniors, programs that assist further housing co-operative developments are going to be cut. Can the Minister of Housing (Mr. Ducharme) tell us why he is not standing up for those people who are going to be hurt by his cutbacks?

Mr. Ducharme: Mr. Speaker, our department is not only supporting all seniors and all people throughout Manitoba, and he will see that during the Estimates process. This particular Government, just not even one year ago, won an award for the Seniors development in this province by CMHC. So the Member can maybe go back and check his records and clarify through them.

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

Mr. Lamoureux: Thank you, Mr. Speaker. A supplementary question, MHRC exists to ensure that there is a basic standard of housing that is affordable to those who are living below the poverty line. Mr. Speaker, given that it is the Minister of Housing's responsibility to ensure all Manitobans are able to receive affordable housing, will he live up to his responsibility and start putting some resources into the non-profit housing sector?

Mr. Ducharme: Mr. Speaker, the Member again, I must stress, will see through the Estimates process that we are doing that, and that is why we decided to sell raw land to put \$10 million back into the system.

* (1040)

Chemical Storage Site Identification

Mr. Jay Cowan (Churchill): Mr. Speaker, my question is to the Minister of Environment (Mr. Cummings), and I would like to start off with reading a short quote from the Canadian Press story on the explosion last night. It quotes: "Hundreds of Winnipeg residents returned to their homes early today in the wake of a massive chemical fire and explosions that rocked buildings for blocks around and resembled 'a minor atomic bomb.'" Those are the words of the reporter reporting on that particular story.

My question to the Minister of Environment, given that through some good work by emergency responders last night, by the fire department, by the police department, by environmental departmental staff and others, and some good fortune in respect to being able to identify the chemicals that were involved, we avoided a major tragedy. That may not happen in the next instance.

I would ask the Minister of Environment (Mr. Cummings) if he can indicate what other sites, sites that have the potential for this sort of disaster, have been identified by the Department of Environment in the Province of Manitoba?

Hon. Glen Cummings (Minister of Environment): Well, Mr. Speaker, obviously, in reviewing the occurrences of last night, that would be one of the questions that the department will have to give me some answers on. But I would indicate to the Member opposite that under the terms and conditions of directors' approval that companies of this nature must have to operate in order to help facilitate response teams, the name and home phone number of all company contacts are also

included, the locations of emergency equipment, and all of the other regulations that are involved in initial clean-ups are required at times if it should happen to be spills.

Mr. Speaker, I would indicate that the Member raises a legitimate question in terms of the abilities of the Fire Department Emergency Response Teams to quickly evaluate what is on site. That information is included in the licence. The broad general nature of what is done at the plant is included in the information the fire department has, and I will be seeking information to make sure that if there are any possible ways of tightening up that record-keeping that we will proceed.

Mr. Cowan: Mr. Speaker, I can tell him one possible way of tightening up that record-keeping is to go back and review what they have done with the Workplace Health Hazard regulation and make it such that it provides that type of detailed information which it did before. So if they want to do something, they can do that immediately.

But I would ask the Minister if he will, and I think he should have had the information available today, but since he does not, will he immediately undertake an inventory of all such sites that have the potential for the disaster that was averted last night because of good fortune and good work? In that, will he identify the specific chemicals that are being stored at such sites, not just the generic broad categories, but the specific chemicals so that we can have that early response in future occurrences of this sort?

Mr. Cummings: Mr. Speaker, one of the questions that arises from this incident is whether or not a daily updated ongoing list can be provided from all of the various operations and corporations in this province that operate, and whether or not they have had a change from day to day in whatever type of chemical may be on site, and that is a pretty tall order. Certainly, we will undertake to put together all of the potential information and improve the information that we have available because, I believe, that the response worked very well last night, but we have to make sure that there are not loopholes that we have possibly left open.

Workplace Safety and Health Regulation Amendments

Mr. Speaker: The Honourable Member for Churchill (Mr. Cowan) has time for one very short question.

Mr. Jay Cowan (Churchill): Given that the Minister has indicated there needs to be a mechanism to quickly evaluate such potential, and given that the workplace health hazard regulations were recently weakened with respect to emergency procedures and that would work against the Minister's intended or stated goal of improving the system, is he prepared to pressure the Minister of Labour (Mrs. Hammond) to refer the changes back to the Workplace Safety and Health Advisory Committee that were recently made, that weakened the province's ability to respond, so they can provide advice as to how to improve the system to ensure we do not have a catastrophe that was avoided last night

because of good work and good fortune? No credit should go to the Government with respect to the activities they have undertaken to protect the environment in that regard.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the type of labelling that is now recommended on hazardous goods would indicate very quickly for the ability of workers to identify how they should handle certain goods, if it is corrosive, explosive. Those types of headings show very quickly when they approach a barrel they are handling that they can identify it as a hazard, rather than have the generic and the chemical names on the barrel.

That has nothing at all to do with our ability to keep track of the chemicals that are on site at various plants, because it improves the availability of lists in other locations as to what is in these containers. In fact, if the containers are not stored closely to the site where an accident may occur, it would enhance the ability to determine what was involved.

Mr. Speaker: The time for oral questions has expired.

NON-POLITICAL STATEMENTS

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Speaker, might I have leave to make a non-political statement?

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

Mrs. Mitchelson: Mr. Speaker, it is with deep sorrow that I learned last night of the tragic death of David Peregrine, principal dancer with the Royal Winnipeg Ballet.

The loss of Mr. Peregrine is especially distressing since it comes so soon after the recent and tragic deaths of artistic director Henry Jurriens and his wife, Judy.

One of the earlier graduates of the ballet's professional program, David Peregrine moved into the company through the ranks from the corps de ballet to principal dancer. He was also one of the first Royal Winnipeg Ballet dancers to receive an award at an international dance competition.

Mr. Peregrine has made his mark on dance with unequalled artistic ability and technique. His loss will not only be felt by the Royal Winnipeg Ballet but by all Manitobans who enjoyed watching him perform.

I would like to express my deepest sympathy to the two families who have suffered a loss in this tragic accident. We also share with the Royal Winnipeg Ballet its great loss.

Mrs. Sharon Carstairs (Leader of the Opposition): May I have leave for a non-political statement?

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

Mrs. Carstairs: I would like to join with the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson)

to indicate our sincere loss at the death of David Peregrine.

David was a very special person. Unlike many dancers, David did not narrow his life only to his life within the ballet. He had an interest in business; he had an interest in politics. He had an interest in sometimes rather wild pursuits. He liked to fly his airplane. He also liked to mountain climb. He liked to do things that, in the knowledge of the company, they sometimes preferred him not to do.

David was not prepared to be just a one-faceted human being. David wanted to be a multifaceted human being. He wanted to enjoy life and its richness and its fullness. I would like to put on the record today that I feel I have lost a good friend, as well as the enjoyment that I had of many hours of watching him dance.

Ms. Judy Wasylycia-Leis (St. Johns): The New Democratic Party would like to—

Mr. Speaker: Order, please.

Ms. Wasylycia-Leis: Oh, excuse me. May I have leave to make a non-political statement?

Mr. Speaker: Does the Honourable Member for St. Johns have leave? (Agreed)

* (1050)

Ms. Wasylycia-Leis: The New Democratic Party would like to join with everyone in this House at expressing our great sorrow and grief at hearing the shocking news of the untimely death of David Peregrine. We were shocked, all of us, by the death of Henry Jurriens and his wife, Judy.

We recognize the incredible contribution that David has made to the artistic life in this province, his excellence in dance, his contribution to a world-renowned company, Royal Winnipeg Ballet, and his broader contribution to our society as a whole.

I can remember very clearly sitting beside David at the opening ceremonies of the new RWB Building and learning at that time not only about his dedication to the field of dance, but learning about his broader community interests and his deep sense of community and need to be involved. He, as he has done in many ways, demonstrated his commitment to the economic viability of his community, to the environment in his community. We will remember him for that incredible contribution in the field of dance, as well as his commitment to making a better quality of life for all Manitobans.

Mr. Elijah Harper (Rupert's Land): Yes, can I have leave of the House to make a non-political statement?

Mr. Speaker: Does the Honourable Member have leave? (Agreed)

Mr. Harper: Mr. Speaker, today is the 13th Anniversary of the uprising in Soweto where 600 black men, women

and children rose against apartheid rule. Since that time, there has been next to no progress in that country in dismantling apartheid, and also increased state-sanctioned terror against its majority population.

This country, in 1985, took a public statement stance saying that Canada would invoke a total sanction against that country unless major changes were made in that Government. Regrettably, while Canadian trade with South Africa has increased since then, the Government of that country has increased its oppression of its majority population.

This province has taken a lead role in supporting the struggle against apartheid by banning the sale of South African wine and liquor and funding the Anti-Apartheid Coalition of Manitoba. We can do much more, and I urge all Members of the Assembly to act on this very critical issue.

INTRODUCTION OF GUESTS

Mr. Speaker: Before Orders of the Day, I would like to draw Honourable Members' attention to the gallery where we have, from the Blumenort Elementary School, twenty-five Grades 4 and 5 students under the direction of Betty Plett. This school is located in the constituency of the Honourable Member for La Verendrye (Mr. Pankrantz). On behalf of all Honourable Members, I welcome you here this morning.

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): Mr. Speaker, would you be so kind as to call the Bills listed on page 2 of today's Order Paper in the following order, Bill No. 3, Bill No. 27, Bill No. 6.

SECOND READING

BILL NO. 3—THE HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Albert Driedger (Minister of Highways and Transportation) presented Bill No. 3, The Highway Traffic Amendment Act, for second reading, to be referred to a committee of this House.

MOTION presented.

Mr. Albert Driedger: I am very pleased that we can get into the debate of Bill No. 3. This could possibly be some of the most important legislation that we will be dealing with in this House during the Session.

Bill No. 3 is the legislation necessary to implement a major part of the Government's nine-point anti-impaired driving, anti-suspended driving program that was unveiled a couple of weeks ago.

It is possible to purchase the Alertmobile for the Royal Canadian Mounted Police and to establish a computer link between the Division of Driver and Vehicle Licensing, the Manitoba Public Insurance Corporation and the Winnipeg City Police without legislation, but those measures will not be as useful as administrative

licence suspension and the impoundment of cars being driven by suspended drivers in producing a change in attitude towards drinking and driving.

It is this change in attitude which is fundamental to producing a significant reduction in the number of drivers who get behind the wheel when they are impaired, which will save the lives of hundreds of Manitobans and greatly reduce as well the number of people who are injured in such car accidents. Mr. Speaker, I am sure that reducing the number of impaired drivers is a goal that every Member of this Assembly supports.

The debate between the Parties is the most effective means of achieving this goal while respecting the rights of Canadians. There can and there should be vigorous debate as to whether our program properly balances the rights of the public at large to be protected from impaired driving with individual rights guaranteed to us all.

There can also be questions whether other measures might be more effective. Certainly Manitobans look to all of us here in this Chamber to give this Bill thorough scrutiny to ensure to the extent we can that it will work, not only in its sense of deterring impaired drivers, but also in the sense of surviving a court challenge.

Mr. Speaker, I might just indicate that many, many avenues were looked at and we have done a lot of comparative work to see whether we can come up with the best program that we feel could work in Manitoba. The impaired driving program that was worked out by the Government was a co-operative effort of several departments and involved literally hundreds of hours of work by civil servants. There was consultation with the police and a very thorough review, particularly by personnel of the Department of Highways and of the Department of Justice, of the programs and the policies that were in place in other jurisdictions. From this review, a series of options were prepared for consideration, first with a small subcommittee of Ministers, then with the full Cabinet.

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

I admit that when I first read the proposal for an administrative licence suspension I was concerned whether it could survive a Charter challenge. I am sure the Minister of Justice (Mr. McCrae) will cover this aspect of the matter at length, and I understand he has already provided to the Opposition Critics a copy of the constitutional opinion that was prepared by the Government's constitutional experts. Honourable Members can be assured that the question of the constitutionality of the provision has been thoroughly canvassed.

It is the opinion of the Government's best legal advisers that these provisions are constitutional. Naturally no one can be certain of the results that are a challenge of the provision in the courts, if there is to be such a challenge, but I remind all Honourable Members that the rights given by the Charter of Rights are not absolutes, and they are made expressly subordinate to limits compatible with being a free and democratic society.

To me, the fact that the United States courts have upheld essentially similar programs currently operating in more than 20 states of the union is a decisive indication that, if asked to weigh in the balance the possibility that one or two of the approximately 6,000 Manitobans charged with impaired driving annually will be deprived of their driver's licence for a short period of time against the very encouraging results in reducing impaired driving that this program has had in the United States, the courts will decide in favour of the legislation.

According to the American experience, we can anticipate approximately a 25 percent reduction in the number of fatal injuries resulting from impaired driving if we implement this plan.

The departmental officials are still working on a most efficient system for handling the appeals, as we recognize there is little value in having an appeal of a 90-day suspension taking effect seven days after a charge of having a blood alcohol content in excess of .08 if that appeal is to be delayed for months.

When this Bill goes to committee, officials will be available to answer all the technical questions regarding how this Bill will operate, but of course during debate on second reading Members are asked to approve the Bill in principle.

This Bill is, I suggest, the legislative embodiment of two major principles. The first is that the right to drive on Manitoba highways is a privilege granted by the province to those people who are prepared to respect the rules of the road. That privilege can be cancelled by the Government when there is sufficient evidence that the driver is flouting those rules. This principle, of course, has long been established. Licences are suspended for a variety of reasons, including an accumulation, because of either a large number of breaches of the law leading to the conclusion that the driver consistently flouts the law or because of one or two breaches of most serious laws, indicating a major breach by the driver of his or her duties on the road.

* (1100)

Among the grounds for suspension, driving while impaired has for many, many years now been grounds for automatic suspension. What this Bill permits, in carefully selected situations where there is hard evidence of the driver's breach of the rules of the road, is for the police officer on behalf of the Registrar, to suspend the licence immediately while giving the driver an opportunity to appeal that suspension.

The circumstances that lead to this suspension are only two. First, the driver has taken the breathalyzer and it has been higher than .08 or, second, the driver has refused to provide a sample of his or her breath. In both cases there is, I submit, clear evidence that the driver has breached the obligations to respect the rules of the road.

The second major principle on which this Bill is based is that the registered owner of a car also has an obligation to ensure that the car is not knowingly used to breach the law. In fact, as most Members are aware, the problems of drivers getting behind the wheel when

they do not have a valid driver's licence is a very serious one.

Last year, in Winnipeg alone, the police laid more than 2,000 charges of driving while suspended or driving while disqualified. Most Members will remember the 24-Hour show last fall in which drivers who have just had their licence suspended or have just gone in for a hearing on a charge of driving while suspended, walked out of the Public Safety Building, got in their cars and drove away. These scofflaws have no right to be driving on the roads in Manitoba. The Government believes that the way to stop them from driving is to take their cars away and to charge them a heavy penalty to get their cars back.

Until this legislation is passed, the police essentially have their hands tied in dealing with suspended drivers. The police can take them down to the station, book them and the Crown can argue strenuously for a serious penalty, but the car cannot be impounded. It is essential that there be a more immediate penalty than the court proceedings have provided. Again, the administrative arrangements for making this impoundment procedure fair will be explained to Members when we get to detailed consideration of the provisions in committee.

The important issue is whether this Assembly approves of the principle of impounding cars where the driver does not have a valid licence. This aspect of the program has been reviewed by the Government's constitutional experts. They are confident that it respects the Charter of Rights. Impounding vehicles is not new, as it is done regularly in enforcing custom laws and drug laws. There are other less important items in this Bill, but they are all related to the Government's crackdown on impaired driving and driving while suspended.

There is a great deal of work to be done in order to establish the machinery to implement these measures. Departmental officials are working on those measures and will help to develop the necessary regulations. As well, hearing officers will have to be named and trained. All of these things will take time. We believe that it will be possible to have the system up and running by September 1, but for this we need the co-operation of the Members of this House to move this Bill swiftly to committee so that it can be passed before we rise for the summer. I sincerely believe that this new system when implemented will save lives, and the Bill deserves the support of all Members of the House.

Incidentally, before I conclude, I would like to also indicate that a letter has been sent to all Members of the Legislature inviting them to participate in a meeting on Tuesday morning at ten o'clock, where we have officials coming from Minnesota who have actually been implementing and promoting this program for many years.

(Mr. Speaker in the Chair.)

We feel that by having our Members exposed to this meeting and to these people, that we will have a better grasp of exactly how it has been implemented and how it has been working in Minnesota, who have been the

leaders in the States in terms of promoting this kind of legislation.

I would encourage all Members, if at all possible, to please attend that ten o'clock meeting on Tuesday morning just to get the information, to have a better understanding of what we are trying to accomplish with this. I think, because this is new ground we are breaking to some degree, it is important we know the full background of the implications of this.

In conclusion, Mr. Speaker, I believe it is only appropriate to thank the officials within my department and the Department of Justice, who have worked very, very hard to produce this program and to ensure as far as it is humanly possible this new policy will be effective.

Mr. Speaker, I commend Bill No. 3 to the House. Thank you.

Mr. Paul Edwards (St. James): We, in the Official Opposition, agree with the Minister about the seriousness and the importance of this Bill. I want to start my comments by saying that we are committed, and committing ourselves today, to passing this on—

Hon. Donald Orchard (Minister of Health): What was your first reaction?

Mr. Edwards: The Minister of Health says what was my first reaction? I suggested for the Minister of Health to make light of the need to improve this Bill and further insulate it from constitutional challenge, which is in fact what the Minister sitting beside him just finished asking for, for him to suggest that is not a worthy purpose is entirely inappropriate and makes light of this very, very important piece of legislation. We are working together in this House to make a better law. For the Minister of Health to make light of the role of the Opposition in improving and toughening legislation, which is our intent, is absolutely arrogant and reprehensible, Mr. Speaker.

Mr. Speaker: Order, please. The Honourable Minister of Health (Mr. Orchard), on a point of order.

Mr. Orchard: Mr. Speaker, on a point of order. I realize that my honourable friend's first reaction in the news does not necessarily confirm with what he is saying now and maybe he was misquoted in his initial response.

Mr. Speaker: Order, please. The Honourable Member does not have a point of order. The Honourable Member for St. James.

Mr. Edwards: The Minister knows full well I expressed concerns, which I will continue to express and which I will express in the committee stage, if the Minister of Health will let me please go forward with my comments on this Bill, Mr. Speaker.

They are to this effect. We are standing today willing to speak to this Bill, wanting to put it forward to the committee stage because we want this issue to be fully thrashed out at the earliest opportunity. We waited a year for an initiative to come forward in this area, after

the promise was made in last year's Speech from the Throne. It came forward, we were very pleased to see the initiative come forward, and we 100 percent agree with the thrust of this legislation, which is to deal with drinking and driving in a serious and an effective way.

Mr. Speaker, therefore, we look forward to the committee stage, and we look forward to the meeting on Tuesday morning with the officials from Minnesota, because we want to learn about the American experience.

I have read articles on the American experience, but we also want to speak to those who have been involved in the implementation, and who will more fully understand the repercussions on civil rights and how that has been accommodated in their state. We look forward to those answers

Mr. Speaker, I want to say that we do have amendments which we have been preparing. I have looked very closely at this legislation. We want to do exactly what the Minister indicated that he looked for the Opposition to do. That is to strengthen this legislation from constitutional challenge, if possible, to make it comply more completely and from the Canadian Charter of Rights and Freedoms. What we do not want is a Charter challenge to be taken to legislation which, as we all know, takes three, sometimes four years to work its way up and through the Supreme Court system. We do not want this initiative to be frustrated by that kind of delay. I would suggest that no Manitobans would want that delay to occur and, in particular, certainly police officials would be extremely upset after waiting so long for some tough legislation on drinking and driving.

Mr. Speaker, we are confident that the amendments which we will bring forward at the committee stage will indeed strengthen this legislation and toughen it. I simply point out, on the specific issue of the three-month suspension prior to a trial, that is in addition to the automatic six-month suspension of a driver's licence, which still leaves only a total of nine months without a driver's licence. Of course, the opportunity for there to be three months without a driver's licence go by and then have a period of time when the person could drive if the trial has not happened within three months. That certainly could occur.

In Ontario, it is my understanding that they have gone to a minimum of a one-year suspension, which is indeed another three months on top of what this Minister is proposing. I think that maybe at the committee stage we should think out that issue of what "getting tough" really means, the need to do it in a fair but also obviously a very strong way which sends the deterrent message to Manitobans that drinking and driving is simply not acceptable.

* (1110)

Mr. Speaker, I want to simply touch very briefly, and it was mentioned earlier about cancer having been an effect on all of us in this House. I speak from personal experience with the tragic consequences of drinking and driving.

When I was in high school, I lost five of my peers in one fatal car accident. It was an extremely hard event

for myself and my other peers to go through. I know first-hand the effects of drinking and driving.

I think I have made it clear in this House for the last year that the problems of drinking and driving are very high on my priority list and indeed our Party's priority list. I simply assure the Minister and indeed the Minister of Justice (Mr. McCrae) as well, who has also been instrumental in bringing forward this legislation, of my commitment and indeed my Party's commitment to dealing with this and to getting legislation into place which deals effectively with this problem.

I look forward to the meeting with the people from Minnesota. As I said, I have looked at some articles on the U.S. experience. I note that the U.S. experience does have variations in the hearings that are allowed after a person has their licence automatically revoked. I look forward to exploring that issue in particular. I simply bring that to the attention of the Minister at this time. That to me is a very important issue here. Different states have had different hearing processes, whether or not you have to have a hearing within a certain period of time from being suspended, and what form of hearing that is. That issue is extremely important to me.

The Minister indicated that there should be vigorous debate and I look forward to that vigorous debate. I think we can all join, and I look forward to the third Party, the New Democrats, joining as well in that vigorous debate in the context, hopefully, of getting forward a piece of legislation which works and which is effective.

Mr. Speaker, the Progressive Conservative Party which has brought forward this legislation and has been a Party which recently in this province, as recently as the reign of Mr. Sterling Lyon as Premier, has committed itself to protecting the rights of individuals, not just in the courts but in the Legislature.

Mr. Lyon spoke at length and very eloquently about the Legislature being the home of civil rights. He said that he did not want the courts to be the place of last resort for people in respect to their civil rights. I simply bring those comments to the attention of all Members as we head into this debate because Mr. Lyon certainly, having been an Attorney General himself, understood the need for an Attorney General always to balance the needs and the requirements of individuals in respect of civil rights.

We on this side do not agree with Mr. Mulroney when he said that the Canadian Charter of Rights and Freedoms is not worth the paper it is written on. We vehemently disagree with that statement, and from what I have just heard from this Minister, he does not agree with that statement either. The Canadian Charter of Rights and Freedoms must be closely examined in the context of this legislation.

As I have said, we think that examination should take the form of doing everything we can to have the drinking and driving legislation comply so we do not have a three- or four-year delay, so we can get forward with this initiative, and so that we can ensure that the requirements for the protection of civil rights are upheld.

Mr. Speaker, I do not know that at this point I want to get into the specifics of this legislation because I think that those are more appropriately debated in the very much more open and cut and thrust debate of a committee hearing. I greatly look forward to those committee hearings.

I pledge myself to making myself available for those hearings, and if they must go beyond hours, or if they must be held on a very regular basis in these latter weeks of June, I am fully prepared to attend those hearings and to get through this legislation and deal with the concerns which we have and, I am sure, which the New Democratic Party will have as well, because we do want to see legislation in place as soon as possible.

The Minister has indicated that there are administrative delays which are necessary. We understand those. We know that Christmastime is the time when traditionally drinking and driving is the greatest problem. We would greatly desire that this legislation, the legislation covering this area, be in place for the Christmas season. I will pledge myself to co-operating to the full extent to ensure that is a reality. We look forward to full consideration of the amendments which we will be putting forward and which we feel are critical to this legislation being effective and being able to be in place for the long term. Thank you, Mr. Speaker.

Mr. Speaker: The Honourable Minister of Highways and Transportation (Mr. Albert Driedger), on a point of order.

Mr. Albert Driedger: Yes, Mr. Speaker, it is not my intention to misuse the Rules of the House on a point of order, but I want to clarify that in the letter that was sent to all Members it indicated that Room 255 was where the meeting will be. It will be in Room 254.

Mr. Speaker: As the Honourable Minister has stated, it is not a point of order, but I would like to thank the Honourable Minister for that clarification.

Mr. John Plohman (Dauphin): Mr. Speaker, I move, seconded by the Member for Elmwood (Mr. Maloway), that debate be adjourned.

MOTION presented and carried.

BILL NO. 27—THE FISCAL STABILIZATION FUND ACT

Hon. Clayton Manness (Minister of Finance) presented Bill No. 27, The Fiscal Stabilization Fund Act; Loi sur le Fonds de stabilisation des recettes, for second reading, to be referred to a committee of the House.

MOTION presented.

Mr. Manness: It is my pleasure to stand and to address Bill No. 27. If there ever was a Bill, that sort of a major part of the Budget, this would be it. It probably has not happened many times in the past where a legislative Bill outside of any statute, law, taxation amendment

Bills, is so closely related to the Budget. Bill No. 27 is legislation that we have put before the House for its consideration which will lay out, to the Government's point of view, a very major new thrust in the area of fiscal stabilization.

Bill No. 27 establishes the Fiscal Stabilization Fund, which was announced in the 1989 Budget. Members of the House, hopefully, are aware that long-term planning is an essential element of fiscal responsibility. The establishment of the Fiscal Stabilization Fund, therefore, is an important component of our long-term planning strategy and, I suggest, will create a more stable and responsible fiscal planning environment for the province. It is also fundamental to the Government's fiscal plan as outlined in the 1989-90 Budget. I will indicate again, it is fundamental to the Government's fiscal plan as outlined in the Budget that has just been passed by Members of this Legislature.

Provincial revenue can be subject to year-to-year volatility. Of course, that has been the reality since the beginning of budgeting, whenever that process began. What has happened over the last three or four or five years tends to show that the volatility associated with revenue forecasts is becoming of such great magnitude that it is becoming impossible to within, all of a sudden, hundreds of millions of dollars in some respects, to forecast the year-end deficit, and therefore to accordingly be able to make the best decisions with respect to expenditures and ultimately, therefore, towards borrowing and ultimately, therefore, to taxation. There is no question that the area of revenue volatility is growing in magnitude.

* (1120)

Mr. Speaker, on the expenditure side, debt-servicing costs are also varying significantly with financial market conditions. All one has to see today and recognize that the international money market being so small in the context of instant communications, such that there are now billions of dollars that are being traded in currencies and that on a small bit of news of new information, that may impact significantly one currency versus the other. Given that Manitoba has so much of its debt, a significant portion of its debt, that is still in currencies that are non-Canadian, then one can understand how the volatility of those fluctuations also have a major impact on the bottom line of the province.

(Mr. Deputy Speaker in the Chair.)

Mr. Deputy Speaker, the volatility in year-to-year revenues can mask underlying trends, risking pressures for short-term decisions, which may be inappropriate for fiscal conditions and long-term fiscal objectives. I submit, when revenue growth is unusually high, deficits may be sharply reduced or even eliminated, giving rise to pressures for program spending or tax cuts on the basis of a single year improvement. I would suggest that, therefore, may not be the wisest of considerations. When one looks at the bottom line, given certain circumstances within the context of two or three months, the latest revisions with respect to revenue and to expenditure, particularly in the area of public debt, that can cause the Government, any Government,

to make decisions that are proven to be wrong in the terms of the longer time frame.

I would say that under those conditions, when revenue growth is unusually high, deficits may be reduced, it too often leads to a situation where neither added program spending nor tax cuts can be sustained in the longer term.

On the other hand, when revenue falls below trend levels, deficits escalate sharply, resulting in higher interest costs. Of course, I do not think I have to really move into a long presentation to tell Members opposite what happens when all of a sudden the deficit moves far beyond the forecast, causing Government to have to borrow significant additional amounts of money, and what pressure the interest on those borrowings place on the program expenditures of all the major line departments of Government. Mr. Deputy Speaker, as I have said before, this can result in pressure to restrain or curtail program expenditure more than appropriate for expenditure conditions, and not in keeping with the legitimate needs of Manitobans.

It is interesting again, and I hearken back to some of the statements I made yesterday with respect to presentations made by Members of the Liberal Party, particularly on the Budget Debate. Mr. Deputy Speaker, virtually 80 to 90 percent of their contributions were in the area of asking Government to spend more, spend more, more and spend more again. Yet the very thrust of that, the very ability as to whether a Government can spend more or less—

Some Honourable Members: Oh, oh!

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

Mr. James Carr (Fort Rouge): Mr. Deputy Speaker, I am having a difficult time hearing the Minister of Finance because he is being heckled by his own front and back benches.

Mr. Deputy Speaker: The Honourable Member does not have a point of order. The Honourable Minister has the floor.

Mr. Manness: I am having no difficulty in hearing or understanding my own comments. I must indicate to the Member for Fort Rouge (Mr. Carr) that all that Members on our side are trying to reinforce is that we were terribly surprised when we heard the Member for St. Vital (Mr. Rose) and the Member for St. Norbert (Mr. Angus) use the major portion of their budgetary address pleading for the Government to spend more money in a whole host of areas.

The only point I am trying to make—

Mr. Deputy Speaker: The Honourable Member for St. Vital (Mr. Rose), on a point of order.

Mr. Bob Rose (St. Vital): Mr. Deputy Speaker, the Minister of Finance alluded to remarks that I made into a budgetary address. That Minister and the Minister of Justice (Mr. McCrae) seem to take some sort of

pleasure in directing these remarks to me. I hope I heard wrong, but if that was right I might say that he is absolutely wrong and should withdraw that statement.

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

Mr. Manness: I am glad the Member for St. Vital rose to his feet. I do not believe he did speak on the Budget, but I can remember some of the questions he has put before the House over the last—one series of questions at least over the last week, and certainly the very foundation of those questions was asking Government to spend more.

Mr. Deputy Speaker, this Government has always attempted to direct additional spending to those who need. The only point I am trying to point out to Members opposite is the Government can only have more money to spend on worthwhile needs in support of those in our society who require greater support if there is some type of certainty related to the way the Budget is developed, and the way it is presented to the people of Manitoba so that there are not these massive surprises that come along with respect to increased deficits that cause Government to have to borrow hundreds of millions of dollars beyond what they were planning and, therefore, ultimately have to withdraw funds from expenditures for the sake of interest. That is the only point I am trying to make.

I go on by saying that the Fiscal Stabilization Fund will cushion this terrible volatility that attacks all of us as we try to present and plan in a proper fashion, and lay before the people of Manitoba the fiscal situation in a surer, more stable basis for provincial fiscal decisions.

The fund will be used as a fiscal shock absorber, helping the province avoid disruption to programs or major tax increases. The fund will be established effective March 31, 1989, with \$200 million from the exceptional revenue received in the 1988-89 fiscal year. Further exceptional revenue may be added to the fund, and earnings on the fund's assets will be accumulated in the fund. Withdrawals from the fund may be made when revenue is constrained or there are exceptional expenditure requirements.

Members opposite, in debate and in comments outside of the House, have unfortunately referred to the fund as being something akin to a slush fund. The Member for Osborne (Mr. Alcock) has said this, and I quote, "The Fiscal Stabilization Fund is simply an attempt to obscure the real financial picture of this province and to provide the Minister with an election readiness slush fund. This slush fund will do nothing to help Manitobans."

I want to address that point. He said "an attempt to obscure." If I was attempting to obscure, I would not have presented all of the detail within the Budget document. I indicated clearly within the context of the remarks, I indicated within the appendix of the Budget itself how it was that the mechanism of the Stabilization Fund was going to work. I did not attempt to obscure the matter. I forthrightly indicated within the Budget

Speech. I laid out all the detail as to how it was going to function within the Budget document itself. I have not attempted to obscure any number whatsoever. I said that if we had not brought in the fund we would have had a \$48 million surplus. So let not the Member for Osborne (Mr. Alcock) indicate for one second that I am attempting to obscure the truth because, in essence, I have laid out all the numbers rightfully.

* (1130)

He goes on to say, "It will be a slush fund." The words "slush fund" indicate, and let me also add that is somewhat similar to what the Leader of the Liberal Party (Mrs. Carstairs) said. She said and I quote, "We do not like this slush fund. He really," referring to me, "cannot put it in unless we are agreeable to passing it or not agreeable to passing it." A slush fund is something that you dip into on either a daily, a weekly or a monthly basis. You dip into it and you use it directly for a specific purpose you have in mind.

I have indicated to Members opposite that this will be a revenue transfer, acting completely different to what the NDP Jobs Fund used to be. That was a slush fund. Firstly, \$20 million, then ultimately \$40 million was taken out of the expenditure and put into a fund. That fund was accessed on a weekly basis by decisions of the Government and the Cabinet. That was a slush fund.

We are not going to do that with this fund whatsoever. What we are doing, we will access this fund once a year when the Budget is being prepared, one time a year. There will be a removal from the fund once a year by way of a revenue deduction from the fund. It will be brought forward by way of the Budget and either supported or rejected by the Members of this House. I submit it is not a slush fund. It is a revenue fund which will bring a large amount that will be taking into (Interjection)- and the Member says, does it say that in the fund, in the legislation?

What is says in the legislation is that the money will be deposited in the Consolidated Fund. It cannot be deposited in the Consolidated Fund unless it is a revenue item coming into the fund. It cannot be done any other way. Once it is in the fund, it then becomes part of the total funding that is available for all of the areas of expenditure within Government, the \$4.6 million available for expenditure of Government, to be considered within the Estimates consideration of the Government leading up to the Estimates and the Budget that are presented to the people of Manitoba.

So when the Member says it is a slush fund, he is wrong, wrong, wrong. It is used completely differently than a slush fund. I had to say that for the purpose of the record. The Member for Transcona (Mr. Kozak) said, and I quote, "We reject a scheme that by-passes legislative control, leaving decisions in the hands of a Tory Cabinet." Again, that Member is wrong, wrong, wrong. The Bill says the money goes into the general Consolidated Fund and that means it is a revenue item, a revenue item, Mr. Deputy Speaker.

In 1989-90, the fund will receive the net proceeds from the sale of Manfor Limited. A draw on the fund

is projected to offset the \$50 million of negative prior year adjustments currently within the revenue estimates.

Now, Mr. Deputy Speaker, let me ask Members opposite, what would they do with the sale of an asset that brings in proceeds? How would they suggest that we handle those proceeds? Should the Government of the Day take them and spend them in one year, because today we have no mechanism in place, none whatsoever to handle the \$50 million, \$70 million or \$80 million that is going to come in from the sale of Manfor. How does the Government handle it? There is no mechanism in place other than to put it into general revenue. Now is that fair that it goes into general revenue to be used one time, or should it be better put into a stabilization fund and used over a series of years?

So I ask response from the critic of Finance for the Liberals. I ask him to respond to that because today there is no mechanism in place for the Government to receive extraordinary revenue, absolutely none. You must remember there is new accounting in place now. There is new accounting in place on the expenditure side so when Crown corporations other than Hydro, rather than telephone, lose money, those losses are reflected immediately on the budgetary side, on the current accounts of the province.

But what happens when there are surpluses? What happens when there is a divestiture and there are large amount of monies? How do we handle those revenues? We do not have a way today of doing it. That is another reason we are bringing in the Stabilization Fund.

The balance in the fund at March 31, 1990, is projected to increase by \$47 million to \$247 million. The Fiscal Stabilization Fund will provide the fiscal stability for the Government to maintain existing programs and services, while at the same time proceed with tax reductions appropriate to Manitoba's circumstances.

Indeed, I stand here and say that tax reductions probably would not have been possible at this time without the introduction of the Fiscal Stabilization Fund. Members opposite, the only credit they gave to this Budget was the fact that it reduced taxes. Yet in spite of voting against the Budget, I am asking them to allow at least a mechanism in place so that we can provide the tax relief that Manitobans deserve.

This, as I have indicated before, will not work like the former Government Jobs Fund. This is a completely different mechanism, and if the Members opposite pretend to understand the legislation that I have laid before them, then they will understand the difference.

Money coming out of the Fiscal Stabilization will only do so as a revenue transfer into the Budget at the time of Budget. It will not be directed to specific expenditures. So again I say to Members of the NDP, when you indicate that you want to take those Stabilization Fund proceeds and direct them to individual expenditures, this legislation will not allow for that. This legislation will not allow for money to come out of the Stabilization Fund during the process of a year and be directed to any item. The legislation will not allow for that.

So I say, I serve notice to the Members of the NDP and I understand the logic of their attack. I understand the politics behind their attack, but I am telling you the legislation that I have laid before you today will not allow for that. Those are the restraints that we have imposed upon ourselves and indeed any other Government, that they not dip into this fund at will to be used for the pressures of the day. What we are saying is that resources from this fund have to be taken into the context of the total budgeting of the province. Of course, that happens once a year.

I have to rebut some comments of Members opposite. The Leader of the Liberal Party (Mrs. Carstairs) said that we should have sought the Auditor's opinion. That is colossal nonsense. What the Leader of the Liberal Party (Mrs. Carstairs) was asking us to do was somehow implicate the Auditor to get him involved in a political decision. We would not do that. Read your letter. I would not ask the Auditor for Manitoba to give us advice as to how we should set up our books. I do not want to compromise the Provincial Auditor. He will make an accounting not to the Government but to the people of Manitoba through the legislative process, a full and open accounting. He will pass judgment as to how he considers the stabilization. I will not compromise the servant of the Legislature, the Provincial Auditor, in any of the decisions, asking him for prior advice on an issue such as this.

I will not compromise any servant of the Legislature, although I will fully confess that I have made a full presentation to the Provincial Auditor. I have explained to him what it was the Government was contemplating. I have indicated how it is we are going to handle it. I showed the Provincial Auditor the draft legislation. That was done before the Budget came forward. I never asked for an opinion from him or even indeed a comment from him. To do so would be to compromise his standards, compromise his position, and I would not do that.

* (1140)

I would like to also rebut something that the Finance Critic from the Liberal Party (Mr. Alcock) had to say with regard to the B.C. situation. He led one to believe that the Auditor General of B.C., in some respects, was maybe opposed to this. I have looked hard into what the Provincial Auditor of British Columbia has had to say on the matter. Let me say firstly, there was not a qualification that came down from the B.C. Auditor with respect to the latest financial accounts of the B.C. Government, which would leave one to believe that the Provincial Auditor in B.C. has no concerns, because if a Provincial Auditor has concerns he states them right there and then. I refer the Members opposite to pages 16, 17, 18 of the Provincial Auditor's Report. He goes into the discussion and much of it is a review as to what the Provincial Finance Minister of B.C. had said within his Budget. Nowhere can I read where there is any criticism directing that to the setting up of the British Columbia Stabilization Fund—nowhere.

Mr. Deputy Speaker, I will read this part. He said on page 17, and this is the B.C. Auditor talking, "the impact of this change in emphasis is significant." He says:

"Had the Government continued to treat the combined financial statements as his main financial statements, the net expenditure in the year would have been, I think he said, reported as \$48 million." I just want to make sure I have the right quote here. He goes on to say, "nothing in these comments," and this is after large supportive wording "is intended to imply that any of these financial statements are incorrect."

That comes right from the Provincial Auditor of British Columbia. Here we go, page 20, the Budget Stabilization Fund. He again talks about the setting up of the Stabilization Fund. He talks about how, on page 21, all payments from the fund are to flow directly to the General Fund, the same thing that we are doing here. He also went on to talk about some of the other aspects. I can honestly tell the Members of the House, nowhere, absolutely nowhere do I see a qualification with respect to the setting up of the fund, or indeed a critical comment with respect to what the B.C. Government has done.- (Interjection)-

Now the Member opposite also refers to B.C. accountants that have tended to be critical of the BS Fund, as it is called in British Columbia.

An Honourable Member: Good name for it, good name for it.

Mr. Manness: I did not think it was a good name for it. That is why I did not use it.

I will tell Members opposite what British Columbia did. They dumped \$900 million, they brought out—sorry, they were taking \$900 million into the fund. I am sorry, I return, \$900 million is coming out of the fund as a revenue item to be put against the budgetary requirements, against the expenditure requirements for the B.C. year, Mr. Deputy Speaker, but what the B.C. Government did with that was to increase their spending 12.8 percent. We have increased ours, Budget-over-Budget, 4.5 percent and we have used \$50 million. One of the great criticisms that has been used, directed towards the B.C. fund, was the fact that a very large portion of it was taken out and used for expenditure growth.

We are trying to restrain the growth of expenditure in this province. That is why we have brought forward an estimate of 4.5 percent expenditure growth, using \$50 million from our fund. Obviously, we are not using it for the purpose of just trying to increase expenditures.

Also, another person called David Patterson sort of called the B.C. exercise flimflam, and I think Members opposite have used that term. I am quoting an article by John Twigg. He, like several others, questioned why the fund was being used for new spending when the provincial economy is clearly in a growth phase, instead of holding it for a rainy day or at least applying it to a debt reduction.

Mr. Deputy Speaker, we have reduced our debt. The very criticism that was directed to the B.C. situation does not apply in one respect to Manitoba. We are reducing our debt. Firstly and secondly, our rate of expenditure growth is at 4.5 percent, not at 12.8 percent, so the criticism surely cannot apply to the Manitoba situation.

Going on, another person of the SMABC, whatever accounting group that is within British Columbia, the past president Paul Williams labelled the Budget—and I use the word "creative" because the fund juggling was also regretted—and also regretted that not enough was done to reduce debt. We have reduced a portion, we have reduced in part our provincial debt, yet what do the Members opposite do? They vote against the Budget anyway. We have reduced the Government portion of our provincial debt by \$200 million, and what does the Member do? What do the Members opposite do? They vote against it anyway.

Can we imagine this, Mr. Deputy Speaker? We have a situation where we bring down a Budget that instead of showing a surplus shows a reduced deficit from that forecast, reduces taxation, reduces the debt of the province, increases spending across the board at 4.5 percent -(Interjection)- the Members opposite say 6 percent plus—and we still set aside into a Stabilization Fund that can be accessed only once a year, and yet Members opposite vote against it and call our reserve a slush fund.

What is it that the Members opposite really want? That fund is going to be audited by the Provincial Auditor. There will be a presentation of his findings on that fund to the people of Manitoba in a full and open fashion. What and how is it that Members opposite want us to budget then, given the fact that we have these great volatilities within the area of revenue and expenditure, particularly in the public debt side?

Mr. Deputy Speaker, if the Members opposite find this approach offensive, then it is incumbent upon them to tell us how it is that we are supposed to reflect and budget when we have this great volatility. I demand from them an explanation, a better explanation, as to how you do it.

I am proud to lay this before the Members of the House for their consideration. Again, I remind Members that this is an integral part associated with the Budget of 1989, and I hope that they will take that into account in their considerations.

Mr. Reg Alcock (Osborne): I move, seconded by the Member for Fort Rouge (Mr. Carr), that debate on this item be adjourned.

Mr. Deputy Speaker: It has been moved by the Honourable Member for Osborne (Mr. Alcock), seconded by the Honourable Member for Fort Rouge (Mr. Carr), that the debate be adjourned on Bill No. 27. Is it agreed?

Some Honourable Members: No!

Hon. James Downey (Minister responsible for Native Affairs): Mr. Deputy Speaker, on a point of order, I understand that the Member for Rupertsland (Mr. Harper) would like to speak on this and there would be no problem with that, I would think.

Mr. Alcock: Mr. Deputy Speaker, I have no objection to the Member for Rupertsland speaking. I would like to have the Bill stand in my name.

Mr. Deputy Speaker: Is it agreed? (Agreed) The Honourable Member for Rupertsland has the floor.

* (1150)

Mr. Elijah Harper (Rupertsland): Thank you, Mr. Deputy Speaker. I would like to speak on this Bill as I did not have the opportunity to speak on the Budget. I would like to make a few comments on this Fiscal Stabilization Fund. I believe this fund was set up as a cushion for the economy. I must indicate to this Government, through you Mr. Deputy Speaker, that I believe the Government has lost the opportunity to develop some programs and a program that will enhance the lives of the northern people, aboriginal people in the North.

I think this Budget has neglected to address the needs of the northern people and also the aboriginal people in the North. This fund has been set aside to cushion the economy. I believe it has been said in the House that this fund is a rainy-day fund. This money could be accessed—as a matter of fact, it is being accessed now to \$50 million out of the \$200 million that had been set aside.

I would like to tell the Members, especially the Government Members, that there is a high unemployment situation in the North and that the rain is falling in many of the communities. As a matter of fact, there was a blizzard in many of the communities, so we do not know where we are going at this time.

An Honourable Member: A downpour.

Mr. Harper: A downpour. So we would like to advise this Government that they have a lost-opportunity Budget to make some progress in many of the northern communities. This Government has bungled some issues, some of the things that they should have carried on with the initiatives of the previous Government. The Government received a windfall as a result of the federal transfer payments and the result of the initiatives taken by the Government, some of the tax measures that we introduced. There was quite a substantial amount of money that generated revenue for this province and that could have been used more, I guess, for the northern people and aboriginal people in the North.

One of the things that they could have addressed, of course, is the Northern Development funding which is a cost-shared program, cost-shared agreement with the federal Government. Over the period of that agreement, it has brought in I believe over \$260 million into the Province of Manitoba because the agreement has expired as of March 31, 1989, and I believe there are some ongoing projects and programs just to complete the agreement. Those things are ongoing.

There is a great concern in many of the northern communities what this impact will have. Certainly, the money that was generated from those agreements is no longer there. People are concerned about that because the Northern Development Agreement provides many of the programs and job creation for the communities. Not only the Northern Development Agreement, but there are other agreements, Special

ARDA, which assisted the trappers and their traditional livelihood. The primary producing activity was helped out by the Special ARDA program. Many of the trappers, of course, received the traps, snowmobiles and canoes to assist them in their traditional undertaking. Also, many of the fishermen were able to receive grants so that they can purchase boats and outboard motors, nets, and greatly enhance the local people in many of the northern communities.

As a result of these programs, especially these two agreements coming to an end as of March 31, 1989, there is not any other program that is going to assist the communities. There are other, I guess, ERDA agreements, the forestry agreement, the mineral agreement that have to be signed or be continued. We do not know where this provincial Government is going.

I think they have had, within the last year or so, to talk to the federal Government to continue the agreements that provided the assistance to many of the northern communities because it is a cost-shared agreement. I mentioned before that this Minister, especially the Minister responsible for the Northern Development Agreement, the Minister of Northern Affairs (Mr. Downey), has certainly had the opportunity to negotiate with the federal Government. We are also very concerned about the economic opportunities.

I realize that the federal Government recently announced some dollars, I believe it was \$840 million, to assist economic development for Native people across this country. We do not know how this fund is going to be distributed, how much the Province of Manitoba is going to get, or their share.

I do know the last previous funding made available to Native people under the Native Economic Development Fund, that many of the aboriginal people in the Province of Manitoba did not receive any assistance at all. Some of the people who applied did not get the economic assistance for economic development in their communities or their ventures. A very small proportion of the funding came into the Province of Manitoba. I do not know the exact figure but the money that was set aside, \$345 million, did not certainly enhance the economic or employment opportunities in the Province of Manitoba. I just do not know what it is. Maybe it is just the way the handling, the funding was distributed, or the process.

I know many of the bureaucratic problems that were encountered with the system that was put into place. As a matter of fact, the headquarters for the Native Economic Development Fund was pulled out of Winnipeg. Initially, it was here in the Province of Manitoba. The federal Government moved the headquarters elsewhere. It was a cumbersome process to get any funding, a complicated process. Many people were involved in it. So I look at this federal announcement with some reservation. We will have to wait and see how this program is being implemented.

Certainly the provincial Government, the Minister of Northern Affairs (Mr. Downey), should be contacting the Minister of Indian Affairs to see how the Province of Manitoba could have access to this funding, because in this Native Economic Development Fund that has been, not an economic development fund necessarily.

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Can we have some order, please? We are having some difficulty hearing the Honourable Member for Rupertsland. The Honourable Member has the floor.

Mr. Harper: Thank you, Mr. Deputy Speaker. I hope the Honourable Members will listen to what I have to say. I mentioned about this funding that is announced by the federal Government. I hope the province will talk to the federal Government, the Minister of Indian Affairs and other federal departments how to access this funding. Certainly the federal Government has pulled out of this Northern Development Agreement. We do not have a cost-sharing arrangement with them, and also we do not have a say how these dollars might be spent and how the funding mechanism might be implemented. So, we will have to wait and see how this will happen.

* (1200)

I know there are many issues that have to be dealt with, and when we talk about the Stabilization Fund, the needs are there in the North. We certainly do need assistance. We certainly do need the job creation, economic activity in many northern communities. When I see funding set aside for a rainy day, to be spent at a later date, we have many of the northern communities that are in need of great assistance. Certainly people need help, trappers who lost much of the equipment due to forest fires, the fisherman, their boats and outboard motors.

I ask in this House what this Government is prepared to do and whether the Disaster Assistance Board will consider applications from the northern communities. At this point, I have not received any satisfactory response to that because we seem to be discriminated against. The only people who seem to be getting the assistance are farmers within southern Manitoba. I think this Government should be treating the Northerners equally as they do the southern people.

I appeal to the Minister of Northern Affairs (Mr. Downey) to make sure the aboriginal trappers and aboriginal fishermen and also the other fishermen in the North, that they were treated equally. We are not asking anything special, to be treated any differently. We just want to be treated fairly. I think that is their expectation.

The other thing I want to mention too is in the communities that I represent, especially in the northeast side, of course the Island Lake area and that area, it needs to have the hydro line run through many of the communities. We do not have any hydro power in these communities.

I know when I was Chief of Red Sucker Lake Band, I had been working on it since 1975, and I might say we had been negotiating with the federal Government, Indian Affairs. The Minister for Hydro in our term wrote a letter to the Minister of Indian Affairs, never got a response from the Indian Affairs for a year.

The same thing, I might say, to the Treaty Line Entitlement but they would not respond. They did not

want to work co-operatively with the NDP Government here in the Province of Manitoba. I cautioned the Minister of Northern Affairs (Mr. Downey) when he says that we had many years to work on it. We had reluctant co-operation from the federal Government because part of the responsibility is theirs.

I might say that I hope this Government will soon announce the line to many of those communities, because I certainly have worked hard at it, not necessarily as a Member of this Legislature but as a member and leader of the reserve. Also, my colleagues, who were members of the reserve at that time too as leaders of the communities because it make sense to run the hydro line into those communities.

Right now many of the communities are being, I guess, serviced by the diesel generator, by the fossil fuel. The oil into these communities is costly to be brought in. It would enhance the quality of life in many of these communities. It would enhance job opportunities, it would enhance small business development. You could run restaurants or you could have a laundromat, or opportunities. You might be able to provide electric heat for many of the elders in their homes who cannot chop wood to get into the bush to bring back or cut wood with a chain saw. So it would provide a better quality, a convenience for many of the elderly, the sick, who are in many of the communities.

All we are asking is that we want the same kind of service that is being offered to the people of Manitoba, to southern people, and we presently do not have that. It would be a saving to the provincial Government, and it would be a saving to the federal Government once the hydro line is brought into the communities. I hope that is done very soon. There is a need, I mentioned before, about our situation in many of the northern communities that we have set this fund aside for a rainy day or, as I call it, a someday soon fund, to be used by the Conservative Government at their convenience.

Some Honourable Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Harper: In their Budget, they are also going to be increasing the gasoline tax I think by 1 cent a litre beginning some time in September. This is going to have a drastic impact in the community because when a gasoline or a commodity is increased it has a tremendous impact at the consumer level in the North because the costs are transferred to the consumer.

If you have a transportation cost as a result of increased costs for transportation or freight costs are elevated for a pound—I will just give you an example, how one time we were able to purchase a bag of cement. It may weigh 100 pounds and I think you were able to purchase it for maybe \$4 to \$5 for a bag. To ship it up to Red Sucker Lake, I think it would have cost maybe \$60, just to ship that one bag of cement. So you pay a commodity here for \$5; to ship it, it would cost you \$60.00. That is a kind of an increase or impact it will have when we increase gasoline for the people who operate the goods or freight services in the North, either airplanes or trucks. So the gasoline will have a

tremendous impact in the North. When you have communities that have high unemployment and they are basically dependent on transfer of payments from the Governments, the dollar does not go very far, especially in many of the northern communities which are only accessible by plane.

The other example, when I mentioned the lost-opportunity Budget of this Government, is of course how they handle the Manfor-Repap deal. I want to make a few comments respecting that.

I believe the Minister of Northern Affairs (Mr. Downey) should have taken the lead role on that. We have a situation in Grand Rapids and Easterville where people have been flooded out as a result of the hydro development in those areas. They do have a concern about their economic activity in those areas. This is an opportunity where this could have been addressed because it is going to affect those areas. The Manfor cutting areas that have been given to Repap will certainly include those areas. Moose Lake is part of that. I understand that Moose Lake has been talking with the Government and also Moose Lake Loggers, the Crown corporation that is going to be sold to the community. I think the Minister of Northern Affairs should have guaranteed some cutting rights, guaranteed some jobs for those areas and also provided some assistance to those communities, not just sell them and get rid of it and leave the community on its own. I think there is a greater responsibility to ensure the success of that community, of that corporation.

* (1210)

This was an excellent opportunity for the Government to look at other areas. We have the Northern Flood bands who have large tracts of whole areas in the North. Certainly, the cutting areas are going to be affected by this deal. Of course, there is also a Treaty Land Entitlement. Many of the bands in the North still have outstanding Treaty Land Entitlement, land that is still due as a result of the Treaties made a long time ago. Unfortunately, the federal Government has not been able to move on it or is reluctant to move on it. When you are talking about this Manfor deal, we should be considering many of the outstanding obligations of the provincial Government and also the federal Government to look at the communities, look at the traditional livelihood of the people who are going to be affected.

I think this would have been an excellent opportunity for this Government to look at how to maybe compensate the people in those areas. Certainly, if people want to have jobs, they certainly want to have training opportunities. As you know, much of the training that was provided in the North was done through the Northern Development Agreement. I am sure that if the agreement were to exist, some of the training opportunities could have been used by Repap for the people in those areas so that they could train for those jobs in the future, the human development education aspect of the people in those areas.

I am very concerned about the human development education that the people need to have in those communities. They need to have access to those

education opportunities so that they can become qualified and also be able to have long-term jobs in those areas. Certainly, because of the result of the non-action of the Minister of Northern Affairs (Mr. Downey) to protect the interests of northern people and not being successful to have the Northern Development Agreement continue, we have lost some revenue that could have been used to enhance and also train people in the North.

Just to give you an example, in human development or education opportunities, under the Access Program under the University of Manitoba, this general university degree program, we have had about 38 people enrolled in that program. Also, under the Red River Community Access Program, we had about 51 people enrolled in that. We have a Northern Nursing Program, we had about 50 people there. The northern Bachelor of Social Work, we had about 46 people there, and also under the Special Premed Studies Program, we had about 23 people there, and also Professional Health Program we had 9 people there.

So the Northern Development Agreement certainly provided some education opportunities, not all of the education opportunities. We still need to address that because I hope the provincial Government supports the post-secondary protest cutbacks that are being done by the Natives, especially the Treaty Indian people who are protesting with the federal Government.

As you know, we have said in this House that we are not asking for unlimited education funding, nor are we asking the taxpayers to pay for our education. I mean, those have been assured and guaranteed by the Treaties made with the federal Government. We want to assure the people of Manitoba that we are not asking them, we are just asking that they support us so that the federal Government will live up to its Treaty obligation, and also assist many of the aboriginal students.

As you know, I have noticed over the many years that the federal Government is gradually shifting its responsibilities onto the provincial Government. As a result, the provincial Government will be picking up many of the educational costs. Also, I see it in the social area that this is a deliberate shift of responsibility onto the provincial Government and that has been ongoing for many years. As a matter of fact, it was introduced by the Liberal Minister, Jean Chretien, when he introduced the 1969 White Policy Paper.

The previous Minister, Jean Chretien, the Minister of Northern and Indian Affairs, wanted to end the special relationship the Indian people that they had—

An Honourable Member: I do not have to support Jean Chretien.

Mr. Harper: As a matter of fact, when we were discussing the constitutional question, Jean Chretien was the Minister of Justice at that time, when he should have ensured that aboriginal people were included as a part of the Canadian Constitution, but he did not. It was only after the Native people fought back that the aboriginal people were to be included in the Canadian Constitution.

When you look at the federal policies, how they have been trying to shift the responsibilities they have onto the provincial Government, and that has been going for many years. As a matter of fact, that same philosophy, same policies are being continued by the Conservative Government, by the Nielsen Task Force recommendations, basically the same approach. So, when we are talking about policies and the needs in those communities and when we set aside funding or to push an economy, we need the funding in the North. We have poor housing conditions, water and sewage. As a matter of fact, much of the funding that is available to Northern Affairs communities come from the Northern Development Agreement which is not being continued, so I do not know where the funding will come from later on.

Many of the water supply, fire protection, some of the community roads are funded through the NDA, cost shared, so this Government needs to look at the funding aspect of many of the communities. Where are they going to get the funding? Where are they going to get the money to fund many of these projects? I find it ironic that they have set aside for future funding that they can use at their own convenience when the needs - (Interjection) - and as my colleague says, there are immediate needs in those communities.

We have situations in the communities that are happening. We talk about the Port of Churchill. There is certainly a crisis going on there. We need to have the shipment of grain shipped through this year through that port because we need to keep the port alive. I think it is the heart and soul of that community, and also because there is a railway line there and we have been assured by the Minister of Transport that it is not the intention of the federal Government to abandon the railway line. We appreciate that but we need to ensure the railway is kept and also there is traffic going to Churchill carrying wheat to be shipped abroad, because when we do that we provide employment opportunities along the bayline. Many of the Native people have worked many years along the bayline and also some of the small communities along the bayline that jobs were created.

When we are talking about this fund, we need to look at seriously how this fund is going to be distributed. I have just outlined some of my concerns in respect to this fund and what this Government should have done in respect to the Budget.

* (1220)

Also I criticize the Government for having lost the opportunity to do other things in the North for the people in the North. I know that there are some criticisms of the Government for not moving into certain areas. Certainly, we look forward to seeing what the Government is going to do. As the Minister has said, there are other areas that they want to look at.

Mr. Deputy Speaker, I thank the Members for listening to me and thank the Members for listening attentively. Thank you.

Mr. Deputy Speaker: It has been moved by the Honourable Member for Osborne (Mr. Alcock),

seconded by the Honourable Member for Fort Rouge (Mr. Carr), that debate be adjourned on this Bill.

MOTION presented and carried.

Mr. Deputy Speaker: Is it the will of the House to call it now 12:30? The hour being 12:30—

Hon. James McCrae (Minister of Justice and Attorney General): Mr. Deputy Speaker, in view of the fact that there is a wish to move along expeditiously with the legislation, I wonder if Honourable Members would allow me the opportunity to introduce for second reading Bill No. 6, which I hope to do within the next 10 minutes. (Agreed)

BILL NO. 6—THE LAW REFORM COMMISSION ACT

Hon. James McCrae (Minister of Justice and Attorney General) presented Bill No. 6, The Law Reform Commission Act, Loi sur la Commission de réform du droit, for second reading, to referred to a committee of this House.

MOTION presented.

Mr. McCrae: I thank Honourable Members for agreeing that we should carry on for a few minutes.

It is with great pleasure that I present for the consideration of the House Bill No. 6, The Law Reform Commission Act. This Bill represents the completion of the Government's promise to restore the independence of the Law Reform Commission and to protect it as far as possible from any attempt by any future Government to destroy the effectiveness of the Law Reform Commission.

As most Honourable Members are aware, the Law Reform Commission was established in 1970 to review the common law and statute law in order to provide the Government advice on matters that should be changed because of changing social conditions. Over the years, the Law Reform Commission has presented more than a hundred reports to Government and 80 percent of its recommendations have been implemented, probably the highest rate of implementation of Law Reform Commission reports in Canada.

Among the laws of Manitoba that have been adopted as a result of the study by the Law Reform Commission are The Interprovincial Subpoena Act adopted in 1975; The Extra-provincial Custody Orders Enforcement Act, also adopted in 1975; The Elections Finances Act, adopted in 1980; The Builders' Liens Act, adopted in 1981; The Occupiers' Liability Act, adopted in 1984; The Judgment Interest and Discount Act, adopted in 1986; The Perpetuities and Accumulations Act, adopted in 1983; The Survivorship Act, adopted in 1983; and The Domicile and Habitual Residence Act, adopted in 1983.

As well, there have been significant amendments to The Wills Act, The Jury Act, The Trustee Act, The Family

Maintenance Act and The Marital Property Act, to name just a few, that have all been based upon reports made by the Law Reform Commission.

In December 1987, the independent commissioners were dismissed and replaced with four commissioners, all of whom were senior officials of the Department of the Attorney General. While I certainly mean no reflection upon the officials who took on the task at the direction of the Government, it was obvious that they could never have the independence that the Law Reform Commission requires. Moreover, the activities of the Law Reform Commission were to be wound down by taking its two permanent employees and transferring them to other duties and by not renewing the contracts of the other members of the staff.

During the election campaign, the Progressive Conservative Party committed itself to restoring the independence of the Law Reform Commission. As Government, we acted swiftly to implement that promise. First, we reappointed the four independent commissioners who were serving at the time the decision to destroy the independence of the commission was announced and who were still in the province. We replaced the other commissioner, who had moved out of the province, with former Lieutenant-Governor Pearl McGonigal. Secondly, these independent commissioners were given, as their first task, the review of The Law Reform Commission Act to ensure that never again could the Law Reform Commission be destroyed without the Legislature of Manitoba making the decision. At the last Session, I tabled a copy of that report entitled, "A Framework for the Future."

I am pleased to say that the Government has accepted the recommendations of the Law Reform Commission and in particular the draft Bill, which was Appendix "B" to that report. Indeed, after the matter was reviewed by the Civil Service Commission and the Department of Finance, the Government has, with the concurrence of the commission, changed the Bill to enhance the financial independence of the commission even beyond what had been recommended by the commissioners.

Ensuring the independence of the commission requires not only that the commissioners themselves be independent of Government, but also that they have control of their staff and over their funds. Bill No. 6 will accomplish all three of these goals. A major change in the structure of the commission is giving the commissioners a fixed term of office that cannot be cut off by the Government of the Day. As well, the commissioners' salaries, on the model of the salaries of judges, cannot be reduced once they are fixed.

As for the staff of the commission, the Government accepts the recommendation of the commissioners that the staff be members of the Civil Service. This will give the staff a measure of job security and protect them from the threat of constructive dismissal by having their contracts lapse.

Finally, there is the question of the financial independence of the commission. Until 1986, all funds for the commission came from an appropriation from the Legislature. In 1986, the previous Government

passed legislation to establish the Law Foundation, but required that the foundation make a grant of \$100,000 per year for the first three years to the Law Reform Commission. The previous Government then dropped its support of the Law Reform Commission by a corresponding \$100,000.00. In other words, the opportunity to enhance the effectiveness of the Law Reform Commission, which was created by having monies coming from the Manitoba Law Foundation, was passed by indicating simply a reduction in Government's commitment to the Law Reform Commission.

The Government accepts that the Legislature should establish the appropriation for the Law Reform Commission at a level sufficient to ensure its normal activities. The commission, however, should be entitled to seek funding from elsewhere, whether it be the Law Foundation or some other source, in order to run special projects that would not be part of its normal activities. To accomplish that goal, the Government agrees with the Law Reform Commission that the commission, once it has been voted its appropriation, should have control over the expenditure of those funds. Clearly, the normal rules of administration will apply and the fund will be subject to audit. The monies, however, will not be subject to being frozen by the Government or transferred to another appropriation or to lapsing should the commission be underspending its budget. Any excess will be invested to provide further revenue for the commissioners.

Of course, it is only when we are in committee that we can examine in detail the various provisions of this Bill which will give legislative form to these principles. I ask all Honourable Members to consider Bill No. 6 carefully, but also expeditiously. Its main principles and indeed the actual language of virtually all the Bill has been before them since the Law Reform Commissioners made their report.

With confidence that the Assembly will agree with the Government and with the Law Reform Commission that an independent Law Reform Commission is required, I commend Bill No. 6 to the House. Thank you very much, Mr. Deputy Speaker.

Mr. Paul Edwards (St. James): Mr. Deputy Speaker, I move, seconded by the Member for Kildonan (Mr. Cheema), that debate be adjourned.

MOTION presented and carried.

Mr. McCrae: Mr. Deputy Speaker, shall we call it 12:30 p.m.?

NON-POLITICAL STATEMENT

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, I am wondering if I can have leave to make a very short brief non-political statement.

Mr. Deputy Speaker: Does the Honourable Member have leave? (Agreed)

Mr. Lamoureux: Thank you for the co-operation from all sides of the House, Mr. Deputy Speaker. I just want

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to acknowledge that we have in the public gallery the Filipino national baseball team that has gone to the Leaders of the Opposition and the Premier's office, that are going through and are going to be playing a game over in Prince Edward Island coming next week. They are going to be hosting an exhibition game

tomorrow afternoon. I encourage all Members to attend it, if at all possible. Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is it the will of the House to call it now 12:30 p.m.? The hour being 12:30 p.m., this House is now adjourned and stands adjourned until 1:30 p.m., Monday afternoon.