



Second Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

40 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 5, 1991

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairman of Committees): Mr. Speaker, the Committee of the Whole has considered Bill 33, directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for Fort Garry (Mrs. Vodrey), that the report of the committee be received.

Motion agreed to.

Mr. Ben Sveinson (Chairman of the Committee on Public Utilities and Natural Resources): Mr. Speaker, I beg to present the Third Report of the Committee on Public Utilities and Natural Resources.

Mr. Clerk (William Remnant): Your committee met on Thursday, November 15; Tuesday, November 20; Thursday, November 22; and December 6, 1990, at 10 a.m.; and Wednesday, April 3, 1991, at 8 p.m. in Room 255 of the Legislative Building to consider the Annual Report of the Manitoba Hydro-Electric Board for the fiscal year ending March 31, 1990. On April 3, 1991, your committee elected Mr. Sveinson as Chairperson.

Mr. B. Ransom, Chairperson of the Board; Mr. R. B. Brennan, President and Chief Executive Officer; and Mr. R. O. Lambert, Executive Vice-President, provided such information as was requested by members of the committee with respect to the report and business of the Manitoba Hydro-Electric Board for the committee meetings held on Thursday, November 15; Tuesday, November 20; Thursday, November 22; and December 6, 1990.

Mr. J. S. McCallum, Chairperson of the Board; Mr. R. B. Brennan, President and Chief Executive Officer; and Mr. R. O. Lambert, Executive Vice-President, provided such information as was requested by members of the committee with respect to the report and business of the Manitoba

Hydro-Electric Board for the committee meeting held on Wednesday, April 3, 1991.

Your committee examined the report of the Manitoba Hydro-Electric Board for the fiscal year ending March 31, 1990, and adopted the same as presented.

Mr. Sveinson: I move, seconded by the honourable member for Seine River (Mrs. Dacquay), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, I have the pleasure this morning of tabling the Annual Report, 1989-90, for the Department of Education and Training, in bilingual format.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of all members to the gallery, where we have with us this morning 45 visitors from Saskatchewan from the 171st Melfort Royal Canadian Air Cadet Squadron. They are under the direction of Second Lieutenant Don Smith.

On behalf of all honourable members, I welcome you here this morning.

ORAL QUESTION PERIOD

Economic Growth Government Initiatives

Mr. Jerry Storie (Flin Flon): Mr. Speaker, the labour force statistics are out once again. I think they tell everyone a very distressing story.

Since the election of this government in the fall of 1990, 21,000 Manitobans have lost their jobs—21,000 jobs since this government took office. This week we have layoffs in Selkirk, Minnedosa and in the mining community of Flin Flon. How many thousands more are going to have to lose their jobs before this government and this First Minister

develops an economic agenda, in co-operation with the people of Manitoba, that is going to work?

Hon. Gary Filmon (Premier): Mr. Speaker, regrettably, when there is a recession across the country, it knows no political boundaries. It does not affect people in a political sense. It affects them in a human sense. I heard, as many might have heard this morning on the radio, the Liberal Premier of Newfoundland talking about the problems that they are facing as a result of the recession that is right across the country.

* (1005)

As I look at those very same statistics that the member for Flin Flon has quoted, I find deep regret in the fact that 223,000 jobs have been lost in the province of Ontario this year since January 1—223,000 jobs under an NDP Premier in Ontario. That does not make me happy. It tells me that New Democrats do not have answers for unemployment, do not have answers for recessions.

So, Mr. Speaker, I say to the member for Flin Flon and all of his colleagues: work with us to try and build the economy; work with us to ensure that we keep taxes down. Do not stand up every day and yell and yell for more money to be spent for higher debt, for higher taxes in this province, because that more than anything will put us in the kind of uncompetitive situation that we faced because of the past actions in the 1980s of the Pawley administration. That more than anything puts us in an uncompetitive position to get more jobs created. Please do not ask us to do that again.

Job Creation

Mr. Jerry Storie (Flin Flon): Mr. Speaker, this government, according to the Conference Board of Canada, is going to be last out of the recession. They are going to be last, unlike the previous administration in the recession of the '80s, because they are doing nothing. They have no agenda. Twenty-eight thousand Manitobans left this province. There are an additional 21,000 people unemployed. The tragedy is that many of those unemployed are young people.

What is this Premier going to do to give hope to the 22.7 percent of male youths between 15 and 24 who are unemployed in the province today? What hope can he offer them that there will be jobs in Manitoba? What hope can he offer them that they are going to be able to stay in Manitoba? What

hope can he offer them that this government is going to develop an economic agenda?

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

Hon. Gary Filmon (Premier): If we want to talk about length of time that it takes to get out of a recession, we only need to look back to March of 1985. Three years into the biggest economic boom, postwar, that this country has ever seen, and this province still had double-digit unemployment rate under the NDP—three years after that recession—three years, Mr. Speaker. That was the NDP policy that caused us to be so long in getting out of recession. We are not going to be in those circumstances because this time we are keeping the deficit down, the debt down, and we are keeping taxes down.

I ask members opposite, please, do not face us day after day with demands to spend more, spend more and raise the taxes of this province, because that will dampen the hope for the future of our young people more than anything else. I ask the members opposite to help us to do things such as we have done over the past few months, to bring the head office of MacLeod Stedman from Toronto to Winnipeg, to bring investment expansion in the garment industry such as we have had at Western Glove Works, 165 additional jobs, bring us an expansion such as we have had at Boeing that created over 300 jobs in the past couple of years since we have been in government. Bring us that kind of opportunity by keeping taxes down, by keeping the deficit down, work with us, and we will do those things for the young people of this province.

All-Party Committee

Mr. Jerry Storie (Flin Flon): Mr. Speaker, this government and this First Minister cannot identify one single policy initiative that is going to help the 22.7 percent of young people who are unemployed.

Yesterday, the Minister of Agriculture (Mr. Findlay) was defending the Free Trade Agreement and pretending that trade in the province of Manitoba was improving as a result of free trade. Mr. Speaker, these labour force statistics tell us that every sector of the economy is losing, a decline in transportation and communication in employment by 11.2 percent, construction by 17 percent, and

yes, trade by 10.7 percent, a decline in employment in trade by 10.7 percent.

* (1010)

Will this government now take us up on the offer to create a legislative committee, a standing committee, to examine how we are going to resolve the problems our economy faces because of free trade, because of the government's inability to formulate any economic policy?

Hon. Gary Filmon (Premier): Every day in this Legislature we have a committee opportunity. We have a committee opportunity for members opposite to offer us suggestions for improvement, Mr. Speaker, but the sad reality is that a national recession does not know political boundaries. That is why if we want to turn to New Democrats for solutions, we look at what a New Democratic Premier in Ontario has produced, a loss of 223,000 jobs this year since January 1 of this year, one-quarter of the year a loss of 223,000 jobs in Ontario. That is a New Democratic Premier's answer.

We do not believe that is good enough. We are keeping taxes down; we are keeping the deficit down and we are trying to strengthen the underpinnings of the economy in such a way that we will have long-term investment and job creation in this province for the future, which is what the people of Manitoba want.

Child and Family Services Deficit Liability Agreement

Ms. Becky Barrett (Wellington): Mr. Speaker, yes, the economic strategy of this government is to keep the deficit down on the backs of the workers, families and children of this province.

My question for the Minister of Family Services is: Why is his department, through the contracts that are being sent to Child and Family Services agencies, blackmailing the community-based volunteer boards of these agencies, forcing them to choose between services to children or personal liability for debts incurred by these boards, mainly and solely because of the inadequate funding for these agencies and their services on the part of this government over the last three and a half years?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, as the member is aware and I believe all members are aware, we are in the middle of a process, a process between the

department of government and the Child and Family Services agencies, where we are trying to address a long-standing problem that has existed with agencies of overexpenditures and deficits.

I readily see that the member has done some research on this issue in today's paper, and I would clearly say that it is not the intent of the department to hold board members personally liable. I want to make that very clear. There is not a personal liability issue here.

We are working with the boards, and boards have worked very diligently to come forward with service plans. What we are asking boards is to be accountable and responsible in their decision making and to work with us and to put these plans into place so that we can provide that very necessary service for vulnerable Manitobans.

Conawapa Dam Project Deficit Liability Agreement

Ms. Becky Barrett (Wellington): Mr. Speaker, I certainly hope that the boards will not be held personally responsible.

I would ask the Premier if it is this government's policy to hold all boards as accountable as they are holding the boards of Child and Family Services agencies? For example, will Mr. McCallum, the chair of Manitoba Hydro, be held responsible in his role as chair of Manitoba Hydro for the debts likely to be incurred in the construction of Conawapa?

Hon. Gary Filmon (Premier): Mr. Speaker, because the member deliberately ignored the answer of the Minister of Family Services, I will repeat what he said: not personally liable. Accountable, yes. Everybody who spends public money must be accountable publicly. If she does not understand that, she should not be a member of this Legislature.

* (1015)

The fact of the matter is, we are indeed accountable every day, not only in this Question Period, in committees and every other way to the media and to the public of this province. We are accountable and we stand accountable, and so do the people who make decisions to spend. If she is suggesting that those people who make decisions to spend public money in Child and Family Services should not be accountable, then she does not understand the process, Mr. Speaker.

Child and Family Services Accountability

Ms. Becky Barrett (Wellington): Mr. Speaker, I am not for one moment suggesting boards should not be accountable.

I would like to ask the Minister of Family Services if his department's definition of accountability then includes the ability of those boards of directors to adequately service and provide services for the children of this province. Does his definition of accountability include service accountability or is it solely bottom-line accountability?

Hon. Harold Gillieshammer (Minister of Family Services): Well, I am pleased, Mr. Speaker, to see that the member does see a difference between liability and accountability and that we do agree that boards must be accountable and responsible in their decision making. The boards have worked very hard on these service plans that they are bringing forward. At this point we are in a position to accept some of these, and when the appropriate funding agreements are signed, then the deficit funding will be flowed to the agencies. The department will continue to work very closely with the agencies to see that they operate with appropriate staffing levels, that they provide interim financial reports.

I think it should be no surprise to the member that the department is very concerned with the manner in which the agencies operate. We are still in the middle of a process that has been a very difficult one, and I would hope that more progress will be made towards having these plans come forward and that funding agreements can be signed with the agencies.

Child and Family Services Funding

Mr. Reg Alcock (Osborne): Mr. Speaker, I am personally satisfied with the answer the minister gave about board members not being personally liable. I am glad that was clarified today, and I think that is a very positive step. It is included in the legislation, and there was a suggestion that legislation might be changed, but there is still a problem. You are asking board members now to sign new agreements based on new financial arrangements that are based on inadequate budgets that you and the Minister of Finance in the past have admitted to.

Will the adjustments be made that will give these agencies an adequate base, so they can accept that kind of accountability when you come forward with these agreements? In the interim, will they have funding according to the same arrangement that they have today?

Point of Order

Hon. Clayton Manness (Government House Leader): A small point, Mr. Speaker, but I ask the member to address his question through the Chair rather than on a first-name personal basis. That is all.

Mr. Speaker: I would like to thank the honourable government House leader.

I would like to remind the honourable member for Osborne that we address all questions through the Chair.

Mr. Alcock: It was indeed a small point, Mr. Speaker, and of course I will follow it.

Mr. Speaker: I would like to thank the honourable member for Osborne.

* * *

Mr. Alcock: My question to the minister, Mr. Speaker, is very simple. Will he ensure that before these agencies are forced to sign these agreements that they have an adequate level of funding and the inequities that he has admitted to have been corrected?

Hon. Harold Gillieshammer (Minister of Family Services): Mr. Speaker, I appreciate the member clearly understood the issue of liability, because I think it is an important one, and that he also agrees that board members should be accountable and responsible for the decisions and the debts that they incur.

The Finance critic of the Liberals of course has asked us to consistently spend more money. I would point out to him that—and I think he was present when the Finance minister met with members of the Legislature in January to explain our fiscal situation.

* (1020)

If the member is wanting us to spend more and more money in Family Services in a particular department, you know we have to make decisions to spend less money somewhere else. These are very difficult decisions.

I know last session I got advice from a member opposite who said, cut off funding in the environment and reduce funding in other departments because you need to spend it for a shelter in the Interlake. These are very difficult decisions.

The member is well aware that we have increased funding to Child and Family Services agencies at a tremendous rate over the last five years. I know the member, because he does a certain amount of consulting work with the agencies and has been intimately involved with the agencies in the past, understands the cost and understands that there has been a tremendous increase there.

We are in a very difficult situation, and we will be bringing down a budget in the near future where—

Mr. Speaker: Order, please.

Deficit Liability Agreement

Mr. Reg Alcock (Osborne): Mr. Speaker, what I want this minister to do is to be accountable, to guarantee and to be responsible to ensure that children in this province are protected. I believe the people in this province are willing to see that those costs are met, because they want children in this province to be protected.

There is another agreement. Board members have to be financially accountable. I accept that. They are also being asked to sign an agreement that says they cannot complain, they cannot speak publicly about those agreements.

Will the minister see that that clause is withdrawn from these agreements?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, I am not sure how extensively the honourable member has studied the funding agreement or whether he has shared it with friends of his in the legal community, but I think there is some difference of opinion over what is stated in the newspaper today and what is actually in the funding agreement.

There is no attempt to place any sort of oath of secrecy or gag order on operations of agencies. In fact, those agencies produce annual reports and, as I have indicated, we are in the middle of a process with the agencies, and I would just caution him that some of the things that he may read and comments he may read in the media are not always accurate.

I would point out that the chairman of the board has not commented because they have not yet had a meeting to look at this and discuss it. I think that there are some areas of uncertainty that have been referred to in the newspaper which are not accurate.

Funding

Mr. Reg Alcock (Osborne): I appreciate that clarification also, Mr. Speaker, but I would ask the minister this: Will he guarantee to me today that these agencies will not have their ability to advocate on behalf of services to abused children diminished in any way, and they will have sufficient funding and mechanisms to allow the volume increases that they are going to need to meet the effects of a huge increase in unemployed in this province, to meet the effects of cutbacks in support services to families in this province?

Will he make that guarantee today?

Hon. Harold Gillehammer (Minister of Family Services): Mr. Speaker, the throne speech certainly indicated that our priorities are in health, education and family services, and I think that I would be pleased to make that guarantee that that is a priority to adequately fund the Department of Family Services and that we recognize our responsibilities to vulnerable Manitobans.

This department deals with many people on social allowances, people in the child welfare system, people in the rehabilitation and community living community. We are very aware of the services that we provide there.

The member also knows that there has been a tremendous expansion of the funding for Child and Family Services agencies and we, in the middle of this process with those agencies, will continue to work with the agencies, and I am sure that we will be making more progress on these agreements in the near future.

GRIP Program Government Proposal

Mr. John Plohman (Dauphin): Mr. Speaker, yesterday the Minister of Agriculture indicated to the farmers and to this House that he had put forward a proposal to the federal government to deal with the punitive and unfair coverage levels that farmers would be facing in southwest Manitoba under GRIP as it is currently constituted.

* (1025)

In view of the fact that I was advised by a farmer from Melita, Mr. Wayne Tilbury, who talked to Charlie Mayer yesterday and was advised by Charlie Mayer that no such proposal was made, will this minister now clarify that statement that he made yesterday in this House and table his proposal in this House, so that we all may see what proposals he is putting forward to the federal government?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the GRIP program has been developed by meetings almost weekly, and at least within every 10 days there is a meeting between federal-provincial officials. Through that process we have instituted the program of superior management, an option. We have introduced 5 percent reduction in the premium on GRIP if you take crop insurance. Those kind of contributions and concepts have been put forward through these meetings that are held, federal-provincial, and have been approved.

Two weeks ago this past Wednesday we met in my office. We developed with the crop insurance officials. They put it in writing, and they took it to the meeting on March 21 down in Ottawa. The minister responsible is Mr. Don Mazankowski, the Minister of Agriculture, and his officials put it in writing and submitted it to his office. The proposal has been in; it has been part of the process of the meetings that go on, I say almost weekly. We have developed about 100 components of the GRIP program through that process, and this is being developed exactly the same way. They acknowledged that it was discussed at the meeting, and the proposal was submitted to the Minister of Agriculture's office.

Deadline Extension

Mr. John Plohman (Dauphin): Mr. Speaker, due to the obvious confusion that exists in this program and lack of communication, I would ask the minister whether he would now extend the deadline that is putting pressure on farmers at this time—April 30. Will he extend that to July 1 to give farmers the time to look through this program, to study it and gain more details on it? Would he also, at that time, make changes that would improve the program and remove the uncertainties that exist there now for farmers?

Hon. Glen Findlay (Minister of Agriculture): Mr. Speaker, the deadline at this point in time is April 30 for both crop insurance sign-up and GRIP sign-up. We have mobilized about 140 staff in the

Department of Agriculture to get out there with the contracts and be able to explain it to producers and let them sign the contracts. We still want to target April 30, because farmers need to get that signed before seeding. They need it to help them in making their final decisions. If there is a need to extend the deadline we will consider it, but later in April.

* * *

Mr. Plohman: I want to ask the Premier, Mr. Speaker, could the Premier indicate how many of his cabinet ministers who are eligible for GRIP have signed up for GRIP. If this program is such a lucrative program, is such a good program, so clear and straightforward that they are forcing the farmers to sign up by April 30, how many of his cabinet colleagues have signed up—

Mr. Speaker: Order, please. The honourable member's question deals with a matter which is not within the responsibility of the government. I would ask the honourable member for Dauphin to kindly rephrase his question.

Mr. Plohman: I did not hear your ruling, Mr. Speaker.

Mr. Speaker: Okay. For the honourable member for Dauphin, the honourable member's question deals with a matter which is not within the responsibility of the honourable First Minister, so I would ask the honourable member for Dauphin to kindly rephrase his question?

Mr. Plohman: Mr. Speaker, I would ask the Premier whether in fact he has been made aware by his cabinet colleagues whether they, indeed, will be signing up for GRIP, whether he will be advised by his cabinet colleagues, and whether he has been advised, how many of those cabinet colleagues who are eligible to sign up for GRIP have indeed signed up, if this is such a lucrative program, such a good program, so clear that the farmers of Manitoba should be asked to sign up for that program.

Mr. Speaker: Order, please. Again, I remind the honourable member for Dauphin, the honourable member's question deals with a matter which is not within the responsibility of the government.

The honourable member for Dauphin, kindly rephrase your question, please.

Mr. Plohman: Mr. Speaker, I think the members opposite got the message.

* (1030)

Minimum Acreage Coverage

Mr. John Plohman (Dauphin): Mr. Speaker, will this Minister of Agriculture now indicate to this House whether he is prepared to provide a minimum coverage to farmers across this province so that they will be assured of their cost of production from this program over the four years that they are being asked to sign the contract for in this province?

Hon. Glen Findlay (Minister of Agriculture): A lot of people have analyzed GRIP. They have looked at the pros and cons of signing up, and they look at the reality of the world that agriculture is in.

I would like to just read some comments from yesterday's Brandon Sun's editorial. In a perfect world, farmers would not have to belong to GRIP. In a perfect world, farmers would receive a price for their grain.

Mr. Speaker, we do not have a perfect world. They do make a very significant statement in that any guaranteed farm income program has to have an element of self-reliance built into the system, and that is clearly what GRIP has. They recommend farmers sign up for this program because it incorporates self-reliance with risk protection in a very good program.

Youth Employment Programs Government Initiatives

Mr. Dave Chomlak (Kildonan): Mr. Speaker, the biggest myth perpetrated by this government is that there have been no tax increases. The offloading done by this government is probably unparalleled in Canadian history.

Mr. Speaker, given that there has been more offloading onto university students now, given that the CareerStart program may be cut, given the 22 percent unemployment rate amongst youth, what, if anything, is the Minister of Education going to do or this government going to do to ensure that there are adequate summer jobs for university students this summer?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, in all the questions asked this morning by the New Democrats and, indeed, a question from the Liberals, we have seen nothing but a request for more and more money to be spent from the provincial government. That simply means that we would have to increase the burden on taxpayers.

Mr. Speaker, in light of a zero percent increase in revenues in this province, we have been as generous as we possibly could be to the university students and, indeed, to the public school education system of this province.

Mr. Chomlak: Mr. Speaker, I heard the Premier answer my question when he indicated user pays.

Education System Federal Funding

Mr. Dave Chomlak (Kildonan): Mr. Speaker, the minister has had 24 hours to analyze the figures. Yesterday, he said there was a freeze on federal transfer payments and that resulted in his increase to university. Michael Wilson says in his propaganda sheet that the increase is 3.7 percent, and it was not answered—1991, 3.7 percent increase from the federal government. Who is telling the truth?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, what we know for sure is the member who just asked the question has trouble at times coming through with some straight facts. As I reported yesterday in answer to that very same question, if he wants to look in the '90-91 budget that I brought down that reflects specifically the cash transfers in support of health and post-secondary education, I referred him specifically to the appendix page in the budget, the budget which he voted against, by the way, Mr. Speaker. It laid out and it showed that there was a \$3 million hard cash reduction in that transfer area.

Cartwright, Manitoba High School Closure

Mr. Dave Chomlak (Kildonan): Mr. Speaker, my final supplementary is to the Minister of Education.

The community of Cartwright has worked very hard to maintain their school and done a very admirable job of it. What, if anything, will this minister do to ensure that the community of Cartwright gets to keep their high school?

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, once again, those kinds of decisions, whether a high school should remain open or whether it should close, are in the purview of that school board. I did meet with some parents who had some concerns about the situation from Cartwright, and I clearly indicated to them that

it was their school board's responsibility to make those decisions.

I might add that we are still awaiting the budget to be set by the school board and, indeed, those are the kinds of decisions that school board has to grapple with as other school boards in this province have had to.

Tender Process Proposal Evaluation

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, yesterday in the Public Accounts Committee we were told at some length about the process of evaluating tenders in the Department of Government Services. One was left certainly with the impression that this department had the knowledge and expertise to evaluate projects of a significant nature to our province. Now we have learned that sometimes the department does not evaluate. Sometimes they hire outsiders to be experts to do this evaluation process.

Can the Minister of Government Services tell this House why Joe Diner, an executive of Aronovitch & Leipsic, a company 50 percent owned by the Shenkarow family, was given the contract to evaluate tenders submitted for the government building in Carman, which is part of this government's decentralization initiative?

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, the process throughout placing the space for equalization is put forward to many people to evaluate the spaces that come forward. We felt that you should hire an outsider to evaluate all the proposals that come forward. It is not unusual to do that in the private sector, and the government will continue to do that to make sure we arrange the best arrangement for those proposals.

Tender Process Conflict of Interest

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, to use the Finance minister's (Mr. Manness) favourite expression, it is passing strange that you do not bother to hire outside experts when you go from public tendering to private tendering, but you do hire them to do a public tendering evaluation, which they admitted yesterday and said very clearly they had the inside experts to do.

Can the minister tell the House today, did he not believe there was some conflict of interest involved here when the same Joe Diner was also fronting the bid of Aronovitch & Leipsic for the lease on the MHRC building?

Hon. Clayton Manness (Minister of Finance): I feel badly for the Leader of the Liberals trying to manufacture an issue, Mr. Speaker.

Through the decentralization process it became acutely aware to government that within the Department of Government Services we did not have enough resources available to assess all of the smaller projects that had to be analyzed. At that point, without apology to anybody, we chose to use services from the private industry to help us assess outside tenders in support of the decentralization process.

We make no apology for that, Mr. Speaker. That is the proper action to take. Rather than hiring countless numbers of additional bureaucrats like the Leader of the Liberals would want, we chose to engage the services of outside firms.

If the member wanted to look into Neepawa where also we were engaging some additional property, there was another outside firm that we had also invited to come in and help us select the best tender, McKeag Realty to be exact.

Tender Process Proposal Evaluation

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, when you have governments placing bids and a government asking companies to in fact give bids to them, and those companies are exactly the same companies that are then given government contracts who are going to evaluate lease bids, it looks a little murky.

Can the minister tell this House today—and this is the Minister of Government Services—why, although bidders were informed, -(interjection)-

* (1040)

Mr. Speaker: Order, please.

Mrs. Carstairs: Thank you, Mr. Speaker, but I never expect anything different from the Minister of Health (Mr. Orchard).

Can the minister tell this House who has received the bid for the Carman project? Why the other bidders have not been informed as to who has been given the successful bid? Indeed why they have

been denied that information when they have requested it, and why they have also been denied the price structure that has been accepted by the government for this successful bid?

Hon. Gerald Ducharme (Minister of Government Services): Mr. Speaker, we have heard from Day One that the member from across the way has been totally against decentralization. I guess this is a new way to come about that.

We have hired McKeag in times, we have hired Flanders in times to review all proposals. We will continue to do that to make sure the best proposals come forward to this government.

55-Plus Program Deindexing

Mr. Conrad Santos (Broadway): Mr. Speaker, there was a time in history when Emperor Nero was playing the fiddle and singing while Rome was burning. History repeats itself. Some people are playing squash and some people are holidaying off to Florida.

This Tory government has been insensitive to the needs of the people, particularly when this government withdrew support from the 55-Plus supplement.

Mr. Speaker, may I ask the honourable Minister of Housing whether he recommended this particular decision?

An Honourable Member: Seniors.

Mr. Santos: The Minister responsible for Seniors. I am asking him whether he has anything to do with this recommendation and with this decision.

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, I am surprised, yesterday I did not get up and ask about the seniors on the GRIP program. I will relate this question to the minister responsible for the 55-Plus program.

Seniors Directorate Elimination

Mr. Conrad Santos (Broadway): Mr. Speaker, to show some kind of appearances, this government created a Seniors Directorate, but the agency that was created was given no authority and no budget to administer. This is a useless forum with no capability to render service to seniors.

Would this government show some good business management sense and reallocate the

\$200,000 budget to this agency to the program to help the senior citizens?

Hon. Gerald Ducharme (Minister responsible for Seniors): First of all, Mr. Speaker, if the member would read his notes, maybe he will see that the Seniors Directorate just recently has coming forward a program, the senior abuse program that has been announced. Consultation with this government, with the federal government, \$100,000 will be coming forward in early June with that program. We will continue to work with all my departments, all the other departments in regard to all programs regarding seniors.

Mr. Speaker: The honourable member for Broadway has time for one very short question.

55-Plus Program Deindexing

Mr. Conrad Santos (Broadway): Mr. Speaker, will the government show some sensitivity and concern to senior citizens by restoring the support for the 55-Plus program?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, when consultation came forward in regard to all budget procedures, we felt that everyone is affected, unfortunately. In this particular case it comes to 90 cents per month per person affected by the 55-Plus program.

Mr. Speaker: The time for Oral Questions has expired.

Nonpolitical Statements

Ms. Judy Wasylycia-Lels (St. Johns): I was wondering if I might have leave to make a nonpolitical statement.

Mr. Speaker: Does the honourable member for St. Johns have leave to make a nonpolitical statement? Leave? Agreed.

Ms. Wasylycia-Lels: Thank you, Mr. Speaker.

I would like to take this moment to show the appreciation of this Assembly to the Canadian Polish Congress, Manitoba Division, on the occasion of the official opening of the Katyn Massacre Exhibit, which took place yesterday evening, April 4, in my constituency at the hall of the Polish Combatants Association, Branch No. 13.

This exhibit, Mr. Speaker, is one of photographs and documents which depict a very shameful time in our history, the slaughter of some 15,000 Polish

prisoners of war by Soviet officials some time around the spring of 1940, after the Soviet invasion of Poland from the east, and it took, Mr. Speaker, almost five decades for the Soviets to acknowledge that they had perpetrated this crime. To this day, the crime has gone unpunished.

This exhibition is not only an important pictorial display from a historical point of view, it is also a very painful and useful reminder of an atrocity committed against a particular race of people. It is a lesson to us all to be vigilant that such history does not repeat itself and to speak out continuously against any form of racism and unprovoked acts of aggression.

I am sure, on behalf of all members in this House, I congratulate and thank Zofia de Witt, the president of the Canadian Polish Congress, Manitoba Division and all members of her board for sponsoring this exhibition, and I encourage all members to take some time this week to view this exhibit.

Mr. Gerry McAlpine (Sturgeon Creek): Mr. Speaker, it is a privilege for me to rise on this occasion—

Mr. Speaker: Order, please.

Mr. McAlpine: May I have leave to make a nonpolitical statement?

Mr. Speaker: Does the honourable member for Sturgeon Creek have leave to make a nonpolitical statement? Leave? Agreed.

Mr. McAlpine: Mr. Speaker, it is indeed an honour for me to be able to rise on this occasion in this House to pay tribute to the Katyn massacre. This, as we have heard, is an atrocity that occurred some 40-50 years ago where 15,000 members of the Polish community were killed, lined up and shot through the head, members of the Polish army, members of the communities of doctors, lawyers, university professors, generals of the Polish army. It was not until 1988 that Mr. Gorbachev acknowledged the fact that it was the KGB that were responsible for killing these 15,000 members of the Polish community.

I had the honour of attending on behalf of this government yesterday, at the Polish community, to officially open the Katyn Massacre Exhibit. This is an exhibit that shows many people and reminds people of the Polish community of the massacre of the people. These are individuals, these are not bodies or skeletons that lay in the dirt, but it reminds us of people who have died for a cause, died for liberty, died for freedom, and we are reminded by

that as we look at this exhibit that will serve not only the Polish community, but all Manitobans, of the freedom that we enjoy here in Manitoba and in Canada.

Thank you.

Mr. Dave Chomlak (Kildonan): Mr. Speaker, might I have leave to make a nonpolitical statement?

Mr. Speaker: Does the honourable member for Kildonan have leave? Agreed.

Mr. Chomlak: I just want to join in briefly, Mr. Speaker, with the comments of the member for Sturgeon Creek and the member for St. Johns in commenting on the Katyn exhibit, which I also had the pleasure of attending yesterday.

Because of the fact that I have some Polish background, that I was so moved by the exhibit, I urge all members, if they have an opportunity to visit the exhibit at the Polish Combatants Society on Main Street to do so.

The only point I want to add, Mr. Speaker, is while the exhibit is very distressing and very sad it is also an exhibit of hope I think and hope that these lives, though wasted, out of that came—the truth ultimately did rise to the fore and their grandchildren, some of whom attended the exhibit yesterday, are able to see their homeland now moving towards democracy and freedom. Thank you, Mr. Speaker.

* (1050)

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I would like to announce at this time that the government will be bringing down its budget April 16 at approximately 2:30 p.m.

Mr. Speaker: I would like to thank the honourable government House leader for that information.

Mr. Manness: Mr. Speaker, I would ask you today to call bills in this order: 5, 6, 8, 12 and 3.

DEBATE ON SECOND READINGS

Bill 5—The Mental Health Amendment Act

Mr. Speaker: On the proposed motion of the honourable Minister of Health (Mr. Orchard), Bill 5, The Mental Health Amendment Act; Loi modifiant la Loi sur la santé mentale, standing in the name of the honourable member for St. Johns (Ms. Wasylycia-Leis).

An Honourable Member: Stand.

Mr. Speaker: Stand. Is there leave that this matter remain standing? Leave? Agreed.

Bill 6—The Mines and Minerals and Consequential Amendments Act

Mr. Speaker: On the proposed motion of the honourable Minister of Energy and Mines (Mr. Neufeld), Bill 6, The Mines and Minerals and Consequential Amendments Act; Loi sur les mines et les minéraux et modifiant diverses dispositions législatives, standing in the name of the honourable member for Point Douglas (Mr. Hickes).

An Honourable Member: Stand.

Mr. Speaker: Stand? Is there leave that this matter remain standing? Agreed?

Some Honourable Members: Leave.

Mr. Speaker: Agreed.

Mr. Steve Ashton (Thompson): Mr. Speaker, I would like now to speak on Bill 6.

I wanted to address some of the comments that were made just a few days ago when this bill was introduced. I realize that some of the members of this House who spoke on that day may have spoken with rather little notice in terms of this particular bill.

I do not mean that as a negative comment on the speeches, Mr. Speaker. I think those of us who know the mining industry, those of us who represent communities where mining is the main industry found it rather amusing to hear some of the comments from some of the instant experts on the Conservative side.

I must say that I certainly appreciated their interest in the mining industry. In fact, I believe for some members this may have been the first speech they have ever given in regard to the mining industry. I am not saying the Minister of Northern Affairs (Mr. Downey), I am not singling out anyone, but there were members I think who probably were in that unique circumstance.

It is a bit akin I suppose, Mr. Speaker, to when we in the north speak on agricultural issues. I actually do have some farmers in my constituency. I have many people who would love to farm. I have always suggested that we should increase the degree to which we have agricultural development in the north. I moved a motion in this House a number of years ago to that effect.

I have always felt it is important to speak on general issues of concern, and I can say in terms of my constituents that they are as concerned about the health of the agricultural industry in this province, the future of the family farm as anyone else. Indeed many of my constituents are former farmers, whether they work in the mining industry at this current point in time or whether they are employed in some other sector, they still remember their roots and there is a significant amount of interest and concern in terms of agricultural issues.

In fact, many of the people find themselves in the mining sector, a good number are by choice, but I know of many young sons of farmers and daughters, I suppose, to a lesser extent, who had moved to Thompson because of the lack of opportunities, the fact that the family farm has become increasingly unviable given the pressures and circumstances.

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

When the member for Dauphin (Mr. Plohman) speaks as he does as Agriculture critic, speaking for a constituency that consists of many farmers and many people have a direct say in the future of the farm, I must say when he speaks on issues such as GRIP, I am with him. I was listening to some of the comments the farmers made yesterday. I am saying that, Mr. Acting Speaker, because I believe that we should all take a general interest in issues affecting this province. We should be speaking out on issues whether we, the north, are not directly affected on farm issues.

I would hope that other members of this House would take an equal interest in the mining sector. That is why I wanted to preface my remarks on this bill, because I would note that some of the members who spoke when this bill was introduced are not aware of what has been happening in the mining industry.

In particular, I thought the comments of some members, the Minister of Rural Development (Mr. Downey) in particular, were so far from reality that I really wondered where that member had been. I recognize that the minister, before he was appointed Minister of Northern Affairs, had not been in the north very much. He represented the most far south constituency in the province. I understand that he has been going through a learning process. I still think he has a long way to go, Mr. Acting Speaker. I think in particular he has to learn that he

cannot treat Northerners the way he is treating them because they, to use his words, do not vote right. For him to come into the House with his usual rather bombastic speaking style and suggest that somehow the NDP in the time it was in office had done nothing for the mining industry and this government was somehow doing a great deal for the mining industry defies credibility. One only has to look at what has happened in the mining industry.

The mining industry is cyclical. Right now the mining industry, its success, its failure, depends on the particular type of mineral that is being mined. I would point for example in my own constituency to Inco which is primarily nickel, where times over the last couple of years have never been better because the price of nickel has been extremely high. It has since come down somewhat but it is at a historic level in terms of the price. In fact, the Minister of Finance (Mr. Manness) knows full well that that industry, the nickel mining industry in particular, produced a significant amount of revenue for the province particularly in the 1988 year and to a lesser degree in 1989 and '90. I know the Minister of Mines (Mr. Neufeld) is fully aware of that.

The nickel mining industry has been very strong and very solid and that is why indeed Inco recently announced a continuance of its operation, not an expansion in terms of employment, what they are doing is they are developing further orebodies. It will create a significant number of construction jobs. That is certainly positive for the community and they will be maintaining a significant number of jobs, Mr. Acting Speaker, and that is good news. That is a sign of significant health in that particular sector. By the way—and the minister says good corporate citizen, and I would echo those comments. I do not always agree with Inco on everything they do, and I have been on various different sides. I have walked picket lines when Inco has not been doing the best thing but in general I would give them full credit as being a fairly good corporate citizen, certainly a leader in a number of areas in the mining sector.

I am saying that because the minister was somehow suggesting that I had not made comments on that and I have. Locally in my constituency I have congratulated Inco on the expansion, and I am very pleased for the future health of the community.

You know, Mr. Acting Speaker, that is the nickel-mining industry. The situation with other metals is not as bright. There are some pretty tough times. We have seen since this government came

to office a number of closures. We have seen a number of closures, the LynnGold being the most obvious example. We have seen the community of Sherridon, the Puffy Lake situation. We have seen that mines have been closing and jobs have indeed been lost.

In fact, that is not restricted to mining alone. The forestry sector is going through some very tough times. I know in my own community of Thompson there are many people who are being currently laid off. There are people in Wabowden in a very similar situation, Cranberry Portage. So it is tough times in terms of natural resource-based industries generally.

* (1100)

The bottom line is for the Minister of Northern Affairs (Mr. Downey) to take the good fortune of the community of Thompson and suggest that somehow times have never been better for the mining industry is a misstatement of what is the actual situation. Really I judge governments in terms of the mining industry, not by whether we are in the up or the down section of the cycle, but how governments respond at each particular section of the cycle.

I look in the case of 1981, for example, when the NDP government was elected, the Howard Pawley government, Mr. Acting Speaker. Thompson had never been as low as it had been in terms of employment both because of Inco going through some tough times and incidentally because of government cutbacks. Many people, particularly in the Departments of Natural Resources and Northern Affairs, lost their jobs because of the actions of the Lyon government -(interjection)-

No, that did not hurt Inco's bottom line, it hurt Thompson's bottom line. For the Minister of Finance (Mr. Manness), if he had been in the community in 1981 he would have seen the boarded-up houses, the sense of hopelessness, the sense of despair that was exhibited in the community, the community that I grew up in, a community that was savaged by the brutal recession that was taking place in the nickel mining industry and that combined with government cutbacks.

I say that because what was the response of the NDP government? Obviously the government could not affect the price of nickel, could not affect the economy at that particular point in time, but it

took a number of substantive steps to deal with the situation. First of all it moved to diversify the Thompson economy by adding additional services, for example, education. There are now several hundred people who are residents of Thompson, probably close to a thousand or more when you include dependents, who are specifically in Thompson because of the ACCESS programs and training programs which the Minister of Education (Mr. Derkach) is now reviewing.

We are all very nervous in Thompson about the possible situation that might occur with cuts to those programs, but we took action to diversify the economy. When things hit their bottom level, when Inco went and had to lay off people for a four-month period initially in 1982-83, what did the NDP government do? Sit back and say nothing could be done? No, Mr. Acting Speaker, the government moved in. I remember being very much a part, at that time, of having community meetings. We developed community projects that could be done by laid-off Inco workers. We negotiated an agreement with the federal government to top up UIC payments and allow people to work for the betterment of the community. What did we do? We used the mining reserve fund, a fund established by the Schreyer government from a percentage of mining royalties that was then used as a reserve fund to help those communities. That fund, incidentally, has also been used subsequently in other northern communities.

That is the kind of approach of an NDP government faced with a recession, faced with laid-off workers, faced with a community facing some very tough times. It did other things—with capital projects, for example. In terms of capital projects, the capital funding that the school board had requested to enclose classrooms and improve the facilities was accelerated so that some of those laid-off workers were able to work towards the betterment of the community, were able to do so in a way which was made possible by the advancement of those capital funds. That is what an NDP government did in a time of recession, a time of economic adversity. It did not sit back. It did not wash its hands of the situation. It came in and it worked with the community to save the community from some very tough times.

I remember how much effort was expended by many people in the community at that time. I say that because—to the Minister of Northern Affairs

(Mr. Downey), who I said is very much still learning on the job, and God knows he has a lot to learn, from his statements in terms of Northerners. I compare that to the current situation. What happened in Lynn Lake with LynnGold? What happened? Well, the NDP government had been there with the community, worked with the community, and it saved the mine in conjunction with the community and the company. The minister was of the view that the mine should never have been opened in the first place, and we had a self-fulfilling prophecy. In his view, the mine should never have opened, and it closed.

I remember being in my office and talking on a daily basis with people from the community, laid-off workers, and seeing their frustration at dealing with a government that just, quite frankly, Mr. Acting Speaker, did not really care. Safely ensconced in this building, hundreds of miles away from the communities involved, not really having much of a sense of what it is like to live in a mining community, they sat back. As the member for Broadway (Mr. Santos) said earlier, they fiddled while Rome burned. They sat back and allowed LynnGold to disappear. They allowed the community to be faced with massive layoffs. They allowed the community of Lynn Lake to be essentially destroyed as a community. I say that, Mr. Acting Speaker, knowing that that community will rise again because I know there is a future for the mining industry in that area of the province, but no thanks to this government.

What else have they done in terms of the mining industry? One thing we had, Mr. Acting Speaker—and to the minister who talked about Inco being good corporate citizens, and other mining companies, we had the mining development fund, a federal-provincial agreement that was negotiated by our government. It worked in partnership with the business sector, the mining industry and government to improve research and development in the mining industry, to essentially invest in the future of that industry to make sure that we were in the position of having the processes to be competitive and having the reserve orebodies to be competitive.

Well, what did this government do? Where is the mining development fund? Mr. Acting Speaker, it is a victim, a victim of a government that since it has come into office in 1988 has seen virtually every ERDA and cost-shared agreement that existed prior

to that, that have been negotiated by the NDP government, disappear. The only thing they have come up with, and this is of some irritation I might say to many people in my area, is the Southern Development Initiative in conjunction with—well, it is the federal government essentially which they were quite glad to associate themselves with—to bring improved sewer and water services in southern communities.

Mr. Acting Speaker, in the north we have many communities who do not have any sewer and water. They do not have any sewer and water, and yet this government, which has cut the Northern Development Agreement, cutting programs that were going to be of assistance to the north, has no problem with an initiative that is a southern development initiative that brings into those communities that already have sewer and water funds to improve those facilities and maintain those facilities.

I am not arguing against the program in terms of those communities, but if you are going to have a southern development initiative, have a northern development initiative as well and recognize the balance. Recognize that in the north we have a fragile economy. We have a majority of our communities with significant unemployment, seasonal employment at best. We have communities that are being savaged by the antifur trade lobby, savaged by prices that are the lowest that people can recall, Mr. Acting Speaker, the lowest in history.

We have mining communities that indeed go through boom cycles and go through bust cycles, and I have seen it only too many times in my own community of Thompson which has done probably better than most. But we, Mr. Acting Speaker, were down to about 11,000 people in 1981—11,000 people. We have since recovered to over 15,000, but we are subject to those types of cycles.

That is why it is so unconscionable for this government to sit idly by while the Northern Development Agreement, the mining development agreement, virtually everything that was there in place to help diversify the northern economy, to help develop the mining industry, to sit idly by while those agreements lapse, sit idly by while those funds disappear, to sit idly by while those communities that depend on that type of assistance, on that type of development programming face tough, tough times.

You know, a few minutes ago I referenced the amount of money that came out of the mining industry, particularly in the years 1988 and '89 and to a lesser extent 1990 in terms of mining revenues. From Thompson alone, from the Inco mine alone, we are talking in excess of \$100 million, well over that, Mr. Acting Speaker. When I stand here speaking on behalf of Northerners, I am not asking for handouts. Nobody in the north is asking for handouts.

What we are asking for is to see a little bit of the type of revenues developed by the mining industry returned to the mining communities, to see the money that is coming from the mining industry, from forestry and from hydro-electric development come into northern communities. I am talking about not just the Thompsons. I am talking about the Pikwitoneis, the Thicket Portages, the Ilfords, the York Landings, the Split Lakes, the Nelson Houses, the Wabowdens, because the resources of the north, the benefits of those resources should go to all Northerners and particularly to our aboriginal people who over the years have sat back and seen development after development take place in each and every sector while they received nothing in return, only the negative consequences of development—the flooding from the Hydro. They have seen virtually no employment opportunities, Mr. Acting Speaker.

* (1110)

That is why when I look at this particular bill I appreciate that this is a technical overhaul in terms of this particular act, in terms of The Mines and Minerals Act. It is a major overhaul but you know this major overhaul, whatever positive features it may have, does not deal with some of the root problems. In terms of the Mineral Development Agreement, why did not this government, when it was receiving in excess of \$100 million a year, put more of that money into a reserve fund that was going to maintain northern communities in difficult times?

Why? Why? While the Minister of Northern Affairs (Mr. Downey) says they put it into the taxes, they put it into the interest. How about putting it back into the north where it belongs? What indeed has this government done in the north? What has this government—

An Honourable Member: Health care, education.

Mr. Ashton: Well, education the minister says. They have just laid off six employees from KCC, the ACCESS programs are on the chopping block, the Thompson school district received zero percent funding. What money are they putting back in the north? They are putting in zero, Mr. Acting Speaker.

They are cutting back because this minister announced—(interjection)—we all know it is the policy of this government. He announced, confirmed on the record, and I think even he will admit it is a fair statement of government policy when he said that Northerners do not know how to vote right, suggesting that is why they were cut back, they do not know how to vote right.

Is it any wonder that Northerners have rejected the Conservative Party so overwhelmingly? Well, the minister says, no. I mean even he understands, I guess, finally why. This is the party that ignored the north in the '60s, when many of the communities were being opened up. Gordon Beard quit the Conservative Party to sit as an independent in the '60s.

It was the area of the province that turned to Ed Schreyer, the New Democrats and has been by and large represented by New Democrats since that time. You know if anybody wonders why people continue to reject the Conservatives look what has happened. 1977—a Conservative majority government is elected. What happens? Layoffs, cutbacks, freezes in funding. I mean history is repeating itself and Northerners are suffering disproportionately. The bottom line—(interjection)—well, the minister is always quick to blame anyone other than himself.

He is the so-called Minister of Northern Affairs (Mr. Downey), and I want to see what this minister and this government is going to be doing in terms of the north, because all we have seen from this minister is platitudes. All we have seen is an admission of how cynical their policy is which is, if you do not vote right, you get cut back. That is what Northerners have suffered through. We suffered through it in the 1970s.

Well, what happened? The Schreyer years and eight Pawley years. Programs were developed to develop the north. Under the Pawley government, of which I was part, we developed Limestone. By the way, that was opposed by the Conservatives and the Liberals who called it Lemonstone. They opposed it. We have developed the Mining

Development Agreement—nothing from those members. We had the jobs for them, which by the way was one of the key things in keeping those northern communities going during the recession and they opposed that.

Each and every initiative we took in the north the Conservatives opposed, opposed, opposed. 1988 comes along. The new, new Premier is elected with a minority government, the current Premier. What happened with that government? Well, they said they were going to be different. Does anybody remember what they were talking about in the north? I remember they were going to be different. Not their candidates, Mr. Acting Speaker. Their candidates opposed many of the initiatives that we were taking including training programs for aboriginal people.

They opposed those, but I will say the Premier (Mr. Filmon) did not fall into the same line of attack. He basically did not really visit the north that much in the election, did not say that much but in 1990 once again we end up with the scenario of a Conservative majority government.

History repeats itself. I just cannot believe it. It is like Back to the Future. I mean, if I were to close my eyes and just listen to what I was hearing from this government, the voices—I do not want to open my eyes and have to look at this bunch in government. At least give me the luxury for one minute of picturing, then I will close my eyes and forget that this government is in place.

Imagine, Mr. Acting Speaker, imagine. Well, you know I hear the same thing. I even hear some same voices—the Minister of Northern Affairs (Mr. Downey), the Minister of Health (Mr. Orchard). Yes, oh, they were part of it. The Premier (Mr. Filmon) was part of that government, the Sterling Lyon government, but you know, Sterling Lyon had the guts to stand up and say, this is the way it is going to be.

I remember being a student. I remember protesting against—How about history repeating itself?—20 percent tuition increases. What is happening this year?—20 percent tuition fee increases.

You know, the difference is Sterling Lyon had the guts to go and speak to any member of the public who requested that. He had the guts to meet with people who did not agree with his policies and he never barred the doors in this building. People were

free to come to this gallery. He was forthright, whether you liked him or not. He said he was going to cut back in the north and he was proud of it. I never agreed with that, but he was proud of it and he did it in terms of the general situation.

Well, Mr. Acting Speaker, the one thing, as I said, I hear the same things now. They have differences. They try and put a different gloss on it, because this government is hiding from the simple fact that it is a Conservative government and that when Conservatives have majorities, this is what they do, time—

Mr. Acting Speaker (Mr. Lamoureux): Order, please; order please. I would ask the honourable member for Thompson (Mr. Ashton) to keep his debate relevant to the mines. I would like to remind you that we are speaking about The Mines and Minerals and Consequential Amendments Act. Thank you.

Mr. Ashton: Mr. Acting Speaker, I have repeatedly referenced the mining industry and the complete ignorance of the mining industry displayed by members of this government and displayed by the serious omissions in this bill, which I am not saying is without merit. Let me make that very clear. This bill has some feature—it is an overall reform of the act, but you know, where is the action for northern communities? Where is action on the major amounts of money this government siphoned out of the north through taxes and would not put a cent back in?

I remember when we in the north were fighting for the Northern Tax Allowance. I rose and I asked the Minister of Finance (Mr. Manness) would he at least guarantee a provincial portion, which they were paying anyway in 1988 to northern communities affected? I asked him would he not give some of the mining revenue? I was talking about 2 or 3 percent of the money they were raising in a year and not even that, more like 1 percent. The minister said no, no special treatment for any section. Special treatment? We live in the north. We pay more. We are asking for special treatment by wanting a Northern Tax Allowance. We are asking for special treatment by asking that some of the money that comes out of the north, that is siphoned out of the north, go back into the north?

You know, if you ask many Northerners what frustrates them the most, it is that kind of attitude of so many governments, particularly this type of

government that sees the north as a place to siphon resources out of, or a good place to raise mining revenues from, or a good place to put up hydro dams. Mr. Acting Speaker, we have great potential in terms of natural resources.

But not only do we not get additional support for the north, we get governments like this come in and slash education, they freeze the school funding, they cut back in terms of Health and Family Services and we end up in the situation of asking ourselves why? Why is a region that has such a fragile economy at best, why does it have to put up with this type of treatment? Why does a region that does a lot for this province, this part of Canada, why does the north that is the very future of this country, why is it so often left out? Left out in terms of Constitutions, left out in terms of programs, left out in terms of economic development, left out in terms of discussions and debates, in terms of this type of legislation.

* (1120)

I recognize we are only four constituencies out of 57, four communities out of 57, but, Mr. Acting Speaker, I think all members would recognize the contribution the north has made toward this province, whether it be in terms of the mining industry or other industries. I would hope the members would take the time to look at just how much money the Province of Manitoba receives in royalties, tax revenues, et cetera. That is why, to the Minister of Highways and Transportation (Mr. Driedger), when I lobby as I have always done no matter who is in government in terms of northern roads, and I point, Mr. Acting Speaker, the bottom line is we were saying in the North we need improved road service and there were many improvements took place, the Easterville Road, I remember that we worked on; the Flin Flon connection, improvements to the Split Lake Road.

I believe the Minister of Highways is fair and I really believe that in some areas there are some projects that have been undertaken, in particular some of the work that was done on the Thompson-Nelson House stretch—to the minister, I believe that was a very positive development and, by the way, I would say to the minister that I really believe much more work needs to be done in that particular area and other areas. I appreciate the fact that this minister is fairly open-minded to discussion on that and I say that seriously because I believe the minister makes a serious effort to be

fair to all regions of the province. I think he is hamstrung by some of his colleagues. I believe that the north has not proportionately got its share of Highways funding the last number of years, but not through any fault of the minister. I believe it is a fault of this government. It is the fault, in particular, of the kind of attitude expressed by the minister of Northern Affairs, that Northerners do not vote right that is why they get cut back.

I believe that is why, when we are dealing with this bill, Mr. Acting Speaker, there is no reference in this bill to expanding on the Mining Reserve Fund, there is no reference in this bill to taking mining revenues and putting it back in the mining industry. This is a technical bill, it is important to the mining industry in the sense that whatever is decided as the result of this is going to have an impact on the day-to-day operation.

I want to say to the minister that I will be taking the time to take a very detailed bill, a very extensive bill, and I will be meeting with people in my community, both Inco and representatives of the steelworkers because both the company and members of the union have an equal stake in this, and I will be taking the time to go through each specific section. I want to say to the minister—I know that our critic, the member for Point Douglas and other northern representatives, particularly the member for Flin Flon (Mr. Storie) who has many communities that depend on mining in his constituency—I can say are going to be doing the same thing, and we will be, if necessary, moving amendments at committee at the detailed stage. I do not anticipate this bill going to committee in the immediate sense, because we would like the opportunity to be able to consult with people in our own constituencies. I know the minister has been doing that. I am not saying that he has not, but we would like the opportunity to do that. We are not in any sense trying to stall debate or discussion on this bill. It is a very detailed bill. It is probably going to be the lengthiest bill of the session.

I want to say that in doing that, in saying that we agree with the principle of changing the bill, in saying that there might be some merit in specific sections and that we might be trying to amend others, we are not in any way, shape, or form letting this government off the hook for its omissions in this bill. We are not in any way, shape, or form allowing the members who spoke rather hastily the other day to try and rewrite history. We are not in any way,

shape, or form going to stop reminding this government and people in the north of what happened under Lyon, what happened under Pawley, what is happening now under this government and the significant differences that the New Democratic Party put in place in dealing with northern communities in the mining industry. We are going to remind them of that.

We are also going to keep fighting for something else, the omissions in this bill. We are going to fight for a real, substantive mining reserve fund. The fund brought in by the Schreyer government is a very useful fund. I believe we should have something of the nature of a Heritage Fund, similar to the Alberta fund. I have always felt that some portion of revenues produced by mines, hydro-electric developments, forestry developments in the north should go back into northern development.

We took action on that. I note the Premier (Mr. Filmon) recently announced with CGE some developments that were essentially part of an offset agreement brought in by which government? By the NDP government. There are precedents in place, but what has happened is that the Schreyer government's Mining Reserve Fund has outlived its usefulness in terms of its degree. It is a good prospect, but it needs to be expanded. There needs to be more money in the fund.

There also needs to be a broader role for the fund, once again something that has been omitted by this government. There is no reference to expanding the role of that fund. We saw—and I know anyone who has been to northern communities faced by major layoffs, part of the problem is not just dealing with trying to maintain the company. The company is not going to be maintained. You have to deal with the situation in the community. I believe the mining reserve fund should be in place to provide greater assistance than has been the case in the past, particularly in the community of Lynn Lake, when the mine closes and there is need for adjustment measures.

The federal government, by and large, takes the lead role, and there are a number of very important programs. They are in place, especially programs that deal with the mining industry, but by and large the provincial government is more of an advisory role; it is more in a degree of assistance. -(interjection)- I say to the minister who says they played a major role, I believe the departmental

people—I believe in terms of the sense of providing advice and assistance—were very important.

I give them credit, Mr. Acting Speaker. I am not taking away from the role they perform. I am saying it is not good enough. I am saying there needs to be more resources. There needs to be more protection for northern residents affected by mining closures. That is what this government is not doing. It had the opportunity with the greatest level of mining taxation in terms of revenue. The minister knows this is the case in history in the years 1988 and 1989, largely because of the health of the nickel mining industry—\$5 and \$6 a pound nickel. They had the opportunity to capture some of that at least for the north.

What did the Minister of Finance (Mr. Manness) do with that money? He set up his stabilization fund which has since basically been pounded by events, the worsened economy, the worsened revenue situation for the government. That money basically is really gone; it is gone with the wind. I know the minister is bringing in his budget in the next period of time, and I found it interesting today that the Premier was talking about keeping the deficit down. Well, we will see, Mr. Acting Speaker.

I think we know where the deficit is headed, but that is the problem. The \$100-odd million that came out of the mining industry, the minister full well knows where it has gone. It has gone into general revenues. It has not gone into the mining industry in the north. Even \$25 million or \$50 million put away from one good year, even a portion of the funding, even if we had just taken the increase year over year in '88-89, put away \$25 million into the fund, just think what we could have done in northern communities.

I see the member for Flin Flon (Mr. Storie) who I know wishes to speak on this bill. I asked him how the people of Lynn Lake, the community of Lynn Lake, would have fared if they had access to a fund that had \$25 million in it and was available for some of the types of programs they need, or the community of Sherridon, for example, which was closed. What would they have been able to do? I know the member is going to be outlining some of the specific mine closures that have taken place under this government in contrast to what the Minister of Northern Affairs (Mr. Downey) said.

(Mr. Speaker in the Chair)

Mr. Speaker, I want to close by saying that I appreciate the intent of people to speak on the mining industry, but I must say that in reading the speeches and listening to the speeches apart from some who have some background—the member for Lakeside (Mr. Enns) I know has a background as minister and there is hope, I think, with some knowledge of the area—and apart from that particular speech I sense an element. I do not mean this in a particularly pejorative sense, but an element of ignorance on the mining industry, its importance to the province and what has been happening.

The sad part is this is the ignorance that has led this government to believe the kind of bombastic statements put forward by the Minister of Rural Development (Mr. Downey), the rhetoric. They think they are actually doing something for the north and northern communities when in fact we have had repeated mine closures, Mr. Speaker. We have had a government that has allowed the mining development fund to disappear and has done nothing except in the current case to look now with its budget process at what it can take out of the north, whether it be with KCC where they have already cut six positions, whether it be in terms of the ACCESS programs.

We will see what will be happening, and I see the Minister of Northern Affairs (Mr. Downey) still has not learned his lesson. They are doing less for the mining industry than has ever been done before; the only thing they have done more of is take more money out of the north, and the minister knows that. The problem is they will not put it back in, and that is why the Minister of Northern Affairs wonders why people vote the way they do in the north.

* (1130)

I mean just look at the record; people have for the last 20 odd years. They have seen NDP governments, they have seen Conservative governments, and they have decided, I know, in each and every community in my constituency they would never ever believe the rhetoric of the Conservative Party, and can you blame them? Because everything the people in my constituency feared from a Conservative government is happening. The Conservative candidate had students say, well, you are going to cut back on education. She said, no, we are not going to cut back on education. We will have all the programs in place, we will not cut one cent.

Now, what have they cut? They have cut six positions. They are going to put the ACCESS programs on the chopping block. What are they doing? They are cutting the programs. Each and every time that I went to a forum, people asked, you are going to cut back on family services, you are going to target education. What happened? In a few short months they were right.

In fact, what always used to amaze me is that Conservatives would go around and they would say, well, the NDP is spreading all these rumours. Mr. Speaker, the NDP was not spreading any rumours. People have been around. They saw what Lyon did. They know that you can call something the Filmon team. If it has spots like a leopard and it looks like a leopard and it walks on four paws and has a tail and you would not want to meet it in the middle of the night, it might just be a leopard.

It is the same way with the Conservative Party. You can call it what you want. You can change the logo; you can change the name. You can bury the logo in small print. You can put it on the back of all your leaflets and your posters so no one sees it, but, Mr. Speaker, a Conservative is a Conservative is a Conservative, and nowhere is that more true than in northern Manitoba. I say that out of sadness because I believe there are some members over there who would like to do better.

For those who would like to do better and those who object when I point to what is actually happening, I say talk to your cabinet colleagues here. Those of you who are in the cabinet, caucus members, talk to your Minister of Northern Affairs (Mr. Downey) and the others who are making decisions affecting the north because it is not just good enough, Mr. Speaker, the way the north is being treated by this government.

Hansard Correction

Mr. John Plohman (Dauphin): Mr. Speaker, I have a Hansard correction that I would like to do at this time.

On April 3, Wednesday, in a question—page 575 of Hansard—I had put forward on the record a number of statistics involving a survey that was taken at a meeting in Carroll, Manitoba, that I was present at. I had quoted 85 percent wanted a free vote on GRIP. Hansard has picked it up as a “free ride.” That is a blatant mistake, an error. It is not accurate and I would like, Mr. Speaker, for you to

protect my privileges as a member, to review, if you would, the tapes on that to ensure that is a fact. Thank you.

Mr. Speaker: I would like to thank the honourable member for Dauphin and I will undertake that.

An Honourable Member: Mr. Speaker, on the same point of order.

Mr. Speaker: Order, please. There was no point of order.

Point of Order

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, it certainly is a point of order that the integrity of Hansard at all times be maintained. I appreciate that all of us, myself included, from time to time would like to change, erase or indeed alter something that we may have said in this House.

I would ask you to treat this matter with the utmost seriousness, and indeed I would request that a member of my group, perhaps in consultation with the House leader, be available to listen to the tapes as you review the request. If indeed the honourable member has put those words on the records, Sir, then they stand.

Mr. Speaker: The request has been made to the Speaker to check on this Hansard correction, and I have indicated that I will do such.

* * *

Mr. Jerry Storle (Flin Flon): I would also like to add my remarks to Bill 6, Mr. Speaker.

I want to say at the outset that I appreciate the fact that the minister is bringing forward substantial amendments—in fact, a complete rewrite of The Mines Act.

The Mines and Minerals and Consequential Amendments Act is, I think, a good starting point for bringing The Mines Act and bringing the relationship between government and the mining community into the 1990s for sure, if not into the 21st Century.

Mr. Speaker, we often hear from members, and certainly if you read the remarks of the member for Rossmere, the Minister of Energy and Mines (Mr. Neufeld) and the Minister of Northern Affairs (Mr. Downey), you would be led to believe that there is a great deal of concern about the mining industry in the province. The introduction of this particular bill belies the fact that this government has shown

significant indifference to the mining industry and mining communities in the province of Manitoba.

Mr. Speaker, I am going to take some time at the beginning of my remarks to talk about the indifference of the government, the failure of this government to recognize the value of mineral development, the value of mining to the province of Manitoba.

This government likes to suggest that it has not raised taxes. One of the first acts of this government was in fact to raise the taxes on mining companies in the province of Manitoba. One of the very first acts of this government was to raise mining taxes.

In 1988, when they introduced their new budget, they dismantled a proposal to create—as my colleague for Thompson suggested—a fund that would have helped to stabilize the mining industry in mining communities and the very lives of miners in northern Manitoba.

They chose not only to discontinue that fund, they chose in fact to create a new tax on mining companies. They implemented a 1.5 percent surcharge on the mining tax in Manitoba. That was one of their first acts.

Mr. Speaker, I wish I could report to the House that over the intervening months and years the record of the government had improved. Unfortunately, I cannot report that. In fact, the record of this government towards mining communities and the mining industry in the province has continued to deteriorate to the point now where we are in a crisis situation.

What is the record? What is the record of the government? I think it is important to outline very clearly for members opposite and for the public what the record has been. Since this government took office in 1988, there have been two mining communities decimated, the community of Sherridon with the closure of the Puffy Lake mine by Pioneer Metals, the closure of the MacLellan mine by LynnGold in the community of Lynn Lake, both resulting in the loss of jobs, the loss of opportunity for the community and in fact the devastation of the community itself.

Besides those communities—and I want to talk about those communities at a little greater length in a minute—there have been other significant mine closures including Tartan Lake, a project that was operated by Granges, resulting in the loss of 40 or

50 jobs. There have been other mine closures as well, resulting in sometimes fewer jobs, and those closures were as a result of the inability, I guess, of other major companies to operate those mines at this time.

Mr. Speaker, the fact is that the number of miners employed in Manitoba has declined, the number of operating mines has declined and the number of mining communities has declined. That is not a record to be proud of, and if you look at the words of the Minister of Energy and Mines (Mr. Neufeld), there is no consistency between the rhetoric of this government and the minister and the reality that people in my constituency, in the constituencies of the members for The Pas (Mr. Lathlin) and Thompson (Mr. Ashton) are facing. That reality is much different and much harsher.

Mr. Speaker, the crisis deepens. Hudson Bay Mining and Smelting has been waiting for some leadership from this government since 1988 so that it can commence a modernization project at its smelter operations and its milling operations in the community of Flin Flon.

* (1140)

At a time when metal prices were historically quite good, the government had an opportunity to show some leadership and sign an agreement that would have seen some \$160 million spent on modernizing the plant in Flin Flon. They had an opportunity to conclude an agreement that would have seen the investment of some \$200 million in mineral exploration in northern Manitoba as a result of the commitment to modernize. It would have seen the rationalization of the copper and zinc industry in the northwestern part of the province that would have stabilized the communities of Flin Flon, Snow Lake and Leaf Rapids for the next 50 years.

Instead, Mr. Speaker, we have a Mine Act, a new revised updated Mine and Minerals Act. We have words on paper, but we have no real commitment to the mining industry. Hudson Bay Mining and Smelting is still on a hook, and as I have explained personally to the Minister of Energy and Mines (Mr. Neufeld)—as has the company itself, HBM&S, explained to the minister—that company's hold on its operations is becoming more tenuous as we speak.

Mr. Speaker, on Tuesday, I believe, of this week, I was visited by the vice-president, one of the vice-presidents of HBM&S, who divulged that the

company would be laying off additional people in Flin Flon over the next several months. Those layoffs, coupled with the announced closure of additional mines in the province of Manitoba, are leaving serious doubt about the long-term future of the communities of Flin Flon, Leaf Rapids and Snow Lake—serious doubt.

We have seen no leadership. Every time I or someone in northern Manitoba has requested some leadership from the government, we have received blank stares and vague reassurances that negotiations are still ongoing. Mr. Speaker, not only is HBM&S in this instance facing extremely difficult financial circumstances, they are facing declining copper prices, declining zinc prices, they are facing increased costs, they are also facing an environmental time line. In 1987, with six other provinces, the Province of Manitoba undertook to reduce sulphur dioxide emissions in the province of Manitoba by some 25 percent. That agreement is another reason why this government has to show some leadership and get the modernization project under way because if modernization does not start by June of this year, it will not be able to meet the guideline of reducing sulphur dioxide emissions as of January 1, 1994, because the construction phase of the modernization is anticipated to take at least 30 months.

Mr. Speaker, time is running out. Time is running out for Hudson Bay Mining and Smelting. Time is running out for the communities in my constituency that are affiliated with HBM&S and count on HBM&S for employment, and time is running out for this government to respond to a genuine crisis in a very important economic sector in the province.

Mr. Speaker, we cannot afford a delay any longer. We have to have some leadership. As much as I support many of the things that appear in this bill, what I want desperately, and what the people of Flin Flon, Snow Lake and Leaf Rapids want desperately, is a show of commitment to the mining industry. We want an agreement. We want the government to show leadership and to show that they do support the mining industry in the province of Manitoba. We have seen the number of miners reduced. We have seen the number of mines reduced, the number of mining communities reduced, all in the very short tenure of this Conservative government.

Mr. Speaker, there is another problem in the mining industry, and that has to do more with their federal cousins in Ottawa than this government.

But I would be interested to know from the Minister of Energy and Mines (Mr. Neufeld) whether he interceded on behalf of mining companies in the province. That has to do with what are commonly called in the mining industry flow-through shares.

Mr. Speaker, although flow-through shares were used by some large mining corporations to enhance their exploration activities, the fact is that much of the exploration work that was taking place in the province through the 1980s was funded by what are called flow-through shares. Although the New Democratic Party has never been a strong supporter of the variety of tax loopholes, exemptions and incentives introduced into our tax system by the Liberal and Conservative governments, one of the few that has actually worked to create exploration activity, jobs and, yes, actual producing mines was the flow-through share issues.

Mr. Speaker, those were discontinued. Despite their obvious effect on economic development in the northern part of the province, in the mineral producing part of the province, that particular program has in effect been suspended. It has created the additional dilemma that mining companies in this province face, as well as those that are being faced by other mining companies in the province of Manitoba.

Mr. Speaker, all in all, what is the record? The record is a dismal one, and the record is going to continue to deteriorate unless this government changes its modus operandi, until it becomes more proactive, until it shows a genuine interest in solving some of the problems that exist in the mining industry. One of the major players in the mining industry needs some help and needs it now. Small exploration companies need some help and need it now. Mining communities that are struggling need some help and they need it now.

Mr. Speaker, I am not sure whether it is within the purview of any particular segment of this bill, but one of the things the mining communities need right now is some form of equity insurance for the literally thousands of people who have invested their life savings and their lives in northern mining communities.

Mr. Speaker, my colleague from Thompson talked about the millions of dollars, the windfall taxes that were taken out of northern Manitoba in 1988 and 1989 and, to some extent, in 1990. Literally hundreds of millions of dollars in windfall mining tax

profits have flowed to this government. All Northerners are asking for is one small amount of support in terms of a program to provide some level of comfort and security for those who have invested in homes and in businesses in northern Manitoba.

Mr. Speaker, single industry towns have been threatened in the past. We have seen the closure of many single industry towns, and the result has been devastating for individuals in those communities. It is time that the government recognized that individuals in those communities deserve our support, our encouragement and our continued support through the tough times. We believe that the government should get on with the task of creating a fund to which individuals, businesses can contribute, a fund which is also contributed to by the people of Manitoba who benefit from the activity of mining in northern Manitoba and other parts of Manitoba.

Mr. Speaker, that is, I hope, a modest request given the millions and millions of dollars that this government has received in mining tax revenue from the mining taxes of the provinces.

An Honourable Member: How about you guys?

Mr. Storie: The Minister of Highways and Transportation (Mr. Driedger) says: How about you guys? Mr. Speaker, I wish -(interjection)- Yes, Mr. Speaker, the minister asked the question that I wanted asked: Did we?

In the 1988 budget which this minister defeated, there was a proposal to take 5 percent of the taxes from northern Manitoba and put it into a mining community development fund for the exact purposes that I talked about. This government chose not to do it and then they turned around and increased the mining taxes by 1.5 percent. That 1.5 percent was supposed to be an interim tax while mining was profitable; that tax remains to this day. We will see if the minister removes it in the next budget, the upcoming budget.

Mr. Speaker, this government cannot take a great deal of pride in merely introducing this act. I have outlined what I think is a crisis situation. I hope that this crisis does not deepen, but I fear that the government is not listening. I do not know whether it is not listening because of the sentiments expressed by the Minister of Northern Affairs (Mr. Downey) that the people do not vote right, but I do know that right now they are not listening. What it has taken, on the part of Northerners, to get the

government to listen is civil disobedience. It has taken protests and letter writing by councils and individuals in northern Manitoba to get them to listen.

* (1150)

Mr. Speaker, I reference the fact that the Community Calling program will be discontinued between the communities of Snow Lake and Flin Flon but only as a result of tremendous pressure from the Chambers of Commerce, the councils and individuals in those communities. It is not because the government is listening—it is listening, Mr. Speaker. There is a political price to be paid for not listening, and this government will pay that price as well. They will pay it from miners in northern Manitoba, and they are going to pay it from farmers in southwestern Manitoba because they are not listening.

Mr. Speaker, I want to talk to reference more specifically—and I hope I am not in breach of the rules, because I know we are supposed to be talking about the principle of this bill, but there are three separate sections in this bill that I think I would like to talk about in principle. The first one relates to the addition to The Mining Act of a definition of sustainable development and its role in mineral development in the province of Manitoba. Section 2 which talks about the purpose of the act and Section 2(2), specifically, which refers to sustainable development, are, I think, important additions to The Mines and Minerals Act.

There have been many instances in the past, in northern Manitoba, where mineral development has turned into ecological disaster for community residents. Mr. Speaker, the community of Sherridon is a perfect example. Until 1952, Sherritt Gordon operated the mine in the community of Sherridon. After the mine became unprofitable and the company moved its operations to Lynn Lake, the community of Sherridon was left with an environmental nightmare. They were left with a tailings pond that was leaching into their water, polluting their lakes. They were left with the aftermath of the movement of the mine and the mine head frames. None of the environmental damage that was created by the installation of the mine was corrected by Sherritt Gordon before they moved out.

Mr. Speaker, the inclusion of a section in the act on sustainable development is a laudable addition. Unfortunately, it is not apparent here how this

addition is going to benefit the communities and individuals who work in those communities directly. I have said on other occasions that I hope this act will be applied with the new Environment Act to make sure that mining companies are responsible directly for the damage that they cause to the local environment, and that they are in fact required to leave closed mines, closed open pits, closed communities in some sort of reasonable shape after the venture has concluded. That clearly has not always happened in the past.

Mr. Speaker, if the government's commitment to environmental protection is as weak in this piece of legislation as it has been generally, we cannot hold out too much hope that there will ever be any teeth in the regulations that relate to the section on sustainable development. The government's WRAP legislation, the Waste Reduction and Prevention legislation, has yet to see a single regulation which has an impact on the reduction or the prevention of the creation of waste in the province of Manitoba.

It is an interesting section. I am glad to see it included, and it may be one of the areas where there will be amendments recommended by others in the community, the environmental movement and perhaps even the mining industry and representatives of mining communities themselves.

The other area that I believe deserves comment is the Regulations section. In the remarks of the Minister of Energy and Mines (Mr. Neufeld), he talked about the fact that significant rules and regulations were left outside the act. The previous act left many things to regulations which perhaps should have been included in the original bill. The minister maintained in his statement that somehow he was correcting some of those problems.

For those who are interested, on page 133, Part 17, where the regulations are discussed, we find the list of regulations that can be introduced, amended, changed at the whim of the Lieutenant-Governor-in-Council is exhaustive. There are some running from A to Z and with many, many additional regulations coming thereafter under an omnibus regulation which effectively allows the government to do as it wishes.

Mr. Speaker, we are going to take a very close look, and myself and my colleague, the critic for Energy and Mines, will be discussing these amendments and these regulations thoroughly with

many of the individuals involved in mining activities in the province of Manitoba.

The further section that I wanted to comment on is the comment on offences and penalties under the act. This is one area where, in my opinion, the government has not sufficiently updated that mining act to reflect current realities. The fact of the matter is that The Environmental Act and other acts that have been introduced in the last five or even 10 years have reflected an increasing willingness on the part of government to levy substantial fines for people who violate environmental regulations, for people who violate the statutes and the regulations of the Province of Manitoba.

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

Many of the fines that are referenced in here, including a maximum fine of not more than \$100,000 in one case for a corporation is, in my opinion, inadequate. The potential for environmental degradation in a mining activity is extremely significant and in this case the penalty should fit the crime, and the offences and penalty section of this piece of legislation, in my opinion, needs to be reviewed.

It would certainly be my contention at this point, Mr. Acting Speaker, that we need to improve those sections. We need to make sure that accountability, a word which is used by the government very often, in fact is reflected in this legislation. We want to know that if violations of this act occur and that there are consequences that are significant, that the polluter shall pay.

A simple principle which the government itself has enunciated, I do not think is reflected in what I see in this legislation. There will be some amendments. There are many sections of this act which are fairly straightforward, that reflect an updating of language and not much else when you compare the two acts, but there are some additions. When we get into committee, I can assure you that we will be scrutinizing the specifics of this legislation to greater length, and it is quite likely that some amendments will be forthcoming.

Thank you, Mr. Acting Speaker, for your patience, and I have concluded my remarks.

* (1200)

Mr. Plohma: I am pleased to rise at this time to address some of the issues dealing with The Mines

and Minerals and Consequential Amendments Act that is before this House here today.

I know that mining has certainly not been a major industrial factor in my area of the province, but certainly the opportunity exists in the very near area, in the Russell area, for potash development which has basically been put on hold. I know that the members opposite who hold office in that area are probably anxious, as most Manitobans are, that that particular development take place in this province.

There was, I think, some significant movement taking place in the area of mining development during the '88 period, prior to the '88 election. Unfortunately, it seems that development has ground to a halt under this government. We have heard virtually no indications from the government that they, in fact, are pursuing, or want to pursue, that development. They have not been able to identify investors to work with on a joint venture basis and therefore, we have not seen any significant developments taking place. I think that is probably very consistent with their lack of support and initiative and concrete action in the agricultural area as well.

I know when we were speaking on bills dealing with certain subjects, sometimes we tend to stray somewhat from the major issues contained in that bill, but there are many factors involved when a government is doing some major revisions to bills, and they have to consider the economic impact.

I found it rather interesting that the minister, in introducing this bill, made the statements that, and I quote, private sector investment consistent with sustainable development initiatives will be encouraged under this bill, and that the government is going to introduce other initiatives that will enhance the attractiveness of Manitoba for investors.

Now this bill, he is saying, is going to encourage private sector development in this province. That is what he is saying. I fail to see, and we will certainly want to pursue that statement in the committee at the time this is being discussed, because it is clearly not evident in this bill that there will be an encouragement of investment, as we have seen over the last three years that this government has been in office. We have not seen a great deal of initiative despite the fact that they have cut taxes for their mining friends, and some of the major corporations have been able to take greater profits

out of this province as a result of this government coming into office.

At a time when additional revenues were needed in this province, the government chose to discard those potential revenues that were there and were there under the budget that was defeated in 1988 by the previous New Democratic government and voted against by all members of this government that were in office at that time and the Liberal leader at that time.

Unfortunately, we have lost in this province millions and millions of dollars in revenues during those three years that could have been used to, say, save the 55-Plus program from being attacked by this government, that could have ensured a minimum cost of production formula was put in place under GRIP, so that those farmers who are faced with tremendous losses, even after contributing \$10 or \$15 an acre in premiums—it is certainly not something that people in the southwest should feel encouraged to sign up for, because it just means they are going to lose money.

The minister knows that fact, and he could ensure that there is a program that is in place to meet the needs of those producers if, indeed, he had received some of these additional revenues. I know he is under pressure from the Minister of Finance (Mr. Manness) to cap wealth, cap the spending, and here he will not even put a cap on the GRIP program which is kind of ironic. They want to cap the dollars made available to various programs, Mr. Acting Speaker, and I am saying that if the additional revenues were available for mining enterprises in this province, we could have indeed seen programs going forward.

I suggested to the minister that what he should do is ensure that the program will provide for cost of production, a minimum for all farmers in this province, and then cap the benefits so that huge corporate farms would not be able to draw an unrealistic amount of money from this program, so you save \$250,000. Daryl Kraft, a professor from the university, had indicated this was possible, maybe perhaps higher for some.

What we would like to see, of course, is if it was capped at say, something like \$50,000, Mr. Acting Speaker, and I get back to the bill, that this is all dealing with the revenues. What we have, in fact, is then a potential to use that \$200,000 that one corporate farm could have received and distribute it

amongst many other producers and sweeten that program to where it should be. I should not even use the word "sweeten" because it is very sour at this particular time for many farmers in terms of signing up for the program.

I say, Mr. Acting Speaker, that private-sector investment has not been encouraged by this government in the mining industry in this province. I dare say that they certainly have not encouraged exploration in this province.

The development of new mineral deposits—first of all, they have to be located and explored and then they have to be developed. Clearly, this government has not taken the kinds of initiative, because I have discussed with private prospectors—some in my own constituency—who have attempted to gain contracts for development where they believe they have a good site to explore, and they cannot get anywhere with the government.

So I am saying that if the government says that in this bill they are encouraging investment and development and exploration of our mineral resources in this province, we fail to see the evidence. I think my colleague from Flin Flon (Mr. Storie) and my colleague from Thompson (Mr. Ashton) pointed out that we have seen closures of mines such as Puffy Lake and LynnGold Mines at Lynn Lake in this province. Those are serious setbacks for the mining industry.

We have seen a failure of this government to develop the potash reserves. We have seen a lack of commitment to -(interjection)- Well, the member for Arthur (Mr. Downey) says we had six years to do it, Mr. Acting Speaker. The fact is this minister now has had three years to do it, so I guess if we give him three more years then he will not have anything to say. After three years then, certainly, he will feel comfortable that he has had all the time in the world to do it and he is equally as much a failure as he accuses the previous government of being in this area.

Mr. Acting Speaker, let the record show clearly that our government had made significant progress in the area of mineral resource development in this province at potash at Russell, Manitoba, and it has not been followed up by this government since they have taken office. That is what I find regrettable.

I am saying, Mr. Acting Speaker, that the Mining Reserve Fund is an essential element of ensuring success and continuity for people, residents of the

north. It is absolutely critical, because when you are dealing with a one-industry town such as you are at Lynn Lake and Leaf Rapids and the reserves are running out, you have to put in place a provision in legislation—and it could be done in this act—for a Mining Reserve Fund that would be built and would be broad enough in its latitude so that it could be drawn from for major new initiatives in and around the area, to ensure that there is a broader industrial base, rather than basing the economy solely on one industry as the case when these towns are founded or formed.

* (1210)

Unfortunately, we have seen all too often, not only in this province, but it is a reality, that these are not renewable resources. They are depleted over a number of years and exhausted and, eventually, if there has not been any diversification in the economy, there is just no future for those people and, in fact, the communities shut down as we saw in many cases. Lynn Lake is one of the most recent which has suffered a terrible blow as a result of, I believe, insensitivity by the minister and by this government in terms of responding.

You know, the member for Arthur says—I have seen, Mr. Acting Speaker, that member rise in this House and speak on bills on many occasions in the past and did not even have any reference, just on a tirade about whatever came to his mind. We patiently stood by, sat by and realized that he wanted to have an opportunity to spout off about various things bothering him, and we allowed him to do it. Now when the shoe is on the other foot and the ministers want to take us to task, we are supposed to be—I want the minister to realize that this is not a time for clause-by-clause discussion. He knows that. He has been in here many years, Mr. Acting Speaker. He knows that you cannot discuss clause by clause during second reading of the bill. What you deal with are the broad principles involved in the bill, and the mining industry is very broad indeed, very important for this province in terms of economic development. That is precisely what I am dealing with, the mining industry in Manitoba and the latitude that is necessary. -(interjection)-

Now, the member for Roblin-Russell (Mr. Derkach) says—which I do not know anything about—the fact is, he has in his own constituency the potential for a major development in potash and he has not been able to wield enough clout in

cabinet to have it developed. He has not had any clout in cabinet, and it has been at a standstill. The people out in his area are wondering what is going on. Has the potash disappeared? One of the richest deposits in the world sitting under the ground right in his own constituency, the richest deposits, far better than many other deposits in Saskatchewan and in other areas of the world and many active mines, and yet this minister has not been able to have the clout in cabinet and this government to ensure that this program, this mine, would be developed.

I say that probably exemplifies better than any other example that I could give in this House this government's failure to stimulate mining industry development in this province over the last three years that they have been in office. -(interjection)- It does not do any good for the member for Arthur (Mr. Downey) to say from his seat that we had six years to develop something. He realizes the clock is ticking. He is now at three years that he has been in government, and after a few more years he will not be able to use that at all any more. I would say he is skating on thin ice already in making any references to that kind of thing in this House.

I would say, Mr. Acting Speaker, that we would like to see major expansion in mining activity in this province. Clearly, the north holds a tremendous potential, not only the north, as I mentioned, but also some areas in the south. Certainly the north holds a tremendous potential for development, for meaningful long-term jobs that would raise the standard of living for all Northerners, particularly in the years ahead.

I think they look at that north and realize that those developments could take place in a sustainable way, not in a poisonous way—that has taken place in many areas such as at Flin Flon, when you go up there, you can see the results of contamination of our environment as a result of the mining that has taken place there—using modern technology, Mr. Acting Speaker, to eliminate harmful omissions virtually completely with the new agreements that are in place.

The technology is certainly there, and I guess in terms of acid rain -(interjection)- well, you know there is a chance with the new acid rain agreement that there will be more effort put on research to ensure that new technology is brought down in cost, so that it is economically feasible to employ and put in place in the mining operations in this province and

throughout the world to stop the contamination of our environment.

Now the Minister of Agriculture (Mr. Findlay) brings up a good point when he says, at what cost? Naturally you cannot put in place an existing operation. You cannot put in place immediately restrictions that will eliminate completely the hazardous emissions immediately. Obviously, it is not economic. I mean it is untenable. We have to balance those two. I guess some pure environmentalist would say it has to be done, or it has to be shut down immediately and that is it, but I say that is the way we have to go with new enterprise. We have to do it as quickly as possible in existing enterprises.

It is not only true in Manitoba. We are guilty here, and we cannot always point our fingers at other areas of the world, but certainly if we look to eastern Europe and to the Soviet Union, with the iron curtain coming down and seeing the kinds of examples of pollution, destruction of the environment, because of rough development taking place without regard for an environment, simply to have industrialization take place; then we see the tremendous harm that we can do to our world and our environment.

I know it shakes every fibre in our bodies to think that we would be responsible for that kind of activity taking place to that extent in what has commonly been known as the free world over the years. Yet we are guilty of many examples that are almost as blatant as in the eastern European countries.

I think that every one of us wants to utilize the opportunity that we have as elected representatives in this House, even at this level, on a provincial level, and the impact that we can make, to ensure that our environment will be preserved to a greater extent for our children and grandchildren and for wildlife than it was preserved for us by our parents, in terms of the actions that are taken, and by our own generation now in the damages that we are allowing to continue to our environment.

When we bring forward acts such as this, they are not in isolation from The Environment Act. These acts must contain sufficient references and provisions to The Environment Act and to protecting our environment that they will ensure that there is that kind of balance and that there is, in fact, a requirement for new investment to consider the environment prior to any major investment.

The government has to encourage that through, I believe, joint ventures, by providing some incentive, by putting in place an economic development tool, a fund, that they can work in partnership with the private sector to ensure that the goals of government and the people are met in terms of jobs, in terms of the environment and so on.

There are many ways that a government can ensure a positive proactive approach is taken to investment, to ensure that their goals are met. I think this government is failing in that area. I think that is a glaring omission in this bill, and I think it is something that the ministers should go back to their caucus and consider very carefully in terms of developing an economic development policy that will meet certain goals such as that and putting in place a fund to stimulate the development in a sustainable way and to encourage the creation of jobs.

That is the kind of thing that we are talking about on this side of the House, and we say to the ministers when we rise, we say unemployment is continuing to rise in this province and we are concerned about that. We say you have to have a policy and some initiative by the government to ensure that investment will take place, and it will take place consistent with the goals of government and with the priorities of government and the priorities of our future generations, and yet the government fails to see that.

They think by simply making some changes and allowing mining companies to put more dollars in their pockets and to save on taxes, that somehow they are going to do all the good things, that they are going to do all the right things in the province.

(Mr. Speaker in the Chair)

* (1220)

I cannot understand, after they have been burned so often on this, why they would continue to have that kind of faith, that kind of blind faith in the private sector doing these kinds of things in the right way in the interests of everyone, because they have not done that over the years. They have not done it. It is clear. The evidence is there. The environment has been spoiled. Corners have been cut, and these companies are interested primarily in making profits for their head offices, and their head offices, Mr. Speaker, invariably are in other countries, in the United States. What happens is that they have to maximize their profits, so their goals are not the

same as the government's goals. The ministers sit there and they know that they have a responsibility to ensure that the environment is protected, that investment in mining expands and job opportunities expand.

If we get away from the principle that is enunciated by the member for Lakeside (Mr. Enns) when he says what is good for GM is good for the U.S., if we carry that into Canada, what is good for GM is good for Canada, we have to consider that in some aspects there is some truth to that. But on the other side—

Some Honourable Members: Oh, oh.

Mr. Plohman: Yes, and there is some balance here. On the much broader side of it, we have to look at the major goals of society and maximizing employment, protecting our environment, and ensuring that there is sustainable development in the country. We want to see that that happens, so we do have slightly different goals.

I say to the government that what they should be doing with this particular bill is ensuring that they have tied in the requirements for sustainable development because I -(interjection)- The member for Arthur (Mr. Downey) wants to know if I am going to vote for it or against it. Mr. Speaker, the bill is a very, very lengthy bill. It is very comprehensive. It is a rewrite of -(interjection)- Well, I wonder what the Minister of Agriculture (Mr. Findlay) has read lately. He does not seem to know what is going on with his own program.

Now the fact is—

An Honourable Member: I read the editorials, sounded pretty good. They are pretty good.

Mr. Plohman: The editorials will never get you any votes. Mr. Speaker, this bill is very lengthy and it has got—if you listen to the farmers that came in here yesterday—never mind reading the editorials—they tell you the facts, and they are the ones that vote, and those are the people that this minister should listen to.

I want to say, Mr. Speaker, that when you have such a comprehensive bill dealing with a rewrite of an existing bill, it looks very impressive but it is not necessarily -(interjection)- It looks very impressive in terms of length, but it is not necessarily as impressive as it might seem when looking at it at first glance, because one would think, well, they devised all of these things they put together, can you imagine

the work? What it is is that there is a lot of rewrite in there.

What I am saying is that when a government does a major rewrite, they should look at some fundamental changes, and some major consultation should take place throughout the province to ensure that the act facilitates the kind of accomplishment of goals that the government has set for itself. I do not know whether those goals are clear.

I can understand why they would not have incorporated them in the act, because clearly the goals that the government should have are not there in a clear way for all to see. They talk about sustainable development, but it is mostly rhetoric. We do not see examples of sustainable development.

When the minister says in the act that he is going to encourage initiatives with this act, Mr. Speaker, he is going to encourage private sector investment consistent with sustainable development initiatives, it is incumbent upon him to go into some detail as to how he arrived at that conclusion, and where in this bill is there contained the kind of references and clauses that would ensure that, in fact, sustainable development will take place in this province and there will be an expansion and rejuvenation of the mining industry in this province that we all want to see, I would hope.

I say once again to the ministers, I would ask them to consider this very carefully, ensure that they have policies in place that will encourage sustainable development and further exploration and investment in this province by putting in place, in a proactive way—I know, which is contrary to their philosophy, because they want to leave this in the hands of the private sector—on their own, small business, not big mergers, not big companies. The private sector big mergers and the big companies have lost us jobs over the last number of years and those statistics are available.

It is small business jobs that result in the majority of the job creation in the province. They do it very often, Mr. Speaker, in conjunction with a stimulated environment created by a proactive government. We saw that during the New Democratic years, and that is one of the reasons we had such low unemployment in this province, and we had people coming back and many opportunities.

This current government says, well, the former government drove all the opportunities out; that is

why they are losing population; now it is kind of a delayed reaction. That is most absurd. Clearly if they were going to leave, they would have left when we were in government instead of coming into Manitoba. They have left when this government is in place, and all the rhetoric in the world will not change that. The fact is, they are running away from this government. They are losing their jobs under this government and under the policies that they have put in place and supported, such as free trade, which has cost us thousands of jobs.

When I look - (interjection)- yes, and I think—well, the member is not in the Speaker's Chair right now, the Acting Speaker. Now he is in his seat for St. Norbert. He is making some comments that I should speak to the bill. Well, I do not think that is his position. He has lost sight of the fact that he is no longer the Speaker here. He is not sitting in that Speaker's Chair.

Point of Order

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, I am only bringing forward that the honourable member is not speaking relevant to the bill. I do not think I stood on a point of order at that time, but if he wants me to stand on a point of order, I will.

On a point of order, Mr. Speaker, the honourable member is not speaking anywhere near the bill and if he would like to bring it back, if he is capable, to where it is supposed to be.

Some Honourable Members: Oh, oh.

Mr. Speaker: Order, please. The honourable member did not have a point of order.

* * *

Mr. Plohman: Mr. Speaker, with your indulgence, that is clearly the independent opinion of one member. I have kept my comments consistent with the bill because I believe this is a very important bill, and the mining industry is extremely important for this province.

That is why what I have attempted to do here this afternoon is to bring to this government's attention that the mining industry has tremendous potential, that they could be doing much more with their legislation to ensure there is sustainable development taking place and exploration and investment, by putting in place a proactive policy to ensure a partnership in the development.

They are missing that opportunity at this particular time and I would urge them, as my colleagues have urged them in the broad economic development statements that we have made, that what they should be doing is putting in place a policy and initiatives to bring this province out of the recession, rather than waiting back and saying, well, we will simply cut taxes for the mining industry and allow them to get a few more profits out of this province and somehow they are going to do all the right things.

They will not do the right things. They have not done the right things in the past, and the only way they will is if government provides some guidance, some direction through policy and encourages it through some partnership in investment. It does not mean throwing away millions and millions of dollars of taxpayers money. What it means is responsible investment that will return a profit for the people of

Manitoba in partnership with the experts, who, I am the first to admit, will certainly know how to make a profit because they are in that business.

So I say, let us pick up on that expertise, let us work in partnership, providing a greater potential for profit for the taxpayers, for the residents of this province and through that we can ensure, Mr. Speaker, that we will have broader development, and we will not have to increase taxes. We can decrease taxes for the average Manitoban. Thank you, Mr. Speaker.

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the honourable member for Point Douglas (Mr. Hickes).

The hour being 12:30 p.m., the House is now adjourned and stands adjourned until 1:30 p.m. Monday.

Legislative Assembly of Manitoba

Friday, April 5, 1991

CONTENTS

ROUTINE PROCEEDINGS			
		Education System Chomiak; Manness	652
Presenting Reports by Standing and Special Committees		Cartwright, Manitoba Chomiak; Derkach	652
Committee of the Whole - Bill 33 Dacquay	646	Tender Process Carstairs; Ducharme; Manness;	653
Public Utilities and Natural Resources Committee Sveinson	646	55-Plus Program Santos; Ducharme	654
Tabling of Reports		Seniors Directorate Santos; Ducharme	654
Annual Report, Education and Training Derkach	646	55-Plus Program Santos; Ducharme	654
Oral Question Period		Nonpolitical Statements	
Economic Growth Storie; Filmon	646	Opening of Katyn Massacre Exhibit Wasylycia-Leis	654
Child and Family Services Barrett; Gilleshammer	648	McAlpine	655
Conowapa Dam Project Barrett; Filmon	648	Chomiak	655
Child and Family Services Alcock; Gilleshammer	649		
GRIP Program Plohman; Findlay	650	ORDERS OF THE DAY	
Youth Employment Programs Chomiak; Derkach	652	Debate on Second Readings	
		Bill 6, Mines and Minerals and Consequential Amendments Act	
		Ashton	656
		Storie	664
		Plohman	668