



Third Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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39-40 Elizabeth II

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**VOL. XLI No. 18 - 1:30 p.m., THURSDAY, FEBRUARY 27, 1992**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

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NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
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	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, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, February 27, 1992

The House met at 1:30 p.m.

**Mr. Clerk (William Remnant):** I must inform the House of the unavoidable absence of Mr. Speaker and, in accordance with the Statutes, call upon the Deputy Speaker to take the Chair.

### PRAYERS

### ROUTINE PROCEEDINGS

#### READING AND RECEIVING PETITIONS

**Madam Deputy Speaker (Louise Dacquay):** I have reviewed the petition, and it conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth

THAT child abuse is a crime abhorred by all good citizens of our society, but nonetheless it exists in today's world; and

It is the responsibility of the government to recognize and deal with this most vicious of crimes; and

Programs like the Fight Back Against Child Abuse campaign raise public awareness and necessary funds to deal with the crime; and

The decision to terminate the Fight Back Against Child Abuse campaign will hamper the efforts of all good citizens to help abused children.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to deal with Child Abuse by considering restoring the Fight Back Against Child Abuse campaign. (Ms. Barrett)

I have reviewed the petition, and it conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

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Programs like the Fight Back Against Child Abuse campaign raise public awareness and necessary funds to deal with the crime; and

The decision to terminate the Fight Back Against Child Abuse campaign will hamper the efforts of all good citizens to help abused children.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to deal with Child Abuse by considering restoring the Fight Back Against Child Abuse campaign. (Mr. Reid)

I have reviewed the petition, and it conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth

THAT child abuse is a crime abhorred by all good citizens of our society, but nonetheless it exists in today's world; and

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Programs like the Fight Back Against Child Abuse campaign raise public awareness and necessary funds to deal with the crime; and

The decision to terminate the Fight Back Against Child Abuse campaign will hamper the efforts of all good citizens to help abused children.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to deal with Child Abuse by considering restoring the Fight Back Against Child Abuse campaign. (Mr. Chomiak)

\* (1335)

### TABLING OF REPORTS

**Hon. Gerald Ducharme (Minister of Government Services):** Madam Deputy Speaker, I would like to table the '90-91 Annual Report for the Department of Government Services.

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I would just like to table the Manitoba Lotteries Foundation Quarterly Report, Nine Months, April to December, 1991.

### Introduction of Guests

**Madam Deputy Speaker:** Prior to Oral Questions, I would like to inform the House, there are twenty-four Grade 5 students from Linwood School, under the direction of Mr. Will Peters, in the gallery. This school is located in the constituency of the honourable member for Sturgeon Creek (Mr. McAlpine).

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

### ORAL QUESTION PERIOD

#### Repap Manitoba Inc. Renegotiations

**Mr. Gary Doer (Leader of the Opposition):** For the last two and a half years, Madam Deputy Speaker, we have been raising a number of concerns on the negotiated agreement between the government of the province of Manitoba and the Repap corporation. We have been raising the inadequate job guarantees in that agreement. We have been raising the aboriginal land claim issues in that agreement. We have been raising the issues of chlorine bleach for the expanded plan for the last two and a half years. We have been raising the issues of the forest cut area that the government gave away in agreement with Repap.

Members opposite and other members in this Chamber attacked us right through the election for the concerns that we had raised on behalf of Manitobans, yet today, the Minister of Finance states—and the logic of the government falls like a house of cards when he states that we will negotiate some of the conditions of the agreement that were not in the best interests of Manitoba in the past, Madam Deputy Speaker.

He has now agreed to negotiate specific parts of the project, unfortunately for all the wrong reasons,

reasons due to the finances of the corporation in a letter that was given to the Minister of Finance and responded to by the government one day later.

I would ask the minister responsible for this divestiture, what assurances can he give the people of Manitoba that we will not repeat the failures of the past with his negotiations in negotiations for the future?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, what is obvious firstly is that the official opposition maintains and continues their tirade against Repap. They have been against Repap from Day One. They never wanted an outside corporation to come to this province. They wanted the government to continue to own Manfor. They wanted a massive pollution to continue at that site and they had—and then \$30-million annual losses. That is what the members opposite wanted.

When the company approached us to begin to consider sitting down and restructuring the agreement, given the incredible economic losses, financial losses within that industry, totalling \$2 billion in the calendar year 1991, given significant large numbers of plant closures throughout the forest products industry across Canada, indeed, when they said that they were now wanting us to begin to restructure the agreement, to take into account that they no longer could meet their time frame—indeed, they missed it by a significant amount—at that point in time the government said we were prepared to engage ourselves into restructuring over the next six months given certain conditions.

Those conditions have been laid out within the press release. I dare say they have nothing to do with the fact that the NDP may have raised those issues. Four years later, since we have done the deal, the world changes, Madam Deputy Speaker, and it is right and proper to include those elements of which chlorine bleaching is certainly one significant aspect in the restructuring process.

#### Aboriginal Land Claims

**Mr. Gary Doer (Leader of the Opposition):** Madam Deputy Speaker, let not the record show for one moment the words the Minister of Finance put on the record.

We have always been in favour of an agreement with the Repap corporation. We have been opposed to the rotten deal the Minister of Finance

negotiated with that agreement from Day One, along with thousands of Manitobans.

\* (1340)

**Madam Deputy Speaker:** Order, please. The honourable Leader to put a question.

**Mr. Doer:** Madam Deputy Speaker, anybody who had any understanding of future jobs would have to predict future markets. That did not include chlorine production.

My question is to the Minister of Finance. The relationship this government has with Canada's First Peoples and Manitoba's First Peoples is very poor. During the Repap agreement negotiations, they did not involve in partnership the aboriginal communities in that area. In fact, aboriginal communities had to mail in to the committee the material on the original agreement. Madam Deputy Speaker, the Minister of Finance now acknowledges in his statement and the company acknowledges in his statement that aboriginal land claims is a major issue.

I would ask the Minister of Finance: How does he expect to have a partnership with the aboriginal people in the province of Manitoba when he has ignored their claims in court? When he has ignored dealing with them in the past, how can we expect him to deal in partnership in the future with our aboriginal people?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, courts ultimately will decide whose claims are relevant or accurate or indeed justified. Let not the Leader of the NDP rewrite history. We provided an access to cutting rights, an area configured many years ago. Indeed it was Manfor's; for the most part, it was Manfor's old cutting area—[interjection] Yes, it was, and the area of which the member asks was always part of the Manfor cutting area.

Let not him try to give the appearance that somebody's rights were trampled on because they were owned, indeed they were accessed by Manfor previously, and they were more or less provided in the same configuration as provided to Repap, so I would insist that the member acknowledge that fact.

### Cutting Area

**Mr. Gary Doer (Leader of the Opposition):** Madam Deputy Speaker, I will not point out the difference between publicly owned corporations

with publicly owned land and private corporations. The Minister of Finance would not understand that.

Madam Deputy Speaker, I have a further question to the Minister of Finance. He has not answered the question of partnership with aboriginal people, and judging from the AJI, I think we are in real difficulty with members opposite.

Madam Deputy Speaker, we did ask the Minister of Finance in August of—[interjection]

**Madam Deputy Speaker:** Order, please. The honourable Leader of the Opposition to put his question now, please.

**Mr. Doer:** Madam Deputy Speaker, my question is to the Minister of Finance.

On a number of occasions, we asked the Minister of Finance whether he would change the forest cut area to go into the Swan River area in the original negotiations. The Minister of Finance, in August of 1988, said he would not. He would use the original criteria for the forest cut area. After 1989, we saw that the forest cut area was dramatically changed by the Minister of Finance in terms of moving south into the other areas of the province of Manitoba.

Why did the Minister of Finance not include in his conditions of negotiations with Repap the whole area of the forest cut area, within the province of Manitoba, as one of the conditions that he would put on the table so that we can finally see some value-added jobs in the Swan River area?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I am kind of perplexed at the question because indeed, if the member has seen the transfer of letters back and forth, he would know that indeed we have saved for ourselves the right to either include or exclude the southern cutting area. I mean, that is one of the issues that will be brought to the restructuring process. There always will be a balance. If this is going to be a world-size investment, obviously, it has to have economics associated with that.

Members opposite will know that that sometimes requires a larger area of which to draw fibre than otherwise might be the case. Our last deal, of course, involved the southern wood area of the Swan River, and it may or may not come to a point where that may have to be included again. What we are saying is, we have a very open mind on it as we enter again the restructuring process.

\* (1345)

### **Repap Manitoba Inc. Employment Creation Strategy**

**Mr. Oscar Lathlin (The Pas):** Madam Deputy Speaker, my questions are also directed to the Minister of Finance.

Well, once more Repap has told this government to jump and they have made the big jump. In view of the fact that the promised best efforts at jobs of the original deal which has fallen flat, what job guarantees will this minister be negotiating now, now that the deal has totally unravelled for citizens of The Pas and the surrounding area?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I would remind the member opposite, this is what has happened in the last year within the forest products industry. Abitibi-Price, Thunder Bay—closed; Cascade, Jonquière, Quebec—closed; Cascade, Port-Cartier, Quebec—closed; Donohue, Matane, Quebec—closed; Fraser Incorporated, Athoville, New Brunswick—closed; Domtar, Red Rock, Ontario—indefinite shutdown; Stone Consolidated, Bathurst, New Brunswick—indefinite shutdown; Canadian Pacific Forest Products—indefinite shutdown at Trois-Rivières, Quebec.

Madam Deputy Speaker, the old Manfor plant, which represented such a tremendous economic benefit to The Pas and district and, indeed, to many of the members of The Pas Indian band and environs is open today. The work force, although down somewhat, still is being productively utilized. I can say to the member, this plant is still operating, and it is not costing the taxpayers of this province \$30 million a year. I would think the member would be thankful for that fact.

### **Employment Protection**

**Mr. Oscar Lathlin (The Pas):** Madam Deputy Speaker, my question is again to the Minister of Finance.

What contingency plan does this minister have to protect the jobs of The Pas and surrounding communities if the financial problems of Repap continue or worsen?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I am not going to speculate as to the future viability of Repap. I say one thing, though. I am thankful that it is Repap, because what you have in that organization, you have a forest product concern that has the most

state-of-the-art technology and plant in Canada. They are also in value-added product, paper, that the other pulp producers are not. I am led to believe, as I talk to the investment houses, that indeed this company is very well poised for the next economic rebound, and indeed its debt problems should be behind it in pretty quick order once the economy recovers.

### **Budget Impact on The Pas, Manitoba**

**Mr. Oscar Lathlin (The Pas):** Since northern Manitoba and The Pas in particular were major losers in the last provincial budget, will this minister guarantee today that he will take into account the situation facing the residents of The Pas in finalizing his budget over the next few years? We just simply cannot afford any more cuts in jobs, education, training or in natural resources.

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I kind of resent the question because I know we have made a commitment of \$50 million plus. I wonder whether or not, in concert, the member wrote that question from the member for Flin Flon (Mr. Storie) when we put \$50 million toward a refurbishment of the smelter at Flin Flon. I wonder if his statement then is specifically directed for The Pas when he says northern Manitoba.

I would say to the member opposite that the greatest protection his constituents have is obviously the continuing development with respect to the fibre source and indeed the forest products industry in and around The Pas. I would think the member opposite would be encouraging us to restructure this deal in the best way to protect the interests of his constituents and indeed the economy of our province. I would think that would be the No. 1 issue in the mind of the member for The Pas.

\* (1350)

### **Repap Manitoba Inc. Benefits to Manitoba**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Madam Deputy Speaker, I would like to take this House back a couple of years when we heard the glowing forecast of what was going to happen as a result of the sale of Manfor to Repap.

One of the issues that I raised over and over again was the issue of whether we were, at any point in

time, going to receive any cash benefit. The Minister of Finance said, and I quote: She was talking nonsense. We are going to get \$132 million over several years. He said: To say otherwise, is to say I am lying.

Will the Minister of Finance tell the House today just how much of that \$132 million the Treasury of Manitoba has received?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, one of the great ironies of this continuing serial, I suppose one could use, is that it is because—

**An Honourable Member:** It is a nightmare.

**Mr. Manness:** Well, the member says a nightmare. I do not know how it is a nightmare when Manfor is employing people and production is being maintained.

Specific to the question, Madam Deputy Speaker, it is because the original deal was so well structured, in my view, and because today, in my view, we could approach the courts if we wanted to and realize a significant portion of the sum of money of which the member uses. Because the deal is so hard structured is the reason why Repap is asking us to restructure it.

I would say to the member, if she wants us basically as a province to realize, on the incredible covenants that we have in the contract, to guarantee in large measure the amount of money she is talking about, then she has to tell us also how it is that we are going to maintain the operation at Manfor if Repap is then forced into insolvency because of that action. That then rests on her shoulders, because that is what is at issue here.

### Renegotiation

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** The answer is, we have not received one of those \$132 million.

Let me go on to quote again from this minister. In a response to a statement that I had made that the sale agreement leaves many questions, the Minister of Finance said he could not understand his opponents' reactions, quote: I can understand why Mrs. Carstairs is confused. It is a complicated deal, and she has a limited understanding of how a divestiture is carried out, but there is no excuse for Mr. Storie.

Well, Madam Deputy Speaker, sexism aside, can the Minister of Finance tell us how this wonderful divestiture needs to be renegotiated today in light of the disaster negotiation that he negotiated the first time, and will he back away from doing the renegotiations and resign?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I found out early on, when I came into public life, one should not take those types of statements so personally. They come and go with the flow of debate—[interjection] Yes, particularly when this new cabinet was being sworn in. I can remember some of the complimentary remarks that were made at that time by the member for River Heights (Mrs. Carstairs).

If the First Minister (Mr. Flimn) so wishes to delegate the responsibility to somebody else to restructure the deal, I will certainly abide by that request. My feelings will not be hurt in the least.

I say to the member opposite, when we structured the agreement, we realized at the time that expediency was necessary because pulp prices were at an all-time high. They were at \$700 a tonne, reaching to \$800, ultimately to \$850 a tonne. We realized that, as most commodity prices do cycle, it would only be a matter of time that those pulp prices would begin to drop, and we hoped that construction would be well along before that event occurred. That did not happen. The member knows why that did not happen. She knows that there were environmental processes that took longer than expected but, nevertheless, were very necessary.

\* (1355)

She also knows that in some cases there were points brought forward by the members opposite that may or may not have helped the delay, contributed to the delay, but the net result was Repap got caught in the time when pulp prices dropped to \$500 a tonne. If the members are saying that we should have known what the forest product industry was going to do as far as commitment towards bottom lines, I say to her, for that, I apologize. We did not know that, but hindsight is perfect, is it not?

**Mrs. Carstairs:** Foresight helps. The minister tells us that he has some performance guarantees. This company has defaulted on every single one of its performance guarantees in the contract signed by this minister in March of 1989. They were to have commenced conversion of the unbleached pulp mill

by December 31, 1989; they defaulted. They were to have commenced the chipping facility at Swan River by December 31, 1989; they defaulted. They were to maintain employment levels; they have defaulted. They were to have put \$5 million into training; they have defaulted.

Exactly what performance guarantees is this minister going to renegotiate?

**Mr. Manness:** Madam Deputy Speaker, I wish the member would be completely honest when she tries to lay out that chronology.

### Point of Order

**Mrs. Carstairs:** Madam Deputy Speaker, the Minister of Finance has questioned my honesty in this House. I would ask him to retract that statement immediately.

**Madam Deputy Speaker:** On the point of order, I would recommend that all members of the House use discretion in the choice of their words.

\* \* \*

**Mr. Manness:** Madam Deputy Speaker, I apologize if the member is insulted.

I will say, though, that what really happened, with respect to the delay, occurred not as a result of our environmental process, because Repap did have a Phase 1 licence to proceed, but they also had sought advice from Ottawa and were told by federal authorities that they may very well need a screening and indeed a panel to provide a federal licence with respect to Phase 1.

If the member would only put that on the record also, then I think she would state her case somewhat more clearly.

Madam Deputy Speaker, she can try to malign Repap, but this is what Repap has done in the last two or three years. They put together the new, sound bulk fuel unloading and storage facilities constructed to replace facilities which led to mill site ground water contamination by Manfor. They have a new domestic sewage system installed, a new sanitary landfill facility constructed costing \$5 million. They have also totally suspended solids from the pulps, and paper mills' effluent have been reduced by 46 percent from 1988 levels, reduced particulate emissions from the mills recovery boiler by 66 percent.

They committed to reforestation of 100 percent of harvested areas, a greater commitment to reforestation than was required of Manfor at that time. In '91 they planted 7.25 million trees. In 1988 Manfor planted 2.9 million trees. I could go on and on as to what Repap has done under the agreement and the commitment to the province.

\* (1400)

They have lived up to significant numbers of the covenants under the agreement. For the member to try and malign that company, who has come forward and cleaned up such a dismal mess, I think is shameful, Madam Deputy Speaker.

### Repap Manitoba Inc. Employment Creation Strategy

**Mr. Steve Ashton (Thompson):** The Repap saga: The Minister of Finance, two and a half years ago, walking out of committee meetings on the eve of the signing of the agreement; the Liberal Party which opposed renegotiation of the agreement the last election; and now we see the Minister of Finance who—[interjection] Well, we have the advertisements for the Leader of the Liberal Party (Mrs. Carstairs). We have the ads.

My question is to the Minister of Finance who still does not seem to understand. He still seems to be the major cheerleader for Repap in this province. Just this week, northern residents have received further notice in terms of employment. Repap employees in Thompson-Wabowden have been told that all conventional skidding operations will cease. They will be laid off and be replaced by an in-bush chipping operation which will require them to come up with a quarter of a million dollars to save their jobs.

I would like to ask the Minister of Finance: Is this his version of maintaining employment in northern Manitoba?

**Hon. Clayton Manness (Minister of Finance):** The company last fiscal year lost \$180 million. I am not terribly familiar with the letter that has gone out and probably specific questions as to why or how come or why the letter should be directed towards the company, but I would have to think a \$180-million loss in fiscal 1991 probably is part of the rationale for the letter, at least the part referenced by the member opposite.

As far as changing techniques of harvesting or indeed bringing forward wood supply, I would think,



given that structural change is in our midst, is everywhere in the new globalized economy, I would have to think that no business in Manitoba is going to be spared having to undergo some types of changes.

The commitment that this government will make in restructuring the six-month window is to try to ensure that the same number of jobs will still be there as a result of Repap coming and doing what it can in support of the new facility, indeed of the major economic contribution that it plans to make to this province in the years to come.

**Mr. Ashton:** How can this minister talk in his letter to the vice-chairman of Repap Enterprises about maintaining employment—

**Madam Deputy Speaker:** Order, please. Is the honourable member for Thompson phrasing his question?

**Mr. Ashton:** Yes, Madam Deputy Speaker, I asked how can this minister—perhaps if members opposite would listen—talk about maintaining levels of employment in his letter to Repap when, at this very moment, employment is being cut back through mechanization, when employment is being cut back in Thompson-Wabowden and in the Woodland area as well? How can he talk about maintaining employment when it is being cut on a daily basis?

**Mr. Manness:** This government is not going to force a company that is prepared to invest \$1 billion plus to maintain the harvesting systems that have been in place for virtually decades. Change is a fact of life. Every one of us adopts it in our livelihoods, indeed our lifestyles, from day to day.

What the member seems to be saying is, government, do not renegotiate or restructure this deal unless there is a commitment to every job as it exists today, not the total number but in the manner, in the condition and in the form in which it exists today. I would say to him, that would put a yoke on Repap, indeed, that I do not think they could accept.

**Mr. Ashton:** Madam Deputy Speaker, will the minister at least take the time to sit down with Repap, do something he has never done since this agreement was signed, and find exactly what their plans have been in terms of northern Manitoba, the plans which are cutting employment on a yearly basis in a way that has very little to do with the economics of the situation and shows absolutely the lack of guarantees in this agreement on behalf of this government?

**Mr. Manness:** Madam Deputy Speaker, I guess that is what makes the philosophical difference between the member opposite and myself. He wants to deal in politics, the heavy hand of government forcing, not numbers of jobs now, but the form of jobs, whereas we on our side say, leave that to the corporate decision of that company working toward hopefully a profit.

I am saying, I said employment. I said the same level of employment, and that is a condition in which we will try to work toward. The member opposite is saying that they should not change the method in which they harvest fibre. I am saying that is not a precondition. The total number of work force is a condition that we will attempt to achieve if indeed we can restructure. I remind you, Madam Deputy Speaker, if we cannot restructure this, we fall back to the old agreement.

### Consumer Warning Odometer Tampering

**Mr. Jim Maloway (Elmwood):** Madam Deputy Speaker, my question is to the Minister of Consumer and Corporate Affairs. Despite being repeatedly asked to investigate reports of odometer tampering on Monday and Tuesday, this minister refuses to do anything. Yesterday, she contradicted the RCMP and said there was no problem.

My question is straightforward. Who should Manitobans believe, the minister or the RCMP?

**Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs):** Madam Deputy Speaker, I do not believe I contradicted the RCMP. I understand the member's interpretation. The RCMP are taking the situation very seriously indeed in that they have discovered a case in which—and perhaps more than one case—they have had odometers rolled back. From our department's experience, we have received no calls on the issue, so in that sense there is no widespread outcry from consumers to the government. There is, however, a serious concern on the part of the RCMP, which we share.

I indicated, when the member raised this issue several days ago, prior to the RCMP having the opportunity to release the facts to the public, that once the RCMP had made their public statement, I would be prepared to make comment. Yesterday they released their statements, and I am today prepared to make comment.

My department works, as you know, Madam Deputy Speaker, in close contact with the law

enforcement agencies in a number of areas. This morning my investigative unit of the Consumers' Bureau has been in touch with the RCMP Customs and Excise, the two officers in charge of this case, to offer our support should they feel that it would be helpful. They have not requested this support at this time, but that contact has been made, our support offered, and we will be—

**Madam Deputy Speaker:** Order, please. I believe the answer to the first question has been put.

\* (1410)

**Mr. Maloway:** It was that attitude that cost the last consumer minister his seat at the cabinet table.

**Madam Deputy Speaker:** Order, please. Would the honourable member for Elmwood please put his supplementary question now.

**Mr. Maloway:** Is this minister now prepared to issue a public warning and to work with the RCMP to protect consumers in this province?

**Mrs. McIntosh:** Perhaps the member did not hear my answer when I said that my investigative officers have already contacted the RCMP to offer our support and that we will take our lead from the RCMP as to what is the appropriate form of support to offer so that we do not jeopardize but rather enhance the work that they are doing.

**Mr. Maloway:** That was no answer to the question—

**Madam Deputy Speaker:** Order, please. I would like to take this opportunity to remind all honourable members that supplementary questions should be very explicit and very direct, and there is to be no preamble.

**Mr. Maloway:** Madam Deputy Speaker, we have consistently asked for a public warning. Will the Minister of Consumer Affairs issue a public warning with a telephone number so that people who have used cars in this province can bring them forward to check for tampering of the odometers? That is what we are asking.

**Mrs. McIntosh:** Madam Deputy Speaker, I repeat, we have contacted the RCMP to offer that kind of support, and if, in the opinion of the RCMP, they feel that us issuing a statement would be of assistance to them, then of course, we are prepared to do it. We will take our lead from the RCMP who are the ones who are handling this investigation. My officials are in communication with the RCMP to seek direction from them on this issue. They will

indicate to us precisely what they need us to do if they wish us to do anything, and we will be pleased to oblige in that regard.

### **Repap Manitoba Inc. Expenditures**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** In response to my earlier question, the Minister of Finance indicated a number of expenditures that have been made by Repap in The Pas complex.

Can the Minister of Finance tell the House today how much money above the \$12.5 million left in the Treasury by Manfor has been expended by Repap in The Pas complex?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, to this point, we have paid billings, and I may have to correct this, it seems to me between \$3 million and \$4 million to Repap in support of asbestos clean-up in the plant and also for some ground water remedial work. I can indicate to the member, some of the estimates coming back in support of trying to clean up the bunker oil in the ground water supply, and this is the key point, could be well in excess of the cash amount kept by the province. That was the degree of pollution that existed at that site.

**Mrs. Carstairs:** I think the minister misunderstood. I was not asking about the government's expenditures. I was asking about the monies which were left in the Manfor account and transferred to Repap, which amounted to \$12.5 million.

Have the expenditures of the Repap corporation in The Pas forest complex exceeded, and by how much, the \$12.5 million? In other words, how much have they spent of their own money?

**Mr. Manness:** Madam Deputy Speaker, the day that the deal was consummated, I received a cheque from Repap for \$42 million, as I recall, and I wrote a cheque to them for \$30 million. The reason I remember that is I deposited it personally in a branch of the Royal Bank in The Pas.

When the member wants to focus on this so-called \$10 million cash, we entered into an agreement. We were paid that much and more for that cash.

**Mrs. Carstairs:** Madam Deputy Speaker, I will ask the minister to reread his agreement about the \$12.5 million left in the hands of Repap and Manfor.

### Employment Creation Strategy

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** My final question to the minister is: When he states he is going to maintain comparable levels of employment in this renegotiated settlement, is he committed to the 650 jobs, sometimes less, at Manfor at the present time or the 1,200 they promised us in 1989?

**Hon. Clayton Manness (Minister of Finance):** Madam Deputy Speaker, I am not going to negotiate on the floor of the Legislature. I can say to the member opposite, certainly the goal and the objective is to try and drive the restructuring up to the 1,200 number that was contemplated within the first agreement.

### Seafood Enterprises Associates Agreement

**Mr. Edward Connery (Portage la Prairie):** Madam Deputy Speaker, my question is to the Minister of Industry, Trade and Tourism.

When the NDP were in power, they lent out money foolishly in the sense of job creation. We saw what they did in the Jobs Fund, the hundreds of millions of dollars that were wasted and no long-term jobs created. In opposition, they are still encouraging this government to spend money foolishly, as he is wanting the government to entertain an agreement with SEA.

Could the Minister of Industry, Trade and Tourism explain to this House why it would not have been in the best interests of the taxpayers and the money if we went into that agreement?

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** Madam Deputy Speaker, I appreciate the question from the honourable member, primarily because I have a great deal of concern about the news release that was issued today by the member for Flin Flon (Mr. Storie). All it can tell me is that not ample enough research was done on his behalf in terms of reviewing this issue, and that is not doing justice to this Chamber or to the citizens of Manitoba.

I will do something that we normally do not do. We attempt to negotiate in good faith with companies. We attempt to do it on the basis of confidentiality, but I feel because of the announcement that they put forth today, the members of the opposition, that I should at least give some of the parameters of the final request from this

particular company that has been referred to, Seafood Enterprises Associates.

The nature of the request, Madam Deputy Speaker, was for guarantees—

**Madam Deputy Speaker:** Order, please.

### Point of Order

**Mr. Steve Ashton (Second Opposition House Leader):** Yes, on a point of order, Madam Deputy Speaker, the rules in Beauséjour are very clear in terms of answers to questions, that they should be brief. If the minister wishes to get into the detail of this matter, he should more appropriately use the opportunity of ministerial statements to bring that forward to the Legislature. Otherwise, I would suggest you call him to order and ask him to remain brief in his answers as is required by our rules.

**Madam Deputy Speaker:** Order, please. On the point of order, I would just once again caution all honourable members, in issuing questions, demanding responses and issuing responses, to keep them as brief as possible.

\* \* \*

**Mr. Stefanson:** Madam Deputy Speaker, the question was about the details of these negotiations, and that is exactly what I am outlining, related to two areas in terms of a request from our provincial government for guarantees as they relate to operating capital, guarantees as they relate to investments by the individuals and the companies associated.

The annual guarantees would be in the vicinity of \$20 million. Over 10 years, accumulated guarantees of \$155 million for the creation in year 1 of approximately 100 jobs and by the end of year 4, potentially increasing to 186 jobs. I should point out that part of our normal practices are to take back security. The original book value of the fixed assets would be a maximum of approximately \$14 million.

In closing, we are working hand in glove with Western Diversification. We have replied to the company, we have put forth a reasonable offer, and we will continue to work with the company. I look forward to a supplementary question.

\* (1420)

**Madam Deputy Speaker:** The time for Oral Questions has expired.

### Nonpolitical Statements

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

**Madam Deputy Speaker:** The honourable member for Kildonan has requested leave to make a nonpolitical statement. Does the honourable member for Kildonan have leave to make a nonpolitical statement? Leave has been granted.

**Mr. Chomlak:** Madam Deputy Speaker, members of the House. I had the honour yesterday of attending the second annual "Yes, I Can Awards" sponsored by the Manitoba Council for Exceptional Children. The awards were presented to exceptional children and youth in the categories of Academics, Arts, Athletics, Community Services, Employment, Extracurricular Activities and Independent Living Skills.

Winners of the awards included Michael Storozuk for Employment. Michael is extremely proud of being able to hold a job. Paul Gosselin for Academics; Paul is happy to participate in classroom discussions and finish his work. Trevor Snippe for Academics; Trevor enjoys using the computer to work independently in his classroom. Monique Couture for Academics; Monique excels in her academic learning and consistently gets good grades. Myron Barten for Extracurricular; Myron is very proud when he learns something new; Adam Wakeman for Academics. Adam is self motivated to succeed.

John Rokosh for Independent Living Skills; John has taken the initiative and learned many independent living skills. Shirley Kanak for Academics; Shirley perseveres and gets good grades. Michelle Baker for Independent Living Skills; Michelle is pleased that she is able to get around independently. Janet Murdoch for Independent Living Skills; Janet is thrilled that she is able to communicate and actively participate in school. Emery Davis for Academics; Emery is a dedicated student who earns good grades and is looking forward to post-secondary studies.

Jeffery Parkes for Athletics; Jeffery's outstanding performance in sports is commendable. Rebecca Brownlee for Athletics; Becky enjoys golfing with family and friends. Kristi Brownlee for Athletics; Kristi's determination has enabled her to golf competitively. Ashlee Beyak for Independent Living Skills; Ashlee's communication using sign

language has enabled her to participate in all aspects of school life. Chris Nicolas for Academics; Chris takes pride in his achievements in public speaking. Danny Regnier for Independent Living Skills; Danny is enjoying his newly found independence in the community and at school.

Peter Lebetzis for Employment; Peter is proud of the responsibility he has while working in the community. Charlene Graff for Employment; Charlene likes the friendships she has made while working and volunteering in the community. Connie LaBossiere for Arts; Connie has been recognized for her abilities in poetry writing. Patricia Duffy for Employment; Patricia was a valued member of the W.O.W. Summer Program. Kiley Robin for Independent Living Skills; Kiley is very proud of his accomplishments especially in his drivers licence. Gimmi Vaccaro for Employment; Gimmi is proud to be an independent, contributing member of the work force. Hazel-Lynn Carganilla for Academics; Hazel works diligently and has accepted more responsibility for her learning.

I also would like to recognize the fact that outstanding achievement awards were presented to persons or a group of persons in contribution for CEC by the CEC and these included Marion Robisong from Brandon School Division for Program Development, KinKids Summer Program at The Pas for Program Development and St. Vital Summer Supported Employment Program of the St. Vital School Division.

I am sure all members of the House will join me in congratulating these outstanding individuals, their teachers, schools, school divisions and all involved with Exceptional Children, Madam Deputy Speaker.

Thank you very much.

**Mr. Daryl Reid (Transcona):** May I have leave to make a nonpolitical statement?

**Madam Deputy Speaker:** Does the honourable member for Transcona have leave to make a nonpolitical statement? Leave?

**Some Honourable Members:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

**Mr. Reid:** Madam Deputy Speaker, last evening the Manitoba Council for Exceptional Children held their "Yes, I Can" Awards night in conjunction with the 26th annual conference. The MCEC "Yes, I Can" Awards are presented to exceptional children

and youth to acknowledge their achievements in the following categories: Academics, Arts, Athletics, Community Service, Employment, Extracurricular Activities and Independent Living Skills.

Eight school divisions were represented, including the River East School Division where seven-year-old Adam Wakeman, son of Debbie and Murray Wakeman, accepted the award for Academics. I was pleased to join with many others in honouring exceptional children but was particularly proud that my godson Adam was a recipient.

Adam, like many exceptional children, is a young person who has overcome many serious obstacles in his young life, but his accomplishments and achievements have been outstanding. Adam is self-motivated to succeed.

Involved with Adam's progress as part of the special needs education and playing a positive role in the development are Principal Joan McCreath, Vice Principal Larry Hoffman, Special Education Consultant Phylis Froese, Para-Professionals Judy Scates, Vivian Garrity and Mrs. Vicky Hrabuluk as well as Guidance Councillor Helga Berger. These individuals are dedicated in their efforts to provide equal opportunities and recognize the needs of all children. They are a credit to their chosen professions.

I am sure that all members will join with me in congratulating the children, their families and the educators on their tremendous achievements.

## ORDERS OF THE DAY

**Hon. Clayton Manness (Government House Leader):** Madam Deputy Speaker, would you call adjourned Debate on Second Readings, the bills in the order as shown on the Order Paper.

## DEBATE ON SECOND READINGS

### Bill 6—The Denturists Amendment Act

**Madam Deputy Speaker:** To resume debate on the proposed motion of the honourable Minister of Health (Mr. Orchard), second reading of Bill 6 (The Denturists Amendment Act; Loi modifiant la Loi sur les denturologistes), standing in the name of the honourable member for St. Johns (Ms. Wasylycia-Leis). Is there leave to permit the bill to stand? Leave?

**An Honourable Member:** Yes.

**Madam Deputy Speaker:** Leave has been granted.

### Bill 9—The Economic Innovation and Technology Council Act

**Madam Deputy Speaker:** On the proposed motion of the honourable First Minister (Mr. Filmon), to resume debate on second reading of Bill 9 (The Economic Innovation and Technology Council Act; Loi sur le Conseil de l'innovation économique et de la technologie), standing in the name of the honourable member for Brandon East (Mr. Leonard Evans). Is there leave to permit the bill to remain standing?

**Mr. Leonard Evans (Brandon East):** I am prepared to speak on the matter.

**Madam Deputy Speaker:** You are prepared to speak?

**Mr. Leonard Evans:** Madam Deputy Speaker, I am pleased to be able to participate in the debate on Bill 9, relating to the establishment of the Economic Innovation and Technology Council. Certainly, it goes without saying that such a council and the objectives that have been stated in the bill and expressed by the First Minister (Mr. Filmon) in his explanation of the bill last week are commendable.

Certainly the objective, as has been stated, is to build a stronger Manitoba economy. I believe that there can be no quarrel whatsoever with that objective. Indeed, we face serious problems in terms of our long-term economic development. There are all kinds of information indicating not only problems in the short term, which relate to high unemployment that we are having, business bankruptcies, lagging retail sales, lagging housing starts, et cetera, but also we have information indicating a structural decline in our province where Manitoba vis-a-vis other provinces in this country is shrinking; its economy is shrinking in terms of the national economy.

Therefore, regrettably, we have become and are becoming less of a significant part of the economic pie, if you will, economic whole of this country of ours. No one I suppose can object to Bill 9 in essence, because it is something that members of the opposition have advocated for sometime, that we have to spur technological development, we have to spur innovation.

\* (1430)

Madam Deputy Speaker, let it be clear from the outset that this is not original. I am concerned that in many ways it may be more of PR exercise than something that has real meaning, because as I will get into later, you can examine the new terms of reference of the existing Manitoba Research Council and note that it has the ability to do just about all that this council is being asked to do.

As a matter of fact, as I understand, the council is absorbing the MRC, the Manitoba Research Council. Therefore, I am not so convinced that we have anything that is new here, perhaps a different name, perhaps some changes at the periphery, some detailed changes. In essence, this is not necessarily a new thrust. Having said that, I suppose one would argue, well, we have to do everything we possibly can.

Let us face it though, Madam Deputy Speaker, we are facing a great number of obstacles in trying to promote the development of Manitoba, in trying to promote economic growth, because we have a federal government that is determined to keep unemployment at exceedingly high levels, in fact historic high levels, I would say higher than anything we have seen since the Great Depression.

We have an unemployment level across the country approaching one and a half million people, and the government itself is not predicting much of an improvement whatsoever, the federal government. In this province alone last month, we had 50,000 Manitobans out of work, an all time high in the recorded history of the labour force.

I say we have a federal budget that is really not giving any guidance, any direction to our economy. In fact, I detect Mulroney and Mazankowski and the federal Conservative government as really sitting back, waiting for something to happen, waiting for the Americans to do something, waiting for some hopeful great event that somehow or other is going to spark economic growth again in this country of ours.

The fact is, Madam Deputy Speaker, the federal budget has not addressed the major problem of unemployment, and therefore, when you have a lot of unemployment you cannot possibly have adequate economic growth, whether you have a council of this kind or not.

I might add in passing, Madam Deputy Speaker, it is ironic that the federal government, as one of its cost-cutting measures, should see fit to eliminate

the Science Council of Canada, of all things to see this government eliminate, as well as the Economic Council of Canada. It is absolutely foolish to talk about cutting off sources of information, sources of knowledge, sources of ideas when they are badly needed.

To that extent, I guess I could argue that I am pleased to see this particular council is being set up, although as I indicated, it is not necessarily anything really new.

The other problem that we have, Madam Deputy Speaker, we can have all the councils we have, but as I said, we have a federal government that is determined to keep the recession going in this country. It is determined not to address the No. 1 problem that we have of lack of growth and high unemployment.

Of course, we are living in a world of growing free trade with the Americans, and as we know full well, this has been a total disaster in this country. It has certainly been a total disaster in the province of Manitoba where we have lost many important manufacturers. As I said, you can have all the innovation and technology councils that this government wants to establish, as is being established in this bill, but if you have Government of Canada policies such as free trade which this government supported incidentally, how do you expect to support stimulation? How do you expect to support the growth of our industries?

What we are seeing today, Madam Deputy Speaker, is demise, the demise of our manufacturing sector. There are all kinds of foods and beverage companies that have gone under. There are companies that have shifted back to the United States. In my own constituency of Brandon East, we have lost Marris Leisure Products, one of the first tragedies of the Free Trade Agreement. They shut down. We lost 44 jobs in Brandon thanks to free trade. They moved down to North Carolina. Toro Engines in Steinbach, another case in point. Free trade came along; there was no more incentive for them to stay in Steinbach, to stay in Canada. They closed shop and moved back to their headquarters and are manufacturing nicely, thank you very much, in the Minneapolis-St. Paul area and sending them back to Canada.

Then you couple that with the GST which has struck a blow at consumer confidence.

We talk about the need to create a positive climate for growth. The Premier (Mr. Filmon) often says that we must create a positive climate. Well, how do you get a positive climate if you do not have sufficient demand for the output of our industries? That is the basic problem we are facing today, Madam Deputy Speaker, this lack of aggregate demand for the output of this country, and this is true for the province as well. We do not have sufficient demand for the goods and services that we can produce; therefore, we are underproducing. We have underutilization of our industry.

The existence of the GST alone has undermined consumer spending. Consumers are rebelling. Consumers are simply not spending to the degree that they have been in previous times. There are negative figures right across the country, including Manitoba, in terms of consumer spending. So the Premier (Mr. Filmon) wants to create a positive climate, but you cannot do that with this type of environment that you get from federal government policies, not to mention other things, such as attacking the Post Office, and deregulation, and all the other things that have hurt this province enormously.

Deregulation in the transportation industry is killing the transport industry as we know it in this province. Our trucking industry is going down the tube. Our railway industry is becoming less and less significant, and we are not getting the air transport service that we used to have. A great deal of this can be attributed to deregulation and federal transport policies of the Mulroney government.

So I say, we have all these obstacles to contend with, and the council, as indicated in the bill, will have some capacity to do some research and so on, but I do not know whether that will be the source—be-all, end-all—of creating economic growth in this province.

I spent some time recently looking at what happened to Manitoba's economy in 1991 and I would assume this would be one of the functions of this council, because, as is referred to in the bill, as tabled in the House, there would be a certain amount of research relating to innovation and growth, and advice given to government, advice given to industry. If they were now established and looking at what was happening to our economy, they would be very dismayed because what happened in 1991 was that our economic performance, looking at 11 basic indicators, showed a decline in eight of

the 11 indicators. Of the 11 indicators that I looked at, Madam Deputy Speaker, eight declined from 1990 levels and the other three remained approximately the same.

While you can say, so what, we have had a national recession, the problem is, and as I will explain shortly, that we have declined even more than the other provinces, which should cause us all to be upset and concerned in this House.

As I have said, we have these neo-Conservative policies of free trade. They were certainly not the policies of Sir John A. Macdonald. As a matter of fact, the policy of the Mulroney government is diametrically opposite to the policy of the first Conservative national government in this country.

Sir John A. Macdonald established the national policy which included a national tariff, as well as a national transportation program, as well as immigration and settlement. Those are the three pillars of developing Canada as a great nation.

Now we have seen the Conservative Party of Sir John A. Macdonald, well, I should take that back, it is not the Conservative Party of Sir John A. Macdonald, over 130 odd years later, reversing the position, just undercutting the philosophy, the approach of nation building with a national economic policy.

What we have are neo-Conservative policies of free trade, privatization, deregulation, high interest rates—insanely high interest rates—a tight money policy, which has caused, yes, it has caused inflation to reduce, but at the price of an enormous amount of unemployment. We have seen other spending cuts that have had a catastrophic result on our economy.

\* (1440)

So what we have, as I was indicating, an economy that is being characterized by high unemployment, by bankruptcies, by factory closures, by escalating welfare rolls.

Looking at last year, 1991, now I have not seen the latest forecast of the Conference Board, but up until a couple of weeks ago, they estimated that we had negative growth in Manitoba in 1991. We had a general reduction in our economic activity.

We see other signs of decline. The employment growth rate was negative 2.3. In other words, the number of people in Manitoba actually shrunk in the

year 1991, minus 2.3. Our unemployment rate went up from 7.2 in 1990 to 8.8 in 1991.

At the same time, Manitoba continued to lose people, and one statistic we have from the federal government is on interprovincial migration, and looking at the third quarter of last year, which was the last information we have, we are losing people at a rate of 11.6 per 1,000. In other words, in spite of a recession when usually people do not move because there are not many jobs to go to, we are still losing people at a rate that has not fallen off.

In terms of retail sales, as I was explaining a minute ago, when we talk about retail sales, we talk about consumer spending, and we get the matter of consumer confidence. The fact is that retail sales shrunk in 1991 by 2.4 percent. There is no question about it that the GST, as well as the unemployment, is hurting the retail sector.

Urban housing starts were down for about the fourth year in a row. They were down 36.3 percent, and it is no wonder they are showing signs of increase now, because they are right at the bottom, they are right at rock bottom, and surely they have no way to go but up, but nevertheless last year a decrease of 36.3 percent.

In terms of our farm industries, farm cash receipts declined by 6.3 percent. Manufacturing shipments declined, this was the latest that I had available at the time of this study—13.7. I think it has been revised to around 12 percent, but the point is, Madam Deputy Speaker, we were 10 out of 10. Our performance in terms of manufacturing shipments was the worst of the 10 provinces.

At any rate, then our overall investment was negative. As a matter of fact, the figures have just come out today from Statistics Canada showing that our investment last year was \$3.5 billion—that is 1991—compared to \$3.79 billion in 1990. In other words, there was a rather significant decline in overall capital spending in the province. They are projecting for this year a slight increase, but they were projecting that last year as well, but what we did get in reality was negative capital investment, otherwise known as "disinvestment."

So 1991 was a poor economic year, and if this Economic Innovation and Technology Council were in existence, and I understand from the legislation it is supposed to table annual reports, or the minister is supposed to table annual reports on behalf of the council, I would presume that they would have to

make reference to our economic circumstances and they would be presumably touching upon this.

I said, Madam Deputy Speaker, the most disturbing information coming out of the recent Statistics Canada reports is Manitoba's decline relative to the other Canadian provinces during this recession. All provinces have been negatively affected by the economic downturn, but our relative situation has deteriorated in the process. Of these 11 basic economic indicators, our position worsened in seven categories vis-a-vis the other provinces. We did improve in four, but we worsened in seven.

Our economic growth, we rated 10 out of 10 in 1991, so we weakened there; our employment growth, ranked eight out of 10, we weakened there; our loss on interprovincial migration, we were eight out of 10, we were near the bottom again in performance, so that was a weakening from the previous year. The same thing with urban housing starts, we were nine out of 10, we show weakness there; building permits were eight out of 10, again, we deteriorated from where we were the year before. Manufacturing shipments, the year before we were six out of 10, but last year we got to be 10 out of 10.

Lastly, in terms of total investment, the estimate that we had at the time, we ranked eight out of 10 provinces, that was the information we had when we did this study. The fact is that when we declined relative to the other provinces, the reality is we have to ask ourselves a question: Why is Manitoba declining relative to the other Canadian provinces? What is going on here to show such poor performance?

If you just compare us with the overall Canadian situation in 1991, again using 11 economic indicators, and all of this information is out of Statistics Canada, there are only two categories where we performed above the Canadian average: one was the rate of unemployment.

We have always performed better than the Canadian average, ever since labour-force statistics were calculated. The prairie provinces were usually among the lowest one, two or three. Unfortunately in this last month, Ontario pushed us out of third spot, and we are now fourth out of 10. Overall, in 1991, we performed above the Canadian average in unemployment rates just slightly, and also in terms of farm cash receipts.



In every other category, Madam Deputy Speaker, our economic indicators were below the Canadian average. Average weekly wages, we were below—population growth, investment, overall economic growth, retail trade, job creation, manufacturing shipments, building permits, and housing starts.

The conclusion is there is no doubt that our province has been badly hurt by the recession. There are a lot of basic reasons for that: Agricultural incomes are down, of course, because of depressed world prices; our mining sector has also experienced lower global prices for the output, so there are some understandable reasons. That has also affected some of the other provinces, such as Saskatchewan and Alberta. I would maintain though that we have been hurt also by neo-Conservative policies coming out of Ottawa. Also, to some extent, we have been hurt by this government's refusal to tackle the question of economic growth, refusal to tackle the question of the recession.

Now, I know the Minister of Finance (Mr. Manness) and the Premier (Mr. Filmon) said, and he said again I believe when he was introducing this bill, that we need a positive climate, but that means we have to control government spending, and we have to keep taxes low, as though those are going to create economic growth.

Well, I am sorry. We have had nearly four years of this government. They have been saying the same thing all along, and we have not had the economic growth. The fact is it does not matter what the tax rates are, if you cannot sell what you produce, there is not going to be any incentive for any manufacturer, or any type of business person, to invest more money. It would be ludicrous if your business was being underutilized, that you would want to turn around and start to expand the business, start to invest more in the business, regardless of what the tax structure is.

We do not have conditions here which have created growth; we have had conditions, we have had policies, which have slowed down our economy.

As I said, the GST has dampened consumer spending. It has, with all the negative multiplier effects and the tight-money policy of the Bank of Canada, with its high interest rates, not only has discouraged investment but also has kept our

Canadian dollar very expensive vis-a-vis the American dollar, which in turn has dampened our exports to that country. Indeed, it has dampened our exports to other countries which has caused further job loss.

All those matters, all those policies, coupled with the Free Trade Agreement, coupled with deregularization and privatization, have hurt this province and can explain to some extent what is going on, not only in terms of our current economic situation but our structure. Maybe that is what this bill is supposed to be addressing, our structure, but, Madam Deputy Speaker, I regret to observe that our economic structure is suffering.

\* (1450)

We have seen the federal government move CNR jobs westward out of this province to Alberta. We have seen the weakening of the trucking industry, and part of that is due to the Free Trade Agreement. We have a pattern of trade now more north and south compared to east-west, therefore, Winnipeg's role as a very critical transportation hub east-west has deteriorated seriously.

We regret that this government has no economic plan to deal with this, but as I said, the creation of this council on the surface cannot be criticized except that I am not so sure that we are doing anything new here.

The First Minister (Mr. Filmon) in his introduction of the bill referred to the establishment of \$10-million funds to be financed from the proceeds of the sale of MDS. Frankly, the sale of MDS is very regrettable. Not only have we created a private monopoly that can rip us off in terms of the rates they charge us for computer services, but we had an MDS that was profitable and turned millions of dollars back to the government every year. Frankly, that was a bad mistake.

Now to say that you are financing from the proceeds of the sale of MDS is just ludicrous financing, Madam Deputy Speaker, because funding comes ultimately from the Treasury, and the Treasury contains funds from whatever purpose. You cannot say you are going to take it from the sale of one thing and put it into this fund of this council. The monies have to come from general revenues.

I want to know how do the funds that this council is supposed to have to dispense compare with what we have had before? We do not know whether this \$10-million fund is a one-time grant to the council to

dispense or whether it is going to become an annual thing. My reading of the Premier's remarks is that it was a one-time effort.

I would point out that we used to, with the Manitoba Research Council, for years had millions of dollars to dispense by way of grants that this council is supposed to be engaged in. It was something in the order of \$2.7 million a year granted. About two years ago, it was \$2.9 million. In fact, if you go back to '85-86, the MRC, the Manitoba Research Council, had over \$3 million available, again, in '86-87 over \$3 million and '87-88 almost \$3 million. Even in last year's budget, they had \$2.0 million to dispense with. Incidentally, if you go back to '86-87, there were other monies available in the Manitoba Jobs Fund.

The point is, Madam Deputy Speaker, have we really got anything new in this council with the grant monies that it has available? If you read the description of the Manitoba Research Council, you find that what it was doing and its function was extremely similar to this council. When you look at it in some depth you wonder, well, what differences are there going to be, because in the report itself of the Manitoba Research Council for the year ending, I guess, March 31, 1990, in the annual report, the description of the Corporate Profile, and I am quoting:

"Working closely with industry, government and universities, the Manitoba Research Council (MRC) plays a lead role in encouraging and facilitating scientific research and technological development. As an agency of the Province of Manitoba, MRC also advises the government on developments . . . as they relate to the economic and social development of the province.

"Through its operating units, MRC assists industry in the development and implementation of appropriate technology. MRC provides food technology services from its facility in Portage la Prairie and engineering and environmental technology services from its Winnipeg facilities. MRC has co-operative initiatives with the University of Manitoba in both the mechanical Engineering Department and the Food Sciences Department."

It goes on to describe all kinds of services and capabilities of the Manitoba Research Council. It talks about an expanded role that it has had. For the life of me, Madam Deputy Speaker, I do not know then what we are getting with this new council

except a different name. This council is going to absorb the MRC, and I presume the staff of the Manitoba Research Council are going to be part of the Innovation and Technology Council, but really I do not see anything new here.

I absolutely cannot see what we are getting that we did not have before. Incidentally, we had lots of good people, I gather, on the board. There were various people from the community that served on the board. I do not know whether there is a—well, reference to—yes, here is the reference to the board, Mr. Russ Hood. Is this the same person that is being asked to head up this same Economic Innovation and Technology Council? What is the difference? I mean, John Ingraham, Mr. Bert Beattie from Bristol Aerospace, Dr. Nancy Craven from Clinicom Computing Services, Paul Soubry from Ford New Holland and so on.

The point I am making is we have a board here made up of good people. We have a staff. We have a large council representing a wide cross-section of food product development, engineering services, business development, marketing and so on. All of a sudden we are supposed to have some new thrust with this technology council.

As you go through the annual report, you see that they have engaged in all kinds of technological development, all kinds of innovations, have engaged in various contracts, multimillion dollar contracts and grants with other people. As a result, Madam Deputy Speaker, I do not know how effective the organization has been, but nevertheless they have obviously been busy.

They enumerate the highlights of their success in 1989-1990, everything from developing a special coding for diesel engine liners on behalf of Transport Canada. There was another contract undertaken to develop suitable vibration criteria for purchasing of diesel electric generating sets larger than 100 kilowatt capacity. They did this on behalf of the Canadian Electrical Association and Manitoba Hydro. They conducted research into plastics. They have gone into research doing testing for roll-over protection for motor vehicle safety test methods. There is a whole host of activities engaged in by the Manitoba Research Council which has been around for many a year.

We really have the same organization virtually, the same organization that we had only with a

different title and maybe some other minor administrative changes, some minor changes.

The fact is, Madam Deputy Speaker, we cannot oppose the establishment of the council because, who knows, there might be something here that might be a little different. Essentially, it looks more like window-dressing than anything else.

I would say, as I indicated earlier, we are not only suffering a cyclical downturn, but we are seeing a very serious structural change whereby the significance of the Manitoba economy is lessened. Part of it is because there is a shift of manufacturing to low-wage areas of the world. We see manufacturing grow up in Asia. We see it growing up in Mexico, and we only hope and pray that we do not get involved and will be aware with the Mexicans that is going to hurt jobs in this country more than they have been hurt with the Free Trade deal with the United States. There is that shift of manufacturing going on.

Madam Deputy Speaker, could you indicate how much time I have left? Seven minutes? Thank you.

Historically, what has been going on is there has been a shift of industry out of this province and activities to the west of us. That has been well documented. Winnipeg used to be the Gateway to the Prairies, the Gateway to the West. That has declined as you have seen the growth of places such as Edmonton, and Calgary, Regina and Saskatoon. We have seen the shifting out of this province of transportation activities, financial activities, distribution activities. Winnipeg used to be a major wholesale warehouse centre, and it is still important, but it has declined. That shift has just gone on continuously.

In the meantime, we are not getting the help we should be getting from the federal government. I maintain that—because I mentioned this at the beginning, I mention it again now, federal government policies have a lot to do with the amount of economic growth that can occur in the regions of the country. We, when in government, engaged in various provincial-federal agreements that enabled us to stimulate development in a whole range of industries from manufacturing to energy to tourism and transportation and so on. We do not have these. For whatever reasons, government has not been as successful in getting monies through these agreements.

To that extent, in spite of Western Economic Diversification monies we do not have the funding support that we had years back. I think that this is critical for our economic growth. In fact, what we have had, Madam Deputy Speaker, is the reverse. We have had the federal government penalizing Manitoba, and the classic case is the CF-18 which should have come to Bristol Aerospace but went to Montreal.

\* (1500)

In spite of all the speeches made by Jake Epp, we did not get properly compensated for that political decision to move it out. Similarly, the federal government through its Crown agency, CNR, has seen fit to see jobs shifted from Winnipeg to Edmonton. That has gone on for some time and may go on in the future. This is a very serious situation, one of our major employers shrinking before our eyes, and there are other examples. We are not getting the support that we should be getting from the federal government.

In the meantime, you have the federal government engaging in all kinds of cutbacks that are really hurting potential growth. One of the areas, and my colleague for Wolseley (Ms. Friesen) mentioned it yesterday in her question, there has been another year of cutbacks in federal training monies, a hundred million dollars cut back out of the Canadian Jobs Strategy. That has repercussions in this province.

The fact is, Madam Deputy Speaker, if we want to have economic growth, we have to do some sound research. We have to do some sound planning. I am not so sure that this council that is being established is going to be anything different from the Manitoba Research Council which I have described. It can do everything and anything that this council is able to do from my reading of this legislation and my reading of the annual report of the Manitoba Research Council.

What we need, Madam Deputy Speaker, is more economic research into our strengths and weaknesses to have some plan, some idea, of where we are going by the year 2000 or the year 2002. Where are we going in the early part of the 21st Century? How do we get there? What are our strengths? What are our weaknesses? What should we be emphasizing? What should we be de-emphasizing?

I have great concern that since peace has broken out in the world, that the evil empire no longer exists, that the incentive is not there for the spending that occurred south of the border, that you will not have a repeat of the Reagan vast huge spending, the billions of dollars spent on defence in the United States by the Reagan administration in particular, and that you have a decline in the rate of growth in the United States which slops over, washes over into Canada and to Manitoba.

I am very pessimistic. I do not see us getting out of this recession. I see this recession continuing on, and then 10 years from now, we will look back and talk about the depression that occurred in the 1990s, because there are just not those sufficient investment opportunities for our people. We have lots of savings, perhaps too much savings going on and not enough spending. If you do want to have economic growth, if you want to have economic stimulus, you have to have an increase in spending by consumers, by business through investment and also by government.

Madam Deputy Speaker, I understand my time is now completed. I put those few remarks on the table, and I will say in conclusion that one cannot oppose the establishment of the council, but we are really getting the Manitoba Research Council with another name. Thank you.

**Mr. Gary Doer (Leader of the Opposition):** Madam Deputy Speaker, I move, seconded by the member for Brandon East (Mr. Len Evans), that debate on the bill now be adjourned.

**Motion agreed to.**

### **Bill 10—The Manitoba Hydro Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Agriculture (Mr. Findlay), to resume debate on second reading of Bill 10 (The Manitoba Hydro Amendment Act; Loi modifiant la Loi sur l'Hydro-Manitoba), standing in the name of the honourable member for Flin Flon (Mr. Storie).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

### **Bill 11—The Bee-Keepers Repeal Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Agriculture (Mr. Findlay), to resume debate on second reading of Bill 11 (The Bee-Keepers Repeal Act; Loi abrogeant la Loi sur les apiculteurs), standing in the name of the honourable member for Swan River (Ms. Wowchuk).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

### **Bill 12—The Animal Husbandry Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Agriculture (Mr. Findlay), to resume debate on second reading of Bill 12 (The Animal Husbandry Amendment Act; Loi modifiant la Loi sur l'élevage), standing in the name of the honourable member for Dauphin (Mr. Plohman).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

### **Bill 14—The Highways and Transportation Department Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Highways and Transportation (Mr. Driedger), to resume debate on second reading of Bill 14 (The Highways and Transportation Department Amendment Act; Loi modifiant la Loi sur le ministère de la Voirie et du Transport), standing in the name of the honourable member for Transcona (Mr. Reid).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

### **Bill 15—The Highway Traffic Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Highways and

Transportation (Mr. Driedger), to resume debate on Bill 15 (The Highway Traffic Amendment Act; Loi modifiant le Code de la route), standing in the name of the honourable member for Thompson (Mr. Ashton).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Stand.

**Madam Deputy Speaker:** Stand. Leave has been granted.

### **Bill 20—The Municipal Assessment Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Rural Development (Mr. Derkach), to resume debate on second reading of Bill 20 (The Municipal Assessment Amendment Act; Loi modifiant la Loi sur l'évaluation municipale), standing in the name of the honourable member for Swan River (Ms. Wowchuk).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

**Mr. Nell Gaudry (St. Boniface):** Madam Deputy Speaker, I stand to speak today on Bill 20, The Municipal Assessment Amendment Act. Bill 20 deals with two things. Firstly, it will push back the date of the next property reassessment from 1993, mandated in 1990 amendments, to 1994.

Secondly, it somewhat streamlines the appeals process. We have been told that the reasons for pushing back the reassessment date is not that the bureaucracy will not be ready.

Madam Deputy Speaker, the minister, as well as officials we met with, said the assessment is being pushed back because of other changes connected with changes in the portioning system also introduced in 1990. It will kick in in 1993 and a reassessment also in 1993 would make for too much change all at once. This has led the minister and his department to conclude that delaying the reassessment to 1994 will make taxes more understandable.

Earlier, I spoke of changes in the portioning system. Allow me to briefly elaborate on this.

Portions are the percentage of market value of a particular property which are subject to taxation. Portions will be set at different values for different

classes of property. The 1990 legislation moved assessments to market value of a property.

Madam Deputy Speaker, that change would result in dramatic changes in the taxes on many properties since many assessments were very far out of date. However, the province is adjusting so that each class of property in the province will generate the same proportion of total tax revenue after the move to market value as they did before the move.

The rationale for the portioning is that it was agreed that each class of property should generate the same proportion of tax revenue after the move to market value. That is, tax burdens should not be redistributed from one class to another. The government is controlling the tax take through portioning.

\* (1510)

Within each class of property, some will pay more and some will pay less depending on market value changes. This is the explanation we have received from the minister and the department.

Madam Deputy Speaker, we look forward to further debate which will determine whether these measures are indeed in the best interests of Manitobans, and we have to listen to Manitobans, and whether Bill 20 will accomplish what is intended, and we reserve our questions and concerns for further debate.

As you have no doubt seen, the assessment process is not something that is very easy to understand, and it requires a fair amount of explanation and Manitobans should be explained to, we understand, to get down to the really important parts of the assessment act.

Madam Deputy Speaker, the government says that the amendments being proposed are in keeping with the department's ongoing commitment to the improvement of the assessment system. I would like to indicate that we, the Liberal Party, still have concerns regarding certain issues surrounding the appeals process and so forth, and therefore we look forward in debating this bill further, and we look forward to further debate and to listen to the Manitobans, what they would like to see in this amendment act.

Thank you very much.

**Madam Deputy Speaker:** As previously agreed, this bill will remain standing in the name of the

honourable member for Swan River (Ms. Wowchuk).

### **Bill 21—The Provincial Park Lands Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Natural Resources (Mr. Enns), to resume debate on second reading of Bill 21 (The Provincial Park Lands Amendment Act; Loi modifiant la Loi sur les parcs provinciaux), standing in the name of the honourable member for Interlake (Mr. Cliff Evans).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

### **Bill 22—The Lodge Operators and Outfitters Licensing and Consequential Amendments Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Natural Resources (Mr. Enns), to resume debate on second reading of Bill 22 (The Lodge Operators and Outfitters Licensing and Consequential Amendments Act; Loi sur les permis relatifs aux exploitants de camps de chasse et de pêche et aux pourvoyeurs et apportant des modifications corrélatives à d'autres dispositions législatives), standing in the name of the honourable member for Interlake (Mr. Cliff Evans).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave? Leave has been granted.

**Mr. George Hickey (Point Douglas):** Madam Deputy Speaker, I would like to have a few minutes to speak to this bill, as Bill 22 could have positive impacts on all lodge operators, and also it could have a very negative impact.

Through debates of this bill, that is what we on this side of the House would like to determine because when you take a look at the whole aspect of lodge owners and operators who are now under the jurisdiction of Industry, Trade and Tourism, one of the big criteria that has to be regulated and enforced is the whole rating system, what is called a star system for rating lodges, cabins and hotel

accommodations that tie in with lodge operators. Some of the lodges that have recently been built get a five-star rating, some get a four-star rating and some get a three-star rating.

One of the concerns that I have is if we transfer the responsibility to the jurisdiction of Natural Resources, whose real mandate is enforcing fishing regulations, harvesting of the fish and to make sure that there is proper access to the lakes and to ensure that the resources that we have available to us in Manitoba are appropriately shared with the communities, aboriginal organizations and the aboriginal needs in a lot of the communities because a lot of the communities in northern Manitoba depend very heavily on the consumption of fish.

If you have one jurisdiction that is responsible both for the whole tourism industry and trying to regulate the number of fish caught and also trying to promote how many tourists we do get in Manitoba, I would like to hear further how that will work. When you have a look at the lodge operators in Manitoba under tourism right now, there is a lot of promotion that goes on. You hear of all kinds of trade shows that lodge operators and the owners are able to attend. They go down into the States and they go into different countries to promote tourism.

You look at the whole tourism industry, it is really, really vital to the successful economy of Manitoba. Especially in northern Manitoba, there are a lot of beautiful lodges up there like Cranberry Portage and Reid Lake, I could go on and on and on, that depend very heavily on tourism dollars.

A lot of times when the lodge owners or their representatives go to the United States, that is where they do a lot of booking for their lodges. When we talk about economic value and dollar value, the average one-week fishing expedition for someone coming from United States into Canada is \$1,700 for one week. That brings in a lot of money for those lodge owners, and they need those kinds of resources. We have to make sure that we continue promoting tourism.

One of the drawbacks, at least talking to some of the lodge owners personally, was the high Canadian dollar and the GST that we impose here in Canada. A lot of the lodges last year and lodge owners and operators had to cut back drastically.

I know one individual, just for an example, every year, had at least the minimum of 30 individuals for

a three-day period, so if you double that, it would be 60 individuals a week for one month, and because of our high dollar and the drastic GST, they tried to do a lot of promotion in the United States, where they always had found American sports people. Their operation was cut literally in half. Instead of opening for one month, they were able to only open for a two-week period. I think that is where Industry, Trade and Tourism, and especially the Department of Tourism, have the expertise and the knowledge to ensure that we do promote fishing, hunting and lodge operators.

When we look at the whole issue of the lodge operators and the lodge owners and being under the jurisdiction as I mentioned earlier, where Natural Resources' jurisdiction is really issuing the licensing and harvesting to ensure that the lakes have adequate fish for the sports fishermen and the people who will be consuming those fish, if you have that rolled into one, the other thing that we have to look at very, very closely is, who is going to be in charge of the inspection of the lodges? Will they be the individuals who have the expertise under Tourism, or will they be new individuals appointed by Natural Resources? All the people who are now employed in the Department of Tourism under I, T and T, will they be transferred to Natural Resources, or will we see more job cuts?

I think that is a very serious issue because, when you start looking at cutting people with the expertise and replacing with appointments—you see in the bill here individuals will be appointed by the minister—how can we ensure that these individuals will have the expertise in order to ensure that everything is done for the most positive aspects of lodge owners in Manitoba? That is one of the things that we have to look at very carefully.

\* (1520)

Also the other thing that we have not heard anything about, maybe we will hear later from some of the other debates from the government side, is how much consulting has been taking place with the actual lodge owners to explain exactly what the government wants to do by transferring the lodge owners from Tourism to Natural Resources?

I know that most lodge owners work very closely with conservation officers, and they see a conservation officer's role as, I guess you could call it, enforcing and policing the fishing regulations and the Migratory Bird Act, and also with rules and

regulations pertaining to hunting. What will happen there? Will these individuals also be given added responsibility? They are trained in biology and the expertise of animals and fish. Will they now be given added responsibilities to go around and inspect all the camps and rate each lodge and camp with that star system? If that will be the case, I think we will have to do some serious thinking if we are even able to support this kind of transfer of responsibility. There are a lot of questions that need to be asked.

We need a lot more information in order for us to support this. Once we get the answers, it might be one darn good idea, but we need more information. Also, we are going to be consulting with lodge owners ourselves to hear what their responses are, because individuals whom I know personally and have talked to, they do not have too much information on exactly what the government's goals are. I think it is crucial that the government, when they make any initiative or any change, to involve and consult, not with the expertise that is out there, but with the people who are directly involved. When I talk about people directly involved, it is the lodge owners, the aboriginal peoples and the people in those northern communities or even the South where there are lodge owners, consult the communities to see what is really happening.

The lodge owners will have a lot of questions because they benefit greatly from the work the Department of Tourism does. A lot of them go on a lot of trade shows, and also, the Department of Tourism has done a lot of promotional work on behalf of tourism in Manitoba. That we cannot take lightly because—

**An Honourable Member:** The lodge owners are very happy.

**Mr. Hickes:** The lodge owners are very happy with the work that Tourism does. That is why we have to be careful to ensure that the expertise in the Department of Tourism will not be cut adrift, that the expertise will be transferred to the Department of Natural Resources. There are a lot of people in Tourism who have been there for years, and they have the expertise in that area. The reason I mention that is because—

**An Honourable Member:** The lodge owners want this to happen.

**Mr. Hickes:** Not all the lodge owners, because I have spoken to some lodge owners whom I know

personally. They are not even aware of what this is really all about, and that is why I say consult with the lodge owners and see what they really want. Like I said, some of them do not understand because they have not been given that kind of information. When you talk about individuals who have the expertise, cut adrift and not following to the department that the responsibilities are being transferred to, it has a very detrimental effect on the government, on the organization that is trying to do whatever they are trying to do.

A good example that I will give you that I have been discussing in this Chamber for quite some time is in my critic area of Energy and Mines. It is very relevant to this bill because I am using it as an exact example of what could happen when you cut a branch or branch or government department and do not bring the expertise along with the new responsibilities of whoever is supposed to be taking that over.

Under Manitoba Hydro, we saw the Manitoba Energy Authority cut adrift, all the people were let go, and that agency was the agency that was out there trying to purchase contracts for Manitoba Hydro in order to fulfill the excess power that Manitoba has. It is not wrong, because if you had that agency in place, you have 300 megawatts coming on stream, or that is access to Conawapa that we have no sales for. If you had the agency out there negotiating sales for that 300 megawatts plus the thousand megawatts that is already contracted out to Ontario Hydro, then yes, you could say we really do have the need for Conawapa, because we have a hundred percent sales, whether Manitoba needs it or not. That is the kind of stuff that we have to ensure.

We have to ensure that the government does follow through and ensures that the expertise follows the change of responsibilities or, Madam Deputy Speaker, it will not work, because like I mentioned earlier, when you have—even the Minister of Urban Affairs (Mr. Ernst) agreed earlier, the people in Tourism—he said, yes, Tourism does a good job.

Here on this side of the House we agree 100 percent with that. They do an excellent job; they do their darndest job. They are into tough circumstances right now. Last year—and I mentioned earlier about the high dollar and the GST, but also, the other thing that is hurting tourism, which we all recognize, is the state of the economy today.

A lot of people do not have the dollars that maybe they had access to in the '80s, early '80s or later part of the '80s, where individuals could dish out, say, \$1,700 for a week of fishing. If you had the extra dollars, that was a luxury that you were able to afford. How many people enjoy fishing? I am sure a lot of people do. A lot of those lodges and operator camps are in very beautiful, beautiful remote places. A lot of them are beautiful lakes and trees, and you have wild animals and ducks surrounding you, and plant life. They are beautiful, beautiful spots.

Just to get away for a week, Madam Deputy Speaker, it is amazing how much rest and relaxation a lot of individuals get, because most of those lodges have no access to telephones, which we almost constantly live by, or fax machines. When we are able to get away from that, that is why you see a lot of executives and business people will take advantage of spending a week at these lodges. That is why we have to ensure—[interjection] No, there are no McDonald's at the corners.

You do not need a McDonald's at the corner, because a lot of those lodges and camps—[interjection] Yes, that is right. You just drop your hook in, and you catch your own dinner and supper. If you had that opportunity for a fresh shore lunch that is freshly taken out of the lake, you would not want to go to McDonald's around the corner. Never, never. [interjection] Sometimes you have steak and you have roast for a change. They always give you a couple of choices. That is why, Madam Deputy Speaker—

**An Honourable Member:** George, when are you taking us up there?

**Mr. Hickes:** Maybe the summer. That is why it is so important that, if there is a transfer of responsibilities from Tourism to Natural Resources, the proper supports go along with that transfer. As I mentioned earlier—and I will re-emphasize, because I think it is very important to this debate—the responsibility of Natural Resources, as we see it today, is to enforce the regulations that we have, whether it is sports fishing or whether it is hunting. That is the Department of Natural Resources officers' responsibility.

They are not there to promote tourism, to attend shows, to make videos and travel all over the country. Their responsibility is to make sure that, when the Minister of Urban Affairs (Mr. Ernst) and I go fishing this summer, we do follow the regulations



and we do not overfish. That is what they are there for. [interjection] He is not that good a fisherman? Well, if he stays under the limit, we will be okay then. That sounds very promising.

\* (1530)

The other thing is, Madam Deputy Speaker, with the Tourism department and the inspectors that we have and the people who are responsible for rating the lodges, the inspectors who have the expertise in that area, they ensure that the lodge owners keep those cabins and those rooms and accommodations up to that standard. That is their responsibility. They go and visit, in most cases at least once a year, to every lodge owner.

They have to go through a very, very thorough inspection. They will tell them that you do this, you do that, or we will take your rating away. If you have a five-star rating which is very high, and a lot of the camps in Manitoba have that five-star rating, if there is no one there to ensure that those standards are kept up, how long do you imagine it will take for us to lose our tourism industry like in the sports fishing area and also in hunting and the lodge operators and outfitters?

Madam Deputy Speaker, I would just like to conclude by stating, as I mentioned earlier, that this might be a positive step, but it also might be a negative step. The only thing that I caution the minister and the government is that, if you transfer the responsibility of tourism and the promotion of tourism to the Department of Natural Resources, make sure that the expertise goes along with it and take that expertise to the department that will be responsible and not cut them all adrift and more job losses and more job cuts, and bring in all new people who do not have the expertise. I think for this to work, that would be very, very crucial.

So, Madam Deputy Speaker, we will have more questions for the Department of Natural Resources because there are quite a few unanswered questions yet. We do not know if we will be supporting this bill or not, but we will determine that after we have more responses from the government side.

Thank you for giving me the opportunity to speak to this bill.

**Mr. Steve Ashton (Thompson):** I would like to be able to speak on this bill if I might. There are a number of matters I wanted to deal with. I first of all want to begin by indicating that I echo the

sentiments of the previous speaker who is no stranger to the North, obviously, no stranger to lodges and the many benefits of northern Manitoba in particular, where a vast majority of our lodges are located and the importance in terms of employment for many northern Manitobans in terms of outfitting. In fact, I am pleased to be able to indicate, Madam Deputy Speaker, that there are a number of lodges in my constituency and in close proximity.

It is for that reason that I read this bill with interest. It is a very straightforward bill, but it is a bill that we do have a number of questions about. It is also a bill that raises a number of other questions about the operation of lodges in Manitoba at the current time, and the plans of the government, and whether indeed it is living up to the real potential, the tremendous potential of northern Manitoba, the lodges that are currently in existence, and the potential for future development that I believe is a sustainable development, in many ways probably the ultimate example of sustainable development.

I say that because one finds this is something of a misnomer. One often talks to people who are under the impression that there is a major impact of the lodges on the surrounding area, but in many cases we are dealing here, as people should be aware, with catch-and-release lodges, where trophy fish are returned to the water, in fact some rather tremendous-sized trophy fish, I might add. Only a very small amount of fish is taken for eating purposes. There is much greater attention than there was in previous years to ensure the long-term viability of the lodges and the fishing lakes that they depend on for their survival.

**Mr. Hickers:** Diamond Lake has some of the biggest trout.

**Mr. Ashton:** In fact, the member for Point Douglas (Mr. Hickers) points out that Diamond Lake has some of the biggest trout because of that very program. I was just up in the North last week in Ilford and talked to the owners of a new operation at Silsby Lake. The Thompsons are well known obviously for their involvement in the community of Ilford and the catch-and-release program they have had in place since the lodge opened—this is the third year, I believe—resulting in some record-sized fish being caught.

Once again, it is the potential for a very sustainable development, Madam Deputy Speaker, but I want to raise some concerns because I am

concerned that the government, through its actions, is not only not living up to the potential but is threatening the potential of the lodges in northern Manitoba.

There are a number of items I want to point to specifically.

One was the elimination of the classification position. In fact, the member for Point Douglas pointed to the importance of classification of lodges, particularly when you are dealing with the many American tourists who are probably the primary market for lodges and from all over the United States. The bottom line is, this government eliminated the classification position last year that had been in existence for many years and is now relying on self-reporting and a system that threatens the objective classification of lodges and to my mind could in the long run threaten the standards of that.

The Minister of Health (Mr. Orchard) shows his ignorance of the lodges. If he had only been listening a few minutes ago, he would have been aware of the fact that there is a catch-and-release policy in place in lodges in northern Manitoba to the point where our fish stocks not only are not threatened, but are maintained and enhanced, Madam Deputy Speaker. As the minister should be aware, we have barbless hooks in Manitoba now and have had barbless hooks in place in lodges for many years because of the concern of lodge operators to maintain fish stocks.

If the Minister of Health is not aware, I am sure maybe the member for Portage (Mr. Connery), who I know has paid some attention in the past in terms of tourism issues, and I know he is aware of some of the concerns of lodge operators from his previous involvement as a critic in that light, might wish to educate the Minister of Health, because obviously the Minister of Health has not had the opportunity to talk directly to lodge operators in northern Manitoba about what is going on currently.

As I said, I have a concern about the elimination of classification that has taken place on behalf of this government. I believe that that is going to threaten the integrity of Manitoba's classification system, and threatening that integrity is going to threaten the reputation that Manitoba has with many, many tourists, particularly the major market for destination, which is from the United States.

They demand proper services and standards. If they go to a lodge that is a three-star lodge, they

want it to be a three-star lodge. If it is four-star lodge, they want it to be a four-star lodge. They are willing to pay good money to come to northern Manitoba and are willing to add significantly to the Manitoba economy by doing so if they get the kinds of standards they are used to, that they are expecting and that are advertised. This government has made a serious error in this regard.

I also want to talk about outfitters' concerns in another area, and that is in the area of promotion. I believe that if one was to talk to many of the outfitters, and I have taken the opportunity to talk to a number of outfitters, one of the major concerns about the tourism strategy of the government, and it has been a concern that has been around for a number of years—I am not trying to single out this current minister—but is in terms of promotion.

(Mr. Jack Reimer, Acting Speaker, in the Chair)

Many lodge operators are finding they are expending a significant amount of money out of their own pockets, tens of thousands of dollars having to independently promote northern Manitoba as a destination there in the United States. Let us not forget that we have not traditionally been as major a market in terms of that kind of tourism in comparison, for example, to Northern Ontario or to the Northwest Territories. Those who have come to northern Manitoba often are repeat tourists.

\* (1540)

I have talked to many lodge operators who have indicated they often find there are repeated visits from individuals on a yearly basis. I think that shows that we do have strength in terms of market potential, but there is not the adequate type of promotion. When you are out there in a cutthroat market, and indeed lodge operators are saying the prices are being slashed because of the impact of the recession—there is some kind of price war going on between lodges currently—but when you are out there competing with well-known destinations such as Northern Ontario, you need that type of promotion, Mr. Acting Speaker, and that is one of the significant concerns of lodge operators, the fact that we are often left out.

I talked to a lodge operator only on Friday who indicated that he was at a trade fair and had some members of his family at a trade fair where there was an empty desk set up for Manitoba and a few brochures put out. A few of the lodge operators were able to get down to that area and, indeed, I

know the member for Portage la Prairie (Mr. Connery) will be concerned about that. I know he has expressed similar concerns in the past. I would hope that he would take the time to talk to members of his own government to advise them of the concerns of lodge operators. That is not the only concern they have.

I talked to a lodge operator just yesterday as a matter of fact who found the fees they are being charged are increasing dramatically. They went from a \$250 fee last year to the point where they are going to be charged in excess of \$830 and a charge per bed space. This is going to lead to a threefold, a fourfold—it may increase by as much as 500 percent in one year. They, a new lodge operation, are just flabbergasted—they found this out last Friday. They were flabbergasted to find that this government is now with a new operation. They put their own money into it.

They have been unable to get any support from government. In fact, I do not even believe they really bothered even trying to get it from the government. They have received no real assistance in terms of the banks, but now the government is increasing the amount that it wants to take off this lodge operation, a new lodge operation. Whether it threatens the economic viability, Mr. Acting Speaker, certainly does not help. Here in the middle of a recession when you have people—and this couple has lived in northern Manitoba for 30 years and they have put their livelihood on the line, their life savings, to start this lodge, and the government has decided that now they are one of the targets to increase revenues.

I note that is happening across the province. The Minister of Natural Resources (Mr. Enns), with his newly shrunken department, now is out there trying to raise revenue wherever he can. We noticed in terms of another bill, in terms of permanent cottage residents, that money is going to be raised from them that will go into general revenues, not into the local communities, not into local school districts, not into local municipalities, but they are out there raising money for whomever they can.

In fact, I am wondering if this bill might not more appropriately put this responsibility in the Minister of Finance's (Mr. Manness) department, because by the looks of it, at the rate we are going, the Minister of Natural Resources is going to become more of a revenue raiser in terms of a minister than a service provider. We have seen major, major cuts in terms

of the programming in that department that affects conservation officers, that affects our provincial parks, and that is why I have a concern here again.

We look to the feedback from lodge operators themselves as to the logic of this move, a move that is going to, what—to move lodge and outfitters' responsibility to the Department of Natural Resources, a department that has been slashed continuously by this government and, in fact, one that we are concerned again may be the target of further cuts in the upcoming budget.

How will the very real concerns of lodge operators and outfitters in terms of the impact they could have, in terms of the tourism market, their resource concerns, et cetera, be represented in a department that has little enough resources to begin with, has had those resources slashed, is having difficulty maintaining basic services in terms of those areas I just mentioned a few minutes ago? How are their responsibilities in terms of this particular new bill going to be lived up to with a department that is a mere shadow of itself, Mr. Acting Speaker?

Those are a number of concerns I have identified. I want to indicate that our caucus is going to be taking the time to talk to the people directly affected, those who operate lodges, talking to outfitters and other northern Manitobans in particular, because that is where a vast majority of lodges are located, to find out what they believe is the proper approach to follow. I know as I have said from conversations as recent as yesterday they have serious concerns about the actions of this government. Perhaps, Mr. Acting Speaker, it is out of ignorance that this government is doing this, but they ought to realize that there is significant tourism potential from our lodges. In fact, one of the most significant areas of potential is in terms of northern tourism. This is one of the strongest markets that we have.

If you were to take Churchill with its reputation which attracts visitors from all over the world, and I have had the opportunity of travelling on the bayline as I do to visit parts of my constituency, to sit and talk to people who have come as far away as Miami, Florida. They have come to Minneapolis to catch the train to go all the way up to Churchill. They cannot believe when they hear these discussions that the bayline and the Port of Churchill's future is threatened.

I have run across people in Churchill from all over the world, the Japanese, the Germans, every part

of the world that has that reputation. Same thing with our lodges. I have had the opportunity to sit with many American tourists, travelling as I do home on weekends during the tourism season and, indeed, it is an interesting experience sitting and having the opportunity of talking to people again.

I have talked to people who have come again from as far away as California and Florida. They have flown to Chicago. They have connected with flights from Chicago and then eventually to Winnipeg. They then fly to Thompson and then take aircraft into the various different lodges. You know, they are very impressed by what they see. They are super impressed by the environment that we have, the unspoiled wilderness.

It puts us to shame sometimes, Mr. Acting Speaker, because I wonder how many people in Winnipeg have ever taken the time or have ever had the opportunity to travel north. When I say north, I do not just mean Gimli or Winnipeg Beach. No offence to Gimli or Winnipeg Beach or Selkirk which has called itself the gateway to the North. I am talking about north of 53. I am talking about coming up to Grand Rapids perhaps or further, going to Flin Flon, Cranberry Portage, to The Pas, many of the communities which are readily accessible by roads because it is an interesting experience.

In fact, I would recommend for those who want to start, they could start with the community of Snow Lake, because I have had the interesting experience, Mr. Acting Speaker, the last two years my car has broken down both years, two different cars, in the summer around Reid Lake on both occasions. I had to get towed back into Snow Lake and I ended up staying at the Snow Lake Lodge.

You know what, it was probably the best thing that could have happened, because I did miss out on the meetings both years. One actually was the send-off for Harry Harapiak. That one, I wish I had been at. They have actually got to the point now where, if it is the summer and I am travelling anywhere, people expect that I am going to end up in Snow Lake through some sort of breakdown. The great thing was I had the opportunity to go to the lodge there which is readily accessible by road. I had the opportunity to go fishing which is something that I always want to do and never find the time.

I ran across a lot of American tourists who will drive up from Iowa right from the mid-West all the way up to Snow Lake, because it has a reputation

with many people. They will stay for a week. You know what I found interesting, again too, and this shows the kind of promotional work we have to do. When I was at the lodge, I was asking the question, what kind of money is left in the local economy? One of the concerns that is often expressed is that the American fishermen will come up, they will buy gas, they will fill their gas tanks up so they can drive all the way up to northern Manitoba and back without having to fill up, and actually looking at the prices of gas in northern Manitoba, I can understand why. They buy food, they stock up on food.

There is a concern being expressed that the money does not stay in the local economy. Do you know what? I talked to the operators of the lodge, and I know the member for Flin Flon (Mr. Storie) knows it well, being in his constituency, and I know he has talked to them on many occasions. They have said that once people realize what is available in northern Manitoba attitudes change.

In fact, he mentioned he had some American visitors who came up and left upwards of \$500 worth of canned goods that they brought up, because they thought there was going to be nothing in Snow Lake, no restaurants, no grocery store and what not. When they went up to Snow Lake, which is a small community, what they did was they said, well, why bother with these canned goods. So they went and they donated \$500 worth of canned goods to the lodge operator. I still do not know if he has figured out what to do with them yet. It shows you the kind of attitudes you run into, and that is what we have to work on. [interjection] Indeed, they are nice people. I have really enjoyed my experience in dealing with them.

\* (1550)

What I am saying is, if you understand, if you take the time to listen to what people expect and also some of the impressions people have of northern Manitoba, whether they are correct or not, you also learn the next response which is how to develop a proper and adequate marketing program that cannot only sell the advantages of northern Manitoba as a destination resort for lodges but can also point out to people that they do not have to gas up and buy \$1,000 worth of cans, that we have some excellent restaurants. In fact, the food in many lodges is very well liked. I have heard some very good comments by American fishermen who have come up.

It is also, I think, important to recognize what people expect. One of the key things in the hospitality industry—I know it is something that has been pointed to, and one thing I think the Americans, certainly in the northern states, are quite good at, and I am not a cross-border shopper at the moment. I have not been for several years. I remember from previous visits through the United States, one thing that everybody remarked on was the degree to which they developed the hospitality industry to the point where people are very hospitable. It is partly by nature, but I think it is also something that goes with training and development. That is something people are looking at in northern Manitoba, I might add.

Mystery Country International, which is an organization that represents Thompson and surrounding areas in terms of tourism, has actually been promoting that within the community and lodges in various different locations throughout northern Manitoba, because what people remember when they leave a community or when they leave a lodge is often that personal contact, and that is the key thing that has to be remembered. It is those personal remembrances that matter.

These lodge operators I talked to just a couple of days ago, for example, and visited with on Friday in Ilford, they indicated that very many people were impressed to see the owners of the lodge there with the employees cooking the food, talking to people, outlining the history of the North in that area. That is something they remember as much as the fishing experience and as much as the accommodation itself. It is an entire package.

That is why I am rising on this bill today. I know the minister very quickly introduced it and talked that it was just simply a jurisdictional change. I think, perhaps, it may be more than that and that is something we will be looking at. We will be consulting with lodge operators.

I think it may be also a concern that we have to express as to whether the department, itself, is going to be able to live up to the kind of obligations and responsibilities that are going to be inherently required as a part of this shuffle.

The bottom line, Mr. Acting Speaker, is quite frankly we are concerned about some of the directions the government is taking in terms of lodges in the province. Perhaps the solution is very similar to what the member for Point Douglas (Mr.

Hickes) suggested. Perhaps members, the government benches, should come up to northern Manitoba. I extend that invitation I am sure to you, Sir, as Acting Speaker.

I know the Speaker—and I wish him well in his recovery—does not have to be invited. He has his own specific fishing haunts in northern Manitoba that would probably put some of us from the North to shame in terms of his knowledge of where to go and where to find the fish and what not. I know there are other members; the member for St. Boniface (Mr. Gaudry) is no stranger to northern Manitoba and, I am sure, to the fishing. There may be other members; the member for Osborne (Mr. Alcock)—

**An Honourable Member:** Goes for trout.

**Mr. Ashton:** He goes for trout. We have got some good lakes. There are a significant number of people who go fishing on a regular basis.

I want to indicate that there are very many accessible lakes in northern Manitoba that I would highly recommend.

**An Honourable Member:** Especially around Flin Flon.

**Mr. Ashton:** Especially, the member for Flin Flon (Mr. Storie) says, around Flin Flon. I can recommend some fishing around Assean Lake around the Thompson area and even in Mid Lake, which has some very excellent stocked trout—

**An Honourable Member:** Has the member for Flin Flon ever invited you to go fishing?

**Mr. Ashton:** The member for Flin Flon may not actually invite me. He knows I drop by his constituency in Snow Lake on a regular basis whether I like it or not. This year I will probably be in Snow Lake; I am probably going to try and get there as a planned visit as I enjoyed my visit so much. Of course, if that happens, I will probably break down earlier down the highway, but that is another story.

I would recommend people take the time to come up north. I am sure many of the lodge operators would be willing to accommodate members of the Legislature in terms of visiting some of the lodges. I hope this summer to be able to visit some of the lodges on site, some of the more inaccessible lodges, not only to enjoy the surrounding communities, the surrounding environment, but also to look specifically at the operations. I think that one of the key areas that we have as an advantage is

the unspoiled wilderness; and, if we wisely use that resource and we follow the proper policies and work with the lodge owners and the outfitters, I can see some significant potential in northern Manitoba for increased employment.

Snow Lake is a good example because Snow Lake has been hard hit by the cuts that have taken place in mining employment. It is really one of the most beautiful, accessible locations in northern Manitoba. I think it ranks up there with Cranberry-Portage, another community I find is really a beautiful community, one that is very accessible to anyone who wishes to come up. I conclude my remarks by saying—

**An Honourable Member:** Are you going to visit my constituency next time?

**Mr. Ashton:** I would like to visit the member's constituency. I am being generous here. I can outline some very beautiful sites in the Thompson constituency as well, Pisew Falls, the highest accessible waterfall in Manitoba, which is a tremendous sight for anyone who has not seen it.

There are some beautiful lakes around Assean, Assean Lake, Pisew Falls; there are a number of excellent attractions in the Thompson constituency and even in some communities which are very hard to get into—York Landing, for example, which you can reach by ferry. I would recommend that.

Pikwitonei is a community I will be in next week on the winter road, and I can indicate that it is very good in the summer for fishing. Thicket Portage, if you want to come in, you can take the train in and you can spend the day at a spot that is about halfway between Thompson and Thicket Portage. You can travel back by night and you will be fishing on lakes that are virtually untouched other than by local residents, beautiful lakes that will really, I think, put any other lakes to shame. There are many excellent lakes in the Thompson constituency as well, but the bottom line is, I think that contact is important.

It is difficult for the lodge operators, the outfitters, to be able to come into Winnipeg, obviously, and get their point of view across. I know we in the North, as northern MLAs, visit on a regular basis with the outfitters and the lodge operators. We understand their concerns. The bottom line is, I think the whole Legislature would do well to spend some time not just fishing but listening to some of the toughest northern residents, some of the most dedicated,

some of the people who have really risked a lot, and that is our lodge operators in northern Manitoba.

So please come up and visit us when the weather improves a bit, and I hope the minister will also, when he is dealing with this bill, have the opportunity to perhaps come up to northern Manitoba and visit with some of the lodge operators to find out their concerns. I am hoping that this is one area where the government can perhaps work with us or we can perhaps all work together. I do not think this is necessarily a political issue, but I think it is one of understanding. If you understand the concerns and we can work more closely together, I think we can tap one of our greatest potential economic resources, and that is tourism in northern Manitoba. Thank you, Mr. Acting Speaker.

### House Business

**Hon. Clayton Manness (Government House Leader):** I just rise on some House business if I can. I would like to announce that the Standing Committee of Municipal Affairs will consider the North Portage Development Corporation Annual Report on March 24, Room 255, 10 a.m. That same committee will consider The Forks Renewal Corporation Annual Report on April 16 in Room 255, also at 10 a.m. in the morning.

I propose to call the Committee on Law Amendments to deal with Bills 5, 7, 8 and 46 a week from today, March 5 at 7 p.m. in the evening, also in Room 255. That same committee will also sit, if necessary, to consider those bills Tuesday morning, March 11, at 10 a.m. in the same room. It is March 10, right. Sleeping. March 10, Tuesday, 7 p.m., if necessary, for Bills 5, 7, 8 and 46.

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**The Acting Speaker (Mr. Relmer):** As previously agreed, this bill will remain standing in the name of the honourable member for Interlake (Mr. Cliff Evans).

\* (1600)

### Bill 34—The Surveys Amendment Act

**The Acting Speaker (Mr. Relmer):** Resuming debate on the proposed motion of the honourable Minister of Natural Resources (Mr. Enns), second reading on Bill 34 (The Surveys Amendment Act; Loi modifiant la Loi sur l'arpentage), standing in the name of the member for Interlake (Mr. Cliff Evans).

Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**The Acting Speaker (Mr. Reimer):** Leave.

**Mr. Jerry Storie (Flin Flon):** With the understanding that bill will remain in the name of the member for Interlake (Mr. Cliff Evans), I would like to speak on Bill 34.

This bill, when it was introduced by the Minister of Natural Resources (Mr. Enns), was called an administrative bill, and the minister indicated in his remarks that all it did was transfer responsibility from the Lieutenant-Governor-in-Council to the minister, allowing him to determine by regulation the fees that will be charged by the Department of Natural Resources for maps and other products that come out of the minister's department.

Mr. Acting Speaker, while certainly we all agree that the increased flexibility that this kind of arrangement allows may have some benefit, I think we also have to put on record that it could contain some detrimental aspects as well. The fact of the matter is that the current process for approving fee increases for maps or other survey documents, municipal documents, other things that are produced from the Department of Natural Resources, go through a process that includes approval by cabinet.

(Madam Deputy Speaker in the Chair)

I think that is a good process. Certainly, it gives a much greater opportunity for input from other members who also may have concerns about the cost of these particular items. I assume that the minister is bringing forward this amendment, because the Department of Natural Resources has been suffering through a series of cutbacks by this government. The Minister of Natural Resources (Mr. Enns) is looking for revenue from any source whatsoever, and he has decided that if he is given authority to control the fees that are charged for maps and detailed plans and documents that come from the Department of Natural Resources, that it would be an easy source of money.

Madam Deputy Speaker, if that is not the rationale, then of course—and it may not be—the money may be going straight into general revenue. In any case, it leaves in the minister's hands something which previously was reviewed by cabinet. As suspicious as we may be of this particular cabinet, I believe that the collective wisdom of the cabinet is probably superior to the

wisdom of one individual, whoever that happens to be at the moment in the portfolio of Natural Resources.

Madam Deputy Speaker, I guess that is why we would like to put on record that we are concerned about this minor amendment. Also, I guess it begs the question of whether in fact other departments are going to be seeking the same authority. If the Minister of Natural Resources is going to be given the authority to change the fees on maps, et cetera, at his discretion, at the whim of his department based on his own analysis of the implications of those changes, then clearly other ministers are going to ask for the same kind of consideration. I would expect that to be a logical consequence of approving this kind of legislation.

I do not have to tell you that other ministers are in charge of fees that are very substantial that affect literally thousands and thousands of Manitobans. If we are now going to as a matter of course turn over responsibility for determining those fees to individual ministers, I think it is a regressive step. I think that the current system of checks and balances in determining fees is necessary.

Madam Deputy Speaker, there are many Manitobans who might say we should go even further, that in fact the fees we charge Manitobans for services, for goods, products of the provincial government should be determined by the Legislature itself, that we are providing services to the people of Manitoba, and the government in and of itself is making the decision at a cabinet table without hearing perhaps opposing views on the relative merits of increasing those particular fees.

I know on the surface there are probably a lot of people who said, well, why should I be concerned about whether the Minister of Natural Resources (Mr. Enns) is going to increase fees on maps? Well, of course the fact of the matter is that the majority of members in this Chamber, in fact the majority of Manitobans are not impacted by such fees, because we do not use those services, and so you have to look to who might be using the services of the Department of Natural Resources.

I assume at least that institutions like universities, community colleges, school divisions use maps frequently. We could assume that geologists and hunters and trappers perhaps also use maps from the Department of Natural Resources.

We I think have to be concerned about the principle of this very small amendment. I do not think the Minister of Natural Resources (Mr. Enns) was being facetious when he said that this was simply an administrative matter, that it was simply streamlining the actions and the responsibilities in the department, but I think there are broader implications. They go to the question of whether the Minister of Health (Mr. Orchard) would also want the authority to change individual fees without concurrence of cabinet. Whether it be chiropractor's fees or other fees, I do not think that the precedent we are setting here is necessarily the right one.

As I said, Madam Deputy Speaker, there would be many who would argue that we should be having a more thorough review of fee increases by the Legislature itself and that leaving it in the hands of the Lieutenant-Governor-in-Council, by regulation, by approval of cabinet may not be in the best interests of the fee-paying public of the province of Manitoba.

Madam Deputy Speaker, I know that in the last two and a half years, in speaking to constituents, certainly many northern residents are already concerned about the fee increases that have been imposed on them in the last couple of years, fee increases in virtually every kind of service provided by this government.

I reference the Minister of Health and the fee that was imposed on northerners who use the Northern Transportation program. I certainly believe if that issue had come to the Chamber for debate prior to the minister's and the cabinet's decision that in fact we would have had a very rigorous debate on that topic.

I guess the larger question is, where does this lead us if we now, piece by piece, regulation by regulation, turn this responsibility over to the minister? Where does it end and how can we then control the process and make sure that to the extent that there is ever a government agenda when it comes to increasing fees that this agenda is reviewed by cabinet and not the sole purview of one individual minister?

\* (1610)

Madam Deputy Speaker, I simply wanted to raise what I think is an issue of principle. I am interested to know whether members on either side of the House have considered the implications here,

whether we want to continue to abrogate responsibility in one sense in the name of efficiency—and I am not sure that it will be necessarily more efficient—but we are moving to a system where individual ministers have increasing opportunity to cost the users of these particular products considerable amounts of money without having it being considered by the larger group or even by the Legislature. I am not sure that is a good principle in a time when the people are demanding more and more accountability from their legislators, from government. It is difficult to suggest that we are becoming more accountable by turning responsibility over from the group or from the Legislature to individual ministers.

Madam Deputy Speaker, I do not want to belabour this point. I know that others may want to speak on it. I simply felt it was important to raise that question of what I think is an important principle. I look forward to what other members may have to say on this issue, including my own colleagues.

**Madam Deputy Speaker:** As previously agreed, this bill will remain standing in the name of the honourable member for Interlake (Mr. Clif Evans).

### **Bill 38—The Manitoba Evidence Amendment Act**

**Madam Deputy Speaker:** On the proposed motion, the honourable Minister of Justice and Attorney General (Mr. McCrae), to resume debate on second reading of Bill 38 (The Manitoba Evidence Amendment Act; Loi modifiant la Loi sur la preuve au Manitoba), standing in the name of the honourable member for Interlake (Mr. Clif Evans). Is there leave to permit the bill to remain standing?

**Mr. Jerry Storie (Flin Flon):** Madam Deputy Speaker, we are prepared to let this bill go to committee. The member for Interlake stood this bill on behalf of one of my colleagues who has already spoken. We are prepared to let it go to committee.

**Mr. Kevin Lamoureux (Inkster):** Madam Deputy Speaker, if the member for Interlake (Mr. Clif Evans) no longer has it standing in his name, then I would move adjournment, seconded by the member for St. Boniface (Mr. Gaudry).

**Madam Deputy Speaker:** Given the comments of the honourable member for Flin Flon (Mr. Storie) and for the record, could I please ask then if it is the will of the House to deny leave to permit the bill to remain standing in the name of the honourable



member for Interlake (Mr. Clif Evans)? Leave is denied? Leave has been denied.

**Mr. Lamoureux:** Madam Deputy Speaker, I move, seconded by the member for St. Boniface (Mr. Gaudry), that debate then be adjourned.

**Motion agreed to.**

#### **Bill 42—The Amusements Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Labour (Mr. Praznik), to resume debate on second reading of Bill 42 (The Amusements Amendment Act; Loi modifiant la Loi sur les divertissements), standing in the name of the honourable member for Thompson (Mr. Ashton).

**An Honourable Member:** Stand.

**Madam Deputy Speaker:** Stand? Is there leave to permit the bill to remain standing in the name of the honourable member for Thompson?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

#### **Bill 43—The Farm Income Assurance Plans Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Agriculture (Mr. Findlay), to resume debate on second reading of Bill 43 (The Farm Income Assurance Plans Amendment Act; Loi modifiant la Loi sur les régimes d'assurance-revenue agricole), standing in the name of the honourable member for Dauphin (Mr. Plohman). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

#### **Bill 44—The Milk Prices Review Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Agriculture (Mr. Findlay), to resume debate on second reading of Bill 44 (The Milk Prices Review Amendment Act; Loi modifiant la Loi sur le contrôle du prix du lait), standing in the name of the honourable member for Dauphin (Mr. Plohman). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

#### **Bill 45—The City of Winnipeg Amendment, Municipal Amendment and Consequential Amendments Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Urban Affairs (Mr. Ernst), to resume debate on second reading of Bill 45 (The City of Winnipeg Amendment, Municipal Amendment and Consequential Amendments Act; Loi modifiant la Loi sur la Ville de Winnipeg, la Loi sur les municipalités et d'autres dispositions législatives), standing in the name of the honourable member for Wolseley (Ms. Friesen). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

#### **Bill 47—The Petty Trespasses Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Justice and Attorney General (Mr. McCrae), to resume debate on second reading of Bill 47 (The Petty Trespasses Amendment Act; Loi modifiant la Loi sur l'intrusion), standing in the name of the honourable member for Kildonan (Mr. Chomiak). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

#### **Bill 49—The Environment Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Environment (Mr. Cummings), to resume debate on second reading of Bill 49 (The Environment Amendment Act; Loi modifiant la Loi sur l'environnement), standing in the name of the honourable member for Radisson (Ms. Cerilli). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

### **Bill 53—The Dangerous Goods Handling and Transportation Amendment Act**

**Madam Deputy Speaker:** On the proposed motion of the honourable Minister of Environment (Mr. Cummings), to resume debate on second reading of Bill 53 (The Dangerous Goods Handling and Transportation Amendment Act; Loi modifiant la Loi sur la manutention et le transport des marchandises dangereuses), standing in the name of the honourable member for Swan River (Ms. Wowchuk). Is there leave to permit the bill to remain standing?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

**Hon. James McCrae (Acting Government House Leader):** Madam Deputy Speaker, if there is no further business, shall we call it five o'clock?

**Madam Deputy Speaker:** Is it the will of the House to call it five o'clock? Five o'clock, Private Members' Business.

## **PRIVATE MEMBERS' BUSINESS**

### **SECOND READINGS—PUBLIC BILLS**

#### **Bill 25—The University of Manitoba Amendment Act**

**Mr. Reg Alcock (Osborne):** Madam Deputy Speaker, I move, seconded by the member for Inkster (Mr. Lamoureux), that Bill 25, The University of Manitoba Amendment Act (Loi modifiant la Loi sur l'Université du Manitoba), be now read a second time and be referred to a committee of this House.

**Motion presented.**

**Mr. Alcock:** Madam Deputy Speaker, I appreciate the opportunity to put a few remarks on the record relative to this, although this issue has been before this House several times in the last few sessions. Very simply, it is an amendment to The University of Manitoba Act that allows the Students' Union at the University of Manitoba to make a direct appointment to the Board of Governors of the two representatives they have on that Board of Governors. It has been long recognized that the students are entitled—or two of the positions on the board of governors should be students from that institution. However, the student body has never had the right to elect them directly.

This was not as much of an issue back in the early '70s—the '80s, I should say—in that the practice of the government of the day was to accept the recommendations from the student council and to appoint those students who were directly chosen by the student body. It was not until the former Minister of Education of this government decided to alter that practice and to appoint representatives of his choosing rather than those chosen by the student body that this became an issue.

\* (1620)

Madam Deputy Speaker, students at the University of Manitoba are allowed to vote for city representatives, for school board representatives, for members in this House and for federal representatives. They are at an age when they are recognized by this country as being capable of taking charge of their own affairs. They have quite a large and sophisticated student government organization on the campus. They elect their own representatives, and they have the ability to choose whom they want to have represent them. These two positions are there specifically to represent the interests of students and therefore should be chosen by students, not by the government. They should not be seen as patronage positions. They should be seen as the right of the student body of that university to have a voice in the governance of that university.

I am anticipating, frankly, that the government will now see fit to pass this amendment simply because they have chosen this means of appointment of representatives in the changes to the administration of the colleges. When that bill was before the House last session and the same issue came up—do the students at the community colleges have the right to elect their own representatives?—after some debate that right was established for them.

What we are asking that the House do is simply pass a very simple amendment to The University of Manitoba Act to allow the direct appointment of the two representatives that the Students' Union have on that board by the students of that facility.

I am going to suggest that we try to conclude the debate today and get this into committee, so we can make those changes as quickly as possible and allow the students to get on with the business of appointing their own representatives as they go

through their elections a little later this spring. Thank you very much.

**Madam Deputy Speaker:** The honourable member for Wolseley—the honourable member for St. Vital.

**Mrs. Shirley Render (St. Vital):** I move, seconded by the honourable member for St. Norbert (Mr. Laurendeau), that debate now be adjourned.

**Madam Deputy Speaker:** It has been moved by the honourable member for St. Vital, seconded by the honourable member for St. Norbert, that debate be now adjourned. Agreed?

**Some Honourable Members:** Agreed.

**Madam Deputy Speaker:** Agreed and so ordered.

**Ms. Jean Friesen (Wolseley):** Madam Deputy Speaker, I would like to speak on this bill—

**An Honourable Member:** You should have spoken before.

**Ms. Friesen:** I did stand up.

### Point of Order

**Hon. James McCrae (Acting Government House Leader):** Madam Deputy Speaker, on a point of order, when the honourable member rose at the same time or before or after the honourable member for St. Vital (Mrs. Render), I was unaware that she was rising to speak in the debate on Bill 25. If it would assist, we could give leave under the circumstances so that the honourable member for Wolseley could speak.

**Madam Deputy Speaker:** Is it the will of the House to grant leave to permit the honourable member for Wolseley to speak to the bill? Agreed.

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**Ms. Friesen:** Madam Deputy Speaker, I am very glad to be able to rise on this bill to speak about university governance in Manitoba. As the previous speaker noted, one of the reasons that we are speaking on this bill is due to the highhanded action of the government in its recent appointment of people who were not nominated by the student council.

I would like to point out that previous administrations, including administrations which represented the New Democratic Party, made a very consistent practice of appointing students to

the University of Manitoba. It is a practice which is quite common across the country.

I think what we should note in fact is that Manitoba is one of the extraordinary universities which does not have elected student members at this point.

Acadia University, for example, has two elected students; the University of Alberta, a provincial university very similar to that of the University of Manitoba, has two students nominated by the student union council and one graduate student; Bishop's University, a private university, has three appointed students; British Columbia, a provincial university, has two elected from the student association; Brock University, three elected by the student body; at Carleton University, there are two elected each year; at Concordia, there are four nominated and one graduate student recommended by their association; Dalhousie University has four nominated by the students union; Lakehead University, Laurentian University, the University of Manitoba and Memorial, in fact, are of the few that do not have recommendations for students on their board.

We find, for example, at McMaster there are two students on the board, one elected by and from the undergraduates and one by and from the graduate students. At McGill there are three elected by the student society. At Moncton there are three elected by representatives from each of three faculties. Mount Allison makes possible the election by six of the regents of the university itself. Mount Saint Vincent has three elected by and from the faculty; New Brunswick has seven and two from the faculty at each campus. The University of Ottawa has two appointed by the board itself. The University of Prince Edward Island has two elected by and from the students. Regina has one, the president of the student union. Ryerson Polytechnic has three elected by and from the students.

I could go through the alphabetical listing here, Madam Deputy Speaker, but perhaps I should also mention the University of Winnipeg, which has four students, three elected by the members and one who is the president of the student union.

I think what the evidence would show, and I am quoting from a list by the Canadian Association of University Teachers, is that over the last 10 years most universities across Canada have made provision in some way or other for the representation of students on their boards of governors. Of course,

it does represent, Madam Deputy Speaker, a change in the kinds of boards of governors which we have in universities.

Universities, I suppose, as we all know, did begin from medieval institutions where they were communities of learning, communities really of scholars and students were seen as the apprentices of the scholars, a community really which was dedicated to providing people for the professions and for the church, very much a secluded community. The groves of academe is one of the phrases which is frequently used. The universities have relied for their governance until the Second World War on principles of collegiality, principles of governance by faculty and by the members of colleges, really a remnant of the old medieval sense of the secluded community of learning.

Since the Second World War, Madam Deputy Speaker, right across Canada universities have changed considerably. They have become, of course, institutions of learning which are publicly funded and which recognize that they owe responsibilities to their broader community. They find themselves governed in some ways by arm's-length agencies such as we have in the province of Manitoba Universities Grants Commissions. There have been, of course, much greater accessibility to universities and a much greater diversity of students present on all of our campuses.

Those kinds of changes and the presence of universities in the community have led to changes in governance. We find now direct nominations by governments, such as we have in Manitoba, and also as we see right across Canada greater representation of both the community and of students.

In Manitoba, the university itself, I think, has always had a much greater connection to the community than perhaps have private universities. The University of Manitoba derives in many ways from two different streams of thought. In one sense it derives from the early 19th Century when the churches of Manitoba, the Anglican Church and the Catholic Church, in particular, created colleges of St. Boniface and St. John's, two of the component colleges still of the University of Manitoba. In that sense those early colleges, which became in the 1870s the University of Manitoba, were very much in keeping with the nature of universities around the

world, to prepare students for the professions and for the church.

Manitoba is also a western province and it derives much of its post-secondary education policy, perhaps its college and university policy, from an American stream of thought—the idea of the land grant colleges of the midwest—colleges which are formed, or universities which are formed based upon the wealth of the land of the prairie provinces and midwestern states and which were publicly governed and were meant to be much more broadly publicly accessible and to provide students and a purpose which was far greater than that of the church and the professions.

In Manitoba, we have a most interesting form of university, one which comes from both of these streams of thought in the 19th Century, and we have in particular a federal system of colleges which came together to form the University of Manitoba. It was in the 1870s when Lieutenant-Governor Morris was Lieutenant-Governor of this province; it was his experience and his ability to bring together both Catholics and Anglicans and Presbyterians to form a university based upon a federal system.

Interestingly enough, the actual proposal itself for a federal form of government in the University of Manitoba came from Bishop Provencher himself who had recently been to London and had seen the University of London and decided that the best option for Manitoba was to develop that kind of federal system.

\* (1630)

The University of Manitoba was formed from essentially the intellectual streams of many parts of the world, and one of the most interesting parts, I think, in its early foundation, is the creation of the library. No university can be a university without the library, and the origin of the wealth of the library at the University of Manitoba comes, of course, from the Metis, and the basic provision for a library and for the provision of books comes from the land received from the Isbister Foundation. This is Alexander Kennedy Isbister, who lived on Lot 66 in the Parish of St. Andrews, part Orkney, part Cree, who left his land and his property to the University of Manitoba to found the first library, and also to found the first set of scholarships, which he maintained should be open to the children of both genders, which was very unusual in the late 19th Century, and he said, of course, of all races.

So it is to the Metis of St. Andrews, in fact, that we owe the origins of one of the most important parts of the University of Manitoba.

Well, the act before us, Madam Deputy Speaker, advocates student representation on the board of the University of Manitoba. As I said, we are an anomaly at the moment, and it is only as the result of the actions of this government that we are, in fact, debating this at the moment.

I should point out that across Canada the issue of university governance is also being discussed. The national union, the Canadian Association of University Teachers, in its bulletin for October '91, indicates a number of the issues which are concerning people right across the country. Last fall, in fact, they did have a conference which dealt with the problems relating to the composition and functions of boards. Professors and people across Canada address the issues of how boards and senates and administration and government and other constituent representatives all influence the decisions and the nature of universities in our country.

I think many members of universities across the country feel very strongly that many boards simply rubber stamp the decisions already taken by administrators in committees, and the discussions about accountability across Canada should focus upon this particular problem.

I would say there is certainly some unease in western universities about that particular situation, so I would suggest, Madam Deputy Speaker, that we look at this bill in that context as well and that certainly the board of the University of Manitoba should be opened to student representation as it was under the New Democratic government, but equally I think the issue of university governance should be broached more widely as people across Canada are doing at the moment.

I think, for example, one of the things that we should be looking at is the position of the Senate at the University of Manitoba and the relationship between the Senate and the board and the representation of faculty upon the board and the way in which faculty have the opportunity to make representations to the board and to be involved in the very significant decisions of the board.

There is also room in the existing University of Manitoba Act, Madam Deputy Speaker, for a University and Community Council. I think this is

something that we would certainly like to recommend to the present government and to the University of Manitoba, to in fact expand the responsibilities and the awareness of this particular council.

The council, according to Section 36(2) of The University of Manitoba Act, is to be set up to foster mutual understanding between the university and the general public. It seems to me, Madam Deputy Speaker, that this is a very important time in the history of Manitoba for those relations between the general public and the university to be set upon a very sound footing, one where the public feels that it has the ear of the university and that the university is very much a part of this particular community.

I suggest that it is significant at this time because we are seeing the accessibility of universities being restricted to Manitobans. Certainly, I do not think we have seen this level of restriction since perhaps the period in the interwar years.

Since the 1960s obviously there has been a great deal of expansion in university accessibility and certainly in the numbers of students in Manitoba who have gone to university, but what we have seen happening over the last five years in fact is that the university funds have decreased and the kind of expenses that the university has to incur for its aging infrastructure, for the cost of books, for the increase in wages, for the increases in the maintenance of a very expensive plant, both at the University of Winnipeg and the University of Manitoba and the University of Brandon as well. Expenses are increasing very rapidly in those areas that the universities must use and develop.

The universities increasingly are being asked to do more and more with less and less. The universities have made enormous strides in becoming accessible to students who for various reasons never had the opportunity to finish high school. They have made great strides in BUNTEP programs, in access programs generally.

I think Manitoba has a very good record in the training of aboriginal teachers. That is something I think which is to the credit of a number of governments and especially to the University of Brandon and University of Manitoba, the two universities which for a long time have been the main repositories of teacher education in the province.

I think what we see happening at the moment is that these great achievements are being threatened by the diminution of funds for the universities.

What we see at the University of Manitoba, certainly in the last year, is the limits, very severe limits, being placed upon the entrance into faculties which were formally open faculties, those, for example, the Faculty of Arts and the Faculty of Science. One of the very few options that the university has is to restrict the number of students who can come to the universities. I think we are going to be seeing the repercussions of that politically and socially across Manitoba in the next year. Particularly I think the repercussions will be very strong, because in Manitoba, unlike Ontario, we do not have the options of an expanding and well-supported community college system.

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**Mr. Marcel Laurendeau (St. Norbert):** Madam Deputy Speaker, I was wondering if I may have leave to make a number of sponsorship changes on a number of resolutions.

**Madam Deputy Speaker:** Does the honourable member for St. Norbert have leave to make changes on sponsorship of proposed resolutions?

### Point of Order

**Mr. Kevin Lamoureux (Second Opposition House Leader):** Madam Deputy Speaker, in the past what has happened is there has been some sort of negotiation between the House leaders. I have not received any prior notice to it and would not be able to approve leave. If the government House leader brings it up to our attention, if there is no problem, we will be more than happy to give leave at a future date possibly.

**Mr. Leonard Evans (Brandon East):** It might be useful if you would take it under advisement. Whether that is within the rules of the House to change the—what I understand is being proposed is that the mover of the resolution, if I understood the member correctly, the name of the mover would be changed.

The question is, is this a rule that we have followed in the past and is it acceptable according to parliamentary procedure without the resolution being formally withdrawn and then reintroduced by someone else as opposed to simply changing the name standing on the Order Paper?

**Mr. McCrae:** Madam Deputy Speaker, I believe that just very recently, by leave, these changes in sponsorship have been allowed by the House because of—[interjection]

**An Honourable Member:** Okay, by leave you can do anything.

**Mr. McCrae:** Right, by leave in a co-operative spirit. I understand this matter is going to be raised again in the near future.

**Madam Deputy Speaker:** Leave has been denied.

\* \* \*

\* (1640)

**Mr. Conrad Santos (Broadway):** Madam Deputy Speaker, recognizing that the bill is under the name of the member for St. Vital (Mrs. Render), I seek leave to speak on this bill.

**Madam Deputy Speaker:** Does the honourable member for Broadway have leave to speak to Bill 25?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave. Leave has been granted.

**Mr. Santos:** Thank you, Madam Deputy Speaker. Bill 25, which is The University of Manitoba Amendment Act, is seeking some changes in the composition of the governing body of the university which is the Board of Governors by adding two students. Right at the present time, the students by tradition and practice are included in the 12 which are appointed by the Lieutenant-Governor. In a sense, this is a modification of the discretion of the government to appoint the majority of 12 in the body of the Board of Governors. On this score, Madam Deputy Speaker, this is simply an indication of a global democratization of social institutions of society.

In general, by tradition and practice, most of the structural framings of our society have always been authoritarian and elitist. The university is not an exception to this general pattern. Just like any other organization, like the business firms, like the military organizations, any other institution in society, they have by tradition and practice grown as authoritarian institutions where authority resides at the top level of management and it trickles down the various levels of the organization.

The university community by tradition has always been some kind of a meritocracy in the sense that

they try to incorporate in that corporate body the best of the minds to run the university. However, every university has a dual structure of a sort. There is the academic component and there is the administrative component of that structure.

Under The University of Manitoba Act, the University of Manitoba has been described as a body corporate, meaning it is a legal personality just like any other corporation, but it is granted autonomy. It can govern itself according to the charter which is The University of Manitoba Act. The body corporate, of course, can only act through individuals who constitute the governing body and boards in the university structure.

Under the existing arrangement, the Board of Governors of the University of Manitoba, which is the directing and managing body in the university community, consists of 23 members, 12 of whom are appointed by the Lieutenant-Governor of the Province of Manitoba. That 12 constitutes a majority in the board. The rest of the members, three are elected by all the graduates of the university. These have the representation of the alumni of the university. They sit in the Board of Governors. There were three of them elected by all the graduates of the University of Manitoba to sit in the Board of Governors.

Another six are elected by the Senate. The Senate is an academic body within the university structure consisting of all of the teaching academic staff of the university from all the various ranks. They primarily take charge of the curricular or academic programs, the academic aspects of the university.

In addition to the three elected by the members of the graduates of the university alumni, the six elected by the Senate, the president of the university also sits in his own right as a member of the Board of Governors. As president of the university, he is an institutional member of the Board of Governors. Also, the chancellor of the university in his own right sits there as a member of the Board of Governors.

By tradition and practice, it has always been in the past that among the 12 appointed by the government through the Lieutenant-Governor, two had always been students, but because of some disagreement recently, with one of the two students nominated by the student body not being appointed, there has been this debate as to the composition of the governing body in the university.

Like any other corporate body, the University of Manitoba makes decisions through the Board of Governors and, through these members, the 12 that are appointed by the government, the three who are elected by the alumni and graduates of the university, the six who are elected by the academic staff, members of the Senate, the president and the chancellor.

Like any other corporation, the Board of Governors have the traditional corporate powers, including the power to acquire and hold property, to engage in transactions involving property, to hold securities, bonds, debentures and other instruments of credit, including shares and stocks. They can, of course, sue and be sued. They can hold real estate properties and other real and personal interests in property rights.

The basic principle in appointing people who are primarily affected by the decisions made by the governing body is an enduring one, namely, the democratic principle that those who are affected by any decisions made by any governing body ought to have some say and some participation in the formulation and making of those decisions as well as in the carrying out and implementation of those decisions. This is an irrefutable democratic principle that no one can argue against. If you are affected by any decision in your personal or property rights, then you must have some say, a moral right to participate in the making of that decision and in the implementation of that decision.

The same principle lies at the bottom of the very existence of our Legislature. The province of Manitoba and its people is the residuum of the ultimate authority to govern the province. The people, through periodic elections, select their own representatives to constitute the Legislative Assembly of Manitoba, so they have some say in the kind of people who will sit as decision-makers in the legislative process. With due consideration to the electoral procedure and processes, they can alter and change the membership of the decision-makers, the legislators, in making decisions concerning themselves.

\* (1650)

The same thing holds true in any organization. The members of the organization should be the repository of the organizational authority, the ultimate decider of their fate and their destiny,

because they are the ultimate recipient of whatever the effect or outcome of those decisions.

The same thing holds true in the business world in our community. We have heard maxims like, the clients are always right. This is consumer sovereignty. No manufacturing firm, no commercial firm, no enterprise in the private sector even will survive unless they have the good will of the buying public and the trust and confidence of their clientele.

This principle, as I said, is so enduring that it is taking effect in many institutions of our society. The most authoritarian, perhaps, of all organizations is the military organization—the army, the navy, the air force—but even in that autocratic and authoritarian organization there have been democratic changes. They are now being consulted. The membership of the military are now being consulted at least before the decisions are made.

It is the same thing with the church. If there was ever any authoritarian organization—and I could cite perhaps, the Catholic church—there have been observations by people that they select their popes, either they are the religious ones or the political type of Pope, because the church has to be also representative in a sense, of their community of believers.

The same holds true with the university community. The university community is a community that consists of many constituencies. The most numerous perhaps are the student body, the students themselves as a group. If there is any client you can talk about in the university, these are the students. In addition to the student, there is the academic teaching staff of the university, the core group of people who are doing the teaching and research activities inside the institution.

There is also the nonacademic, administrative type of personnel inside the university structure. The type is all the other administrative positions inside the university. Then there are the graduates of the university, the alumnae. They still have their ties with the university. They are part of the university community. They are being solicited—

**An Honourable Member:** The new GM car, they also have a Lumina.

**Mr. Santos:** Yes, the new GM car had just sent out notices giving them some kind of deductions if they buy the car, some kind of savings.

Of course, the general tax-paying public have an interest in the university and, in a sense, they are

also part of the university environment. All of these interests must be represented, and as I have said, the students have a moral right to be represented in the governing body that makes the decisions which primarily affected themselves.

Thank you, Madam Deputy Speaker.

**Madam Deputy Speaker:** Is the honourable member for Flin Flon (Mr. Storie) requesting leave to speak to this bill?

**Mr. Jerry Storie (Flin Flon):** Yes, Madam Deputy Speaker, I am.

**Madam Deputy Speaker:** Is there leave to permit the honourable member for Flin Flon to speak to Bill 25?

**An Honourable Member:** Leave.

**Madam Deputy Speaker:** Leave has been granted.

**Mr. Storie:** Thank you, Madam Deputy Speaker, and thank you to members of the Chamber for allowing me leave to speak to this important bill. I know that the government had wanted to adjourn debate to consider it, and I know that the member for St. Vital (Mrs. Render) in particular had wanted to consider the implications of this bill very carefully before the government began to stake out its position on this amendment.

Some people in the Chamber may not appreciate why it is so important for the government to be very thoughtful in staking out its position. The Minister of Rural Development (Mr. Derkach) may understand, but some other members may not be as familiar with the history of this amendment as is the current Minister of Rural Development.

Madam Deputy Speaker, I think that we were all somewhat shocked and surprised when the former Minister of Education—and disappointed as my colleague for Wolseley (Ms. Friesen) suggests—when the Minister of Education decided in his wisdom to dispense with many, many years of tradition and to not appoint the students that came recommended from UMSU to the Manitoba university Board of Governors.

I had the opportunity when I was Minister of Education to appoint students to the university Board of Governors, and I did so without any reluctance whatsoever. I believe that the democratic process as it unfolds at the University of Manitoba and other universities across the country is consistent with democratic principles. They



chose their elected officials to serve them, and part of their responsibility has always been to select nominees for the university Board of Governors.

Madam Deputy Speaker, it is not for me to prejudge or second guess the UMSU council. Their representatives are appointed to do their best on behalf of the students of the university on the Board of Governors, and I do not think it is the role of the Minister of Education to second-guess them. What made this particular incident perhaps more regrettable was the fact that the minister chose to interfere and appoint a political sycophant, if you will, to the position, a political sycophant, known more colloquially as a Tory hack. [interjection] That is right, for the member for Arthur (Mr. Downey).

The fact of the matter is that this minister, this particular minister, has followed this particular vein in every department he has been in and in many of his incarnations. He has chosen to undermine a legitimate process by appointing politically partisan people, supporters, friends, to positions of influence as he sees it, Madam Deputy Speaker.

I hear comments from the former Minister of Energy and Mines that that is shocking. Madam Deputy Speaker, it is never shocking when political parties appoint people who are philosophically supportive to positions of importance. What is shocking is to break a tradition of denying the right of the University of Manitoba elected representatives from choosing their representative. To my knowledge, that had never been done. When a university chose its representatives, it was the obligation, if not the legal responsibility, of the Minister of Education to appoint those individuals as duly constituted representatives.

Madam Deputy Speaker, we have seen and most members of the Chamber know the history of the previous minister of development when it came to patronage, when it came to subverting the will of others to his will. We can only assume that this rather arrogant move on the part of the former Minister of Education is consistent with many of the other things that have happened both in hirings in his department and perhaps in appointments to many other boards and commissions across the province.

Many people are worried about that kind of behaviour because it undermines the credibility of politicians of every stripe. It undermines, quite frankly, the very good work that some ministers

have done. I cannot think of any particular examples of good work that some ministers have done in this government, but I am sure that there are such incidents.

However, Madam Deputy Speaker, I also want to discuss for a moment the principles which were raised by my colleague from Broadway. The member for Broadway (Mr. Santos) raised, I think, a legitimate question about how such appointments should occur, whether in fact the student representatives to the university Board of Governors should perhaps be chosen in a completely democratic fashion—in other words, be elected by the student body at large—versus what we have in this particular amendment, which is a continuation of past practice in the province of Manitoba. The member for Osborne's (Mr. Alcock) amendment—

**An Honourable Member:** Nice guy.

\* (1700)

**Mr. Storle:** Heck of a nice guy apparently, he says—it is, I guess, following tradition in a sense that his amendment would require the appointment of the representatives chosen by UMSU to the Board of Governors. It is, indeed, following practice, and, Madam Deputy Speaker, it worked quite well for many years.

I think most members of the Chamber, certainly members on this side, were flabbergasted when the Minister of Education broke with tradition. Again, we can only speculate as to his motives for breaking with tradition, but it is certainly understandable that it would precipitate this kind of amendment, something to secure the rights of the students at the University of Manitoba, the representation that they deserve and, I think, that they need on the university Board of Governors at the University of Manitoba.

Madam Deputy Speaker, again the debate which my colleague from Broadway (Mr. Santos) has opened is one, I guess, which perhaps other members of the Chamber will want to take up. I think that there is a growing perception—I am not going to say that it is necessarily a legitimate perception, but a growing perception—that direct democracy is a superior way to go rather than delegated democracy. I do not know whether the University of Manitoba Students' Union has considered the possibility of direct elections; however, I do know that other jurisdictions follow similar patterns as would be suggested by the

member for Osborne's (Mr. Alcock) amendment. It seems to me—[interjection] I am sorry, I am told that UMSU amended their constitution last year to allow for that to happen.

Madam Deputy Speaker, I want to go back to the principle that really is being addressed by the bill, and that is the right of groups in our society to have their say through their appointments to government boards and agencies. There are approximately 400 boards and commissions which are currently operating in the province of Manitoba, 400 separate boards that cover the gamut of the services and interests in the province. In each of those cases the government of the day has the collective responsibility of finding nominees for those boards and commissions.

Madam Deputy Speaker, I believe that this government would acknowledge that it is unthinkable, for example, that the University of Manitoba would be discouraged or not allowed to have representatives from the University of Manitoba Faculty Association. I think that it would be unthinkable that other boards such as the Municipal Board would not have representatives from the Union of Manitoba Municipalities or from other organizations. There are many, many boards where tradition would dictate that the government appoint representatives from specific interest groups or specific agencies. That is part of the practice of many, many successive governments.

I am not saying that every appointment necessarily has to come from a representative group or an interest group, but certainly practice has been over many years that some boards have traditionally had representatives from very specific agencies and groups as representatives on those boards, and the reason for it is very simple. The reason is that, as the University of Manitoba Students' Union represents a huge number of people, an integral part of the university community, you would expect that they would have representatives on the Board of Governors. Tradition has dictated that we appoint two students.

I am sure there are many who would argue, and perhaps the student's union most vociferously, that we should actually have more students on the university Board of Governors. Let us face it, they could not do any worse. My colleague, a former professor in her own right, suggests that graduate students should have representation on the University of Manitoba. [interjection] Pardon me?

As a former graduate student of the University of Manitoba, I think that is a very good suggestion. I regret that the member did not suggest it while I was attending university.

There are many other groups, and my colleague, the member for Thompson (Mr. Ashton), who was president of the University of Manitoba Students' Union, I think, probably would support the suggestion that graduate students be appointed to the Board of Governors, but I digress.

What is at issue here is the question of whether it is appropriate to appoint specific interest groups to government boards and agencies that the government has a responsibility for appointing. I think the answer is clearly yes. If that is the case, then I think the government is going to be hard pressed to find a way to subvert the process in this Chamber and not come to some decision on the member for Osborne's (Mr. Alcock) amendment.

I think we are going to be listening quite intently to members opposite to see whether in fact they can screw up their courage and support this amendment, so that we will not have the kind of interference in the affairs of the university Board of Governors that occurred under the previous Minister of Education.

Madam Deputy Speaker, I am not sure whether we will see some debate on this matter from members opposite in the near future, but I hope it is not the government's intention to delay dealing with this piece of legislation. I think that we need to deal with it. I hope that the government's own concerns about the behaviour, the practices of some members of the front bench does not dissuade it from being forthright about the need for dealing with this and securing the right of the students at the university to appoint members directly to the Board of Governors.

Madam Deputy Speaker, how much time do I have remaining? Two minutes.

The last comment that I would like to make is that the principle we are trying to establish here is an important one. It is unfortunate, however, that we have been brought to this stage at this time. I suppose if we had any confidence that the government would follow tradition and practise and respect the rights of groups out there to represent themselves, it would not be necessary to be dealing with this at this time. Unless and until we get some sort of unequivocal statement from the government

that it is not going to interfere in a needless political way with the appointments to agencies and boards like the University of Manitoba Board of Governors, I think that logically this is the only way that we can proceed. We have to proceed this way to protect the interests of the many groups who have come to expect that they will have representation on some of these boards and agencies.

The question of the appointments to the University of Manitoba Board of Governors is only the first stage. I would expect if we see the kind of interventionist action on the part of government front benchers in the near future and in other boards and agencies we will see the same kind of amendments being recommended there. It would be rather sad if we have to deal with amendments like this and use up the time of the Legislature to prevent government front benchers from abusing their authority. Let us be frank about what we are doing here.

What we are doing here is simply trying to prevent abuse of power, Madam Deputy Speaker—

**An Honourable Member:** . . . still remember the Perkins affair.

**Mr. Storle:** The member for Brandon West (Mr. McCrae) wants to raise the Perkins affair. I just wish I had more time, so that I could edify the member about what really occurred in the Perkins affair, a Tory fundraiser—

**Madam Deputy Speaker:** Order, please. The honourable member's time is expired.

\* (1710)

**Mr. Steve Ashton (Thompson):** I wonder if I might have leave to speak on this, Madam Deputy Speaker.

**Madam Deputy Speaker:** Does the honourable member for Thompson have leave to speak to Bill 25? Leave? Leave has been granted.

**Mr. Ashton:** Thank you, Madam Deputy Speaker.

Indeed I could pick up where the member for Flin Flon left off, but I want to talk more specifically about this particular bill as the former president of the University of Manitoba Students' Union, as a former ex officio member of the Board of Governors and as someone who was president of UMSU in those dark days of Sterling Lyon—[interjection] Well, the member for Lakeside (Mr. Enns) remembers those days very well I am sure. I remember them well too.

We had a government in those days that had very many things in common with this government.

There were 20 percent tuition fee increases. There was a virtual freeze in funding and a very desperate situation for the universities.

There was another interesting difference though. The Sterling Lyon government, even the Sterling Lyon government, did not interfere in the functioning of the Board of Governors in the way that this government has. This government is not satisfied with just cutting back in terms of funding; it is not satisfied with the kind of tuition fee increases we have seen in recent years. What they have been doing, Madam Deputy Speaker, is they are now trying to dictate which students will sit on the University of Manitoba Board of Governors, dictate in a way they are totally ignoring the choice of the elected student body, the University of Manitoba Students' Union.

I have never seen such blatant manipulation by a government. We are not talking about appointments that are made by the government in Order-in-Council. We are not talking about appointments that are made as traditional patronage appointments.

Certainly I know when the government was elected they did bring about a wholesale change to the board of the University of Manitoba, the Board of Governors, and indeed they did appoint people who were Conservatives. I do not think there is any surprise or shock, and that is not the point. I am not criticizing that move. Obviously that is what governments have done and perhaps governments will continue to do, but they went one step further. The former Minister of Education decided that he knew better than the students who should be appointed to the Board of Governors or the positions that have traditionally been the prerogative of the student body of the University of Manitoba Students' Union.

I must say, I am surprised today that we have had a number of speakers, but we have yet to hear from some of the Conservative members who I thought would have been standing today saying they support this bill—the member for Niakwa (Mr. Reimer), the member for Fort Garry (Mrs. Vodrey), the member for St. Norbert (Mr. Laurendeau).

There are many of the MLAs on the government side who have a significant number of students in their constituencies, and I am wondering who they are going to speak for in this debate. Are they going to speak for the government, which has to now

somehow defend the actions, the indefensible actions of the former Minister of Education in blatantly interfering in student and university affairs? Are they, Madam Deputy Speaker, going to stand up for the students, many of whom are their own constituents, and say yes, students should have the right to have proper and adequate representation on the University of Manitoba Board of Governors? Will they speak up for them?

We will find out where they stand. Are they going to stand for patronage and pork-barreling of the worst kind? Is this government going to allow this kind of—it goes even beyond that. I know the member for Flin Flon (Mr. Storie) knows and others know, that this may involve more than just

patronage, but I believe the word is nepotism. The bottom line is, they had no business appointing any of their Young PC cronies. I want to be fair to the Young PCs, but indeed in this case, crony is the word. [interjection] He may be a very fine individual, but he does not represent anyone other than the small group of people involved in the Young PCs.

**Madam Deputy Speaker:** Order, please. When this matter is again before the House, the honourable member for Thompson (Mr. Ashton) will have 10 minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

# Legislative Assembly of Manitoba

Thursday, February 27, 1992

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