



**First Session — Thirty-Fourth Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**  
**(HANSARD)**

37 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
<b>ALCOCK, Reg</b>	Osborne	LIBERAL
<b>ANGUS, John</b>	St. Norbert	LIBERAL
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BURRELL, Parker</b>	Swan River	PC
<b>CARR, James</b>	Fort Rouge	LIBERAL
<b>CARSTAIRS, Sharon</b>	River Heights	LIBERAL
<b>CHARLES, Gwen</b>	Selkirk	LIBERAL
<b>CHEEMA, Gulzar</b>	Kildonan	LIBERAL
<b>CHORNOPYSKI, William</b>	Burrows	LIBERAL
<b>CONNERY, Edward Hon.</b>	Portage la Prairie	PC
<b>COWAN, Jay</b>	Churchill	NDP
<b>CUMMINGS, Glen, Hon.</b>	Ste. Rose du Lac	PC
<b>DERKACH, Leonard, Hon.</b>	Roblin-Russell	PC
<b>DOER, Gary</b>	Concordia	NDP
<b>DOWNEY, James Hon.</b>	Arthur	PC
<b>DRIEDGER, Albert, Hon.</b>	Emerson	PC
<b>DRIEDGER, Herold, L.</b>	Niakwa	LIBERAL
<b>DUCHARME, Gerald, Hon.</b>	Riel	PC
<b>EDWARDS, Paul</b>	St. James	LIBERAL
<b>ENNS, Harry</b>	Lakeside	PC
<b>ERNST, Jim, Hon.</b>	Charleswood	PC
<b>EVANS, Laurie</b>	Fort Garry	LIBERAL
<b>EVANS, Leonard</b>	Brandon East	NDP
<b>FILMON, Gary, Hon.</b>	Tuxedo	PC
<b>FINDLAY, Glen Hon.</b>	Virten	PC
<b>GAUDRY, Neil</b>	St. Boniface	LIBERAL
<b>GILLESHAMMER, Harold</b>	Minnedosa	PC
<b>GRAY, Avis</b>	Ellice	LIBERAL
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HELWER, Edward R.</b>	Gimli	PC
<b>HEMPHILL, Maureen</b>	Logan	NDP
<b>KOZAK, Richard, J.</b>	Transcona	LIBERAL
<b>LAMOUREUX, Kevin, M.</b>	Inkster	LIBERAL
<b>MALOWAY, Jim</b>	Elmwood	NDP
<b>MANDRAKE, Ed</b>	Assiniboia	LIBERAL
<b>MANNES, Clayton, Hon.</b>	Morris	PC
<b>MCCRAE, James Hon.</b>	Brandon West	PC
<b>MINENKO, Mark</b>	Seven Oaks	LIBERAL
<b>MITCHELSON, Bonnie, Hon.</b>	River East	PC
<b>NEUFELD, Harold, Hon.</b>	Rossmere	PC
<b>OLESON, Charlotte Hon.</b>	Gladstone	PC
<b>ORCHARD, Donald Hon.</b>	Pembina	PC
<b>PANKRATZ, Helmut</b>	La Verendrye	PC
<b>PATTERSON, Allan</b>	Radisson	LIBERAL
<b>PENNER, Jack, Hon.</b>	Rhineland	PC
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>PRAZNIK, Darren</b>	Lac du Bonnet	PC
<b>ROCAN, Denis, Hon.</b>	Turtle Mountain	PC
<b>ROCH, Gilles</b>	Springfield	LIBERAL
<b>ROSE, Bob</b>	St. Vital	LIBERAL
<b>STORIE, Jerry</b>	Flin Flon	NDP
<b>TAYLOR, Harold</b>	Wolseley	LIBERAL
<b>URUSKI, Bill</b>	Interlake	NDP
<b>WASYLYCIA-LEIS, Judy</b>	St. Johns	NDP
<b>YEO, Iva</b>	Sturgeon Creek	LIBERAL

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, September 30, 1988.

The House met at 10 a.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**Hon. Gary Filmon (Premier):** I have a statement for the House with copies for the Members opposite.

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

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

**Mr. Filmon:** It is with great pleasure that I rise today to acknowledge that Winnipeg will be the location of a "World Centre for Sustainable Development."

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

**Mr. Filmon:** This non-profit partnership -(Interjection)-

\* (1005)

**Mr. Speaker:** Order, please. I have recognized the Honourable First Minister (Mr. Filmon).

**Mr. Filmon:** This non-profit partnership between the public and private sectors, in cooperation with other international institutions, such as the United Nations and the International Institute for Applied Systems Analysis, will provide the framework for a new way of doing things—especially in terms of environmentally sound economic development.

As a former Environment Minister myself, I am proud that both Canada and Manitoba have played prominent roles in advancing the principles of sustainable development and share the vision of positioning our nation at the frontier of the global environment-economic challenge.

The Prime Minister and the federal Government have recognized our commitment to this challenge and the announcement yesterday before the Assembly of the United Nations caps several weeks of intense consultation and negotiation between federal and provincial officials.

Let me conclude, Mr. Speaker, by saying something that many people, even some environmentalists, do not yet fully understand. Environmentally sustainable development is a bottom-line economic development initiative, a macroeconomic policy founded upon our belief that conservation pays.

Clearly, increasing resource efficiency at the level of an industrial plant or community adds up to increasing the efficiency and productivity of a provincial and national economy.

We are proud of this initiative, proud to forge a new partnership with industry and the world's leading environmental scientists, and proud to deliver on yet another of our innovative Throne Speech commitments.

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, while the Liberal Party welcomes any innovative centre in the City of Winnipeg and in the Province of Manitoba, we are somewhat skeptical of this particular proposal perhaps for a number of reasons.

First of all, we have great difficulty in understanding just what is meant by a "framework for a new way of doing things." We find that phrase particularly difficult to comprehend in light of the fact that we have an Environmental Minister (Mr. Connery) in this province who does not seem to know what he wants to do about PCBs, what he wants to do about Rafferty-Alameda, what he wants to do about water quality in the Red River. If we have all of those difficulties within this ministry, we wonder how they can possibly give the kind of positive support to this type of development that is required in this province.

We are somewhat skeptical also about the detailed plans of this particular Centre for Sustainable Development. We do not know whether it is going to mean \$5 million or \$100 million and, even to Tory economists, there is a major difference between five and 100.

In terms of the announcement, we note the irony once again that an announcement would be made about Manitoba outside of Manitoba, but of course we do know that since the CF-18 they certainly do not want the federal Prime Minister to come to this particular province to make an announcement about anything. So we hear about a park project announced in Saskatchewan. We hear about a project with regard to sustainable development made in New York. We think that it is unfortunate that the future evolution of this province and this country could not be made and announcements of same made here within the province where that development is going to take place.

We will wait with somewhat bated breath for the specific details. Regrettably, we will be into an election which will probably defer those specific details and, like so many things that we have heard in the past out of the mouths of the federal Prime Minister, we will wait and we will wait and we will wait and we may wait again. Thank you, Mr. Speaker.

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, we have had three world-class centres announced in the last three weeks. I think that is very positive. Many of them have been in the works for a number of weeks. Perhaps the First Minister (Mr. Filmon) of this province could phone the Prime Minister and ask him to postpone the federal election for another six weeks, and perhaps we could get the \$700 million

that our taxpayers are going to have to pay to pay for the billions and billions and \$14 billion with the promises that have been made in this country and Manitoba taxpayers will have to pay for.

\* (1010)

I find it rather unfortunate that the First Minister (Mr. Filmon) has chosen to ignore in radio interviews and other interviews this morning the fact that Mr. Lecuyer, the former Minister of Environment, indeed wrote the report and presented the report in the United Nations which was the forerunner of this centre. He is quoted in the report as saying, "All Canadians have a major role to play in making sustainable development a reality," that was presented to the United Nations a while ago. For the First Minister (Mr. Filmon) to pretend that he invented this issue on May 9, I think is quite hypocritical and unfair.

On July 27, we asked in this House, we asked the Minister of Environment (Mr. Connery) who probably never heard of the term, and the First Minister (Mr. Filmon) why this Government could put in the Speech from the Throne a commitment to move on the round table which was due September 1, and why his Minister of the Environment had not met with one major environmental group in this province to establish that round table. For this First Minister (Mr. Filmon) to stand up puppeting the words of Brian Mulroney about the environment and have his Minister of Environment (Mr. Connery) who does not meet with one environment group to work in a cooperative way with business, Government, education, environmental interest groups, which is the concept of the round table, shows that this is just a public relations exercise with absolutely no substance whatsoever. I would ask the First Minister (Mr. Filmon) to get a substantial approach and a substantive approach to this very important issue.

I welcome the centre in Manitoba. It follows on our tradition of dealing with these issues, and it certainly flows from the excellent report presented to the United Nations last year. Certainly, we await the other \$700 million in announcements that the First Minister has to make in terms of his ledger, in terms of what our taxpayers will be paying for.

**Hon. Charlotte Oleson (Minister of Community Services):** I want to table the Annual Report for 1987-88 of the Manitoba Advisory Council on the Status of Women.

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** I have a ministerial statement.

Today, Manitoba's Freedom of Information Act comes into force, fulfilling a commitment made by this Government in our first Speech from the Throne.

The implementation of this Act is a long overdue step towards becoming a more open, accountable Government. But of equal importance is our determination to provide Manitobans with a wider access to Government information along with the kind of service they want and deserve.

Serious preparation for proclamation began to take shape several months ago when I announced the plans

of this Government to ensure its speedy implementation. In departments throughout the Government, civil servants responded to our challenge, and I am pleased with the commitment they have demonstrated.

\* (1015)

The Freedom of Information Access Guide to Government Records, a publication designed to help people use the Act, has already been distributed to provincial and municipal Governments and to public libraries across the province. As well, departments and agencies have developed internal resource manuals, central administrative policies have been drafted, and staff have been trained to ensure prompt and efficient delivery of service.

The Freedom of Information Act was passed unanimously by the Legislature more than three years ago, in July 1985, with its effective date to be set by Government proclamation.

On behalf of my Government, I am honoured to proclaim for the people of Manitoba this landmark legislation.

Today is an important day as we take this significant step toward greater openness and accountability in Government. Thank you, Mr. Speaker.

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

**Mr. Mark Minenko (Seven Oaks):** It is indeed a pleasure for me to rise today on behalf of the Liberal Party in Manitoba to indicate our support for this move by this Government. It has indeed been a giant step in the right direction towards a more open Government. The principle of open Government is critical to the operation of the free and democratic society in which we live.

Mr. Speaker, I think it is indeed critical to the successful operation of the provisions of this Freedom of Information Act that requests for information be handled in a timely and user-friendly fashion. As a new instrument, it may well indeed suffer some of the initial glitches experienced by many new initiatives by Government. Although the Act is scheduled to be reviewed after three years by a committee of this Legislature, I would urge this Minister of Culture, Heritage and Recreation (Mrs. Mitchelson) and this Government to institute periodic reviews of the Access Guide, of the procedures, and many of the other matters set in place by this Act.

I would certainly encourage the Government to perhaps look and consider other jurisdictions and the experiences of those other jurisdictions to ensure that we do in fact have an open Government in the Province of Manitoba.

**Mr. Doer:** Mr. Speaker, I applaud the Government for proclaiming The Freedom of Information Act September 30. I have Members of our caucus right now just chomping at the bit for items of information they were promised. I know that this will require a lot of work and a lot of cooperation on all Parties' behalf. As a former Minister in Government, I know that it was easy

to get the Urban Affairs material ready for the guide, but certainly I know that the Telephone System had a lot of work to do and I know there are other organizations that still have some work to do in terms of the Access Guide. I know that our former Minister, the Member for St. Johns (Ms. Wasylycia-Leis), was very vigorous in trying to get all the thousands of documents over the last 100 years ready so that, when it is proclaimed, indeed the access would be there to the public and others for this very important information.

We intend on seeking information on the Rafferty-Alameda Dam and some other projects. I look forward to the potash initiatives of the Minister of Energy (Mr. Neufeld). We will be filing for those various bits of material and we look forward to the spirit of implementation as indicated by the Minister.

I should point out as well, Mr. Speaker, that in a British parliamentary system of Government, a lot of things are put in writing in terms of going up the system to a Minister responsible to the House. There have been some studies indicating that when a freedom of information comes into effect, there are a lot less things documented, a lot more things are done in a more circuitous way. I think all of us have to cooperate to make sure that those measures are not undermined by a different way in which Ministers receive advice from the public employees of the province.

\* (1020)

I certainly look forward to this. It has been a long struggle to get thousands and thousands of documents on access, and we look forward to very, very helpful and accountable results with the proclamation of this Bill, and I do applaud the Government for that proclamation.

**Hon. James McCrae (Attorney-General):** Mr. Speaker, I am pleased to table the 1987 Annual Report of the Public Utilities Board, and I am extremely pleased to table in the House today the 1987-88 Annual Report of Manitoba's Reconstituted and Independent Law Reform Commission.

## INTRODUCTION OF BILLS

### BILL NO. 30—THE STATUTE LAW AMENDMENT (TAXATION) ACT

**Hon. Clayton Manness (Minister of Finance)** introduced, by leave, Bill No. 30, The Statute Law Amendment (Taxation) Act, 1988. (Recommended by His Honour the Lieutenant-Governor.)

## ORAL QUESTION PERIOD

### Conflict of Interest Act House Members

**Mr. Paul Edwards (St. James):** Mr. Speaker, my question is for the Premier (Mr. Filmon). In the Speech from the Throne, the Government referenced the need for strengthening of the conflict-of-interest legislation in this province. One presumes that this commitment

to strong conflict-of-interest rules would be most strongly reflected in this Government's ranks.

My question is, does the Premier accept his Minister's active involvement in the day-to-day operations of private Manitoba corporations?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I suppose that I would have to say that I require some specifics as to what the Minister calls an "active day-to-day involvement" in a Manitoba corporation. I believe that he knows that under our Conflict of Interest Act, a person is not prohibited from owning property, having an involvement in the corporation, having a directorship. All of those things are declared, by virtue of the forms that each of us fills out, so that it is known to the public and no decisions that impact upon private corporation involvement does that person participate in.

I believe that the Member opposite has done, as I have done in this House and stood up on particular issues, declared a conflict of interest in dealing with a particular issue and stepping aside from the discussion in this Chamber. That has happened of course in Treasury Board, in Cabinet and in other discussions as well. So really, leaving open that kind of an open-ended suggestion, I do not think does anything of any service in the House and, in fact, contributes to the kind of sleazy politics that I think are not appropriate to this House. If he would give us some information, I will be more specific in my response.

**Mr. Edwards:** The Premier (Mr. Filmon) is a businessman in his own life, knows full well what day-to-day operation in the business community means.

Mr. Speaker, my further question for the Premier is, does the Premier know that at least one of his Ministers does in fact participate in the day-to-day operation of a private Manitoba corporation, and that that corporation is shortly to be involved in a lawsuit in this province as a defendant, and is this acceptable to the Premier?

**Mr. Filmon:** Mr. Speaker, I have asked my Cabinet colleagues to vest with me copies of their forms that they have filled out with respect to The Conflict of Interest Act, and they have done so. I have asked them to inform me of their day-to-day kinds of involvements with the business community, whether they be in a conflict of interest or not.

I can tell you that many of my colleagues have their farms in a family farm corporation and, if that involvement in that farm corporation on a so-called day-to-day basis—and I am not certain what he is referring to—constitutes in his judgment a conflict of interest, then let him make an allegation and let us have an opportunity to have a legal response to it. I suggest to him that what he is suggesting is a very serious matter and something that we take seriously. It ought not to be done in a form of political gamesmanship where you draw out the drama by saying a little at a time and trying to put somebody in a position in which they are judged by virtue of the manner in which he puts his question.

\* (1025)

**Mr. Edwards:** I think the people of this province know full well, I think—

**Mr. Speaker:** Order, please. The Honourable Member for St. James, with a supplementary question.

**Mr. Edwards:** I am glad Mr. Premier has referenced the seriousness of this matter and this issue, and he knows full well, I think, the seriousness of this issue from being in Government for many years.

### Labour Legislation Minister's Neutrality

**Mr. Paul Edwards (St. James):** My further question is to the Minister of Labour (Mr. Connery). Does the Minister agree that the job of Labour Minister requires that Minister maintain a neutral position between the interests of labour and management insofar as is possible so as to have the confidence of both sides in the labour relationship? Does the Minister recognize that essential characteristic of neutrality as being the essence of his job as he sees to the application and enforcement of Manitoba's labour laws?

### POINT OF ORDER

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I rise on a point of order. The way the Honourable Member has put his question calls for an opinion on the part of the Minister to whom he is directing his question. On that basis alone, his question should be ruled to be out of order. Also, the Honourable Member is coming dangerously close to the point of impinging upon the privileges of all the Members of this House by casting aspersions, or by putting a cloud over the heads of all Honourable Members.

**Mr. Speaker:** The Honourable Member's point is well taken. The Honourable Member for St. James, will kindly rephrase his question.

**Mr. Paul Edwards (St. James):** Mr. Speaker, I remind the Honourable Attorney-General that there are six questions. I am not finished, and I certainly intend not to make these statements lightly.

Again, for the Minister of Labour, I understand that I will be reasking my prior question.

**Mr. Speaker:** Kindly rephrase your question.

**Mr. Edwards:** Mr. Speaker, for the Minister of Labour, will the Minister of Labour agree that the essence of his job, it is important to his job to maintain neutrality and the balance between labour and management in this province in his role as enforcing the labour legislation of this province?

**Mr. McCrae:** On a point of order.

**Mr. Speaker:** On a point of order.

**Mr. McCrae:** The question, just like the last question, seeks an opinion and, Mr. Speaker, when Honourable

Members repeatedly ask questions which are out of order, I think the time comes that they should either ask a proper question or no longer be recognized to ask questions.

**Mr. Speaker:** I thank the Honourable Attorney-General.

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

**Mr. Speaker:** Order, please; order, please. I would like to remind the Honourable Member that you are perilously close to raising a matter which is not within the responsibility of the Minister. I would ask the Honourable Member to kindly rephrase your question.

\* (1030)

**Mr. Reg Alcock (Osborne):** We have reviewed this matter very carefully and feel that it is within the responsibilities of the Minister to whom the question is being asked.

**Mr. Speaker:** I thank the Honourable Member.

**Mr. McCrae:** Your Honour has made a decision, a ruling, and the comments of the Opposition House Leader (Mr. Alcock) are a little out of place at this point. They amount to perhaps a reflection on the ruling of the Chair.

**Mr. Speaker:** I would like to thank all Honourable Members. Order, please.

The Honourable Member for St. James, kindly rephrase your question.

**Mr. Edwards:** I will rephrase the question yet again. I see, however, that the Minister of Labour (Mr. Connery) has been eager to answer both times. Is it Government policy that the Labour Minister maintain as much as is possible the role of neutrality between the interests of labour and management in his job in enforcing labour legislation in this province?

### Portage Community Cablevision Employee Terminations

**Mr. Paul Edwards (St. James):** Again for the Minister of Labour (Mr. Connery), Mr. Speaker, the Minister of Labour has declared that he is presently a director and shareholder of Portage Community Cablevision Ltd. My question is, does the Minister of Labour actively participate in the business operation of that company, including the firing of employees?

### POINT OF ORDER

**Hon. James McCrae (Government House Leader):** Mr. Speaker, Honourable Members should know that they are entitled to ask questions in this House on matters relating to the administrative capacity of the Government. This is not the place to go and deal with the personal dealings of Ministers, unless it has some bearing on the Ministers' carrying out of their functions as Ministers. So the question, Mr. Speaker, clearly does

not fall within the administrative capacity of the Government, unless the Honourable Member can put his question in such a way as to make things come together properly.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader (Mr. McCrae). I would like to remind the Honourable Member for St. James (Mr. Edwards) that the Honourable Member's question deals with a matter which is not within the responsibility of the Minister, which is a quote from Beachesne Citation 359(6).

The Honourable Member for St. James, kindly rephrase his question.

**Mr. Paul Edwards (St. James):** Mr. Speaker, I have in my possession, which I am prepared to table right now, three cheques, three termination cheques, with the Honourable Minister's signature on them. These are dated August 31, 1988. They are termination cheques finalizing the firing of Mr. Ben Smook of August 26, 1988, by Portage Community Cablevision Ltd.

My question is this: is the Minister aware that this termination, which he has had an active role in including signing the cheques, is now going to be the subject of a lawsuit for wrongful dismissal in which the Minister personally, as the director who signed the cheques, will most likely be involved, and there is a very good chance as a witness.

**Mr. Speaker:** Order, please. I have cautioned the Honourable Member for St. James. The Honourable Member's question deals with a matter which is not within the responsibility of the Minister. Would the Honourable Member for St. James kindly rephrase his question?

**Mr. Edwards:** I will rephrase my question to the Minister. Does the Minister feel that his personal involvement in the firing of employees, which is going to be the subject of a lawsuit, has any impact on his ability to be the Labour Minister?

**Hon. Edward Connery (Minister of Labour):** Mr. Speaker, I have only been in this House for some two-and-a-half years. I have seen a lot of scum dragged up, but I have not seen scum like this before.

I am the vice-president of Portage Community Cablevision. A Mr. Ben Smook was fired by the directors. I was informed about the firing after it took place and, if he is saying that I signed cheques, Mr. Speaker, I can tell you that in our operation there are two signatures required for cheques. Mine is the first one and they are put on in advance after it has come to the other person to sign it, who is usually Mr. Ian MacKenzie, who does the second signing. So when that cheque was done, I signed a blank cheque in the sense that many companies do that.

Mr. Speaker, I was not part of the firing but, after reviewing what the individual did, I concur that he was fired.

**Mr. Edwards:** Mr. Speaker, I would like to reiterate my question. However, I will rephrase it. Now that the

Minister has indicated his position in this matter, does he feel that his role in signing the termination cheques—and I bring it to the attention of the House that there are, in fact, six directors. That is a matter of public record. Two have signed the cheques, he is one of them. Does he feel that his role in the firing of employees, which will be the subject of a lawsuit, affects his role as Labour Minister (Mr. Connery)?

**Mr. Speaker:** I fail to see the Honourable Member's question, what it has to do with the responsibility of the Minister of the Crown. Now the Honourable Member for St. James (Mr. Edwards) for a final time, would you kindly rephrase your question?

**Mr. Edwards:** My question is to the Premier (Mr. Filmon). Is it appropriate behaviour, in his Government's view, for the Minister of Labour (Mr. Connery) to be actively involved in the contentious termination of employees from a private Manitoba corporation?

**Hon. Gary Filmon (Premier):** The Member for St. James (Mr. Edwards) may not be able to hear or may not want to hear, but clearly everyone in this Chamber and every observer of the question and answer that just went on was told that he was not actively involved in any way with the firing of this employee. Is he now alleging that the Minister is lying? If so, let him put it on the table.

Mr. Speaker, the Member for St. James (Mr. Edwards), in his desperate attempt to get some attention, is engaging in muckraking which has now fallen all over his face. He has been told clearly that the Member had absolutely no part to play in the dismissal of that employee. He is a signatory, as many people are. That is required under law to be a signatory of cheques. On that his signature appears on the cheque, but he took no active role in the firing. Does the Member for St. James need that repeated many more times before he understands that?

**Mr. Speaker:** Order, please. The Honourable Member for St. James (Mr. Edwards), with your final supplementary question.

**Mr. Edwards:** I remind the Premier (Mr. Filmon) that his Minister also indicated that he did not deny he had signed the cheques and he did not deny that he concurred in the result. Need I say more?

Mr. Speaker, my final question is, given the Premier's earlier statements about conflict of interest, given his Minister of Labour's (Mr. Connery) earlier agreement with my suggestion that it is absolutely necessary for him to remain neutral as far as possible, does he think that his Minister of Labour can continue as Minister of Labour, when he has played an active role in a termination which is now going to be the subject of a lawsuit?

**Mr. Speaker:** Order, please. I have ruled that matter out of order.

## Environment Round Table Participants

**Mr. Gary Doer (Leader of the Second Opposition):** My question too is to the Minister of Labour and the Environment (Mr. Connery). It deals with the whole area that we raised on July 27 in this House, where we asked the Minister of the Environment why he had not met with any environmental group, in spite of the fact that on July 21 it was in the Speech from the Throne that we would be joining a round table. Why has there been no consultation with many of the environmental groups dealing with many of the major environmental issues facing this province, including the establishment of a round table that is the essence of the sustainable economic development program that everybody is taking credit for today? It is the essence of this sustainable economic development group. Why has he not met and consulted with the major environmental groups in a meaningful way, so that we could meet our target and deadline of September 1 for establishing this very important cooperative model between labour, Government, environmentalists and the economy?

\* (1040)

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** The Member knows that there was no September 1 deadline for announcing. Most provinces have not yet announced their round tables and are in the process of developing. The First Minister (Mr. Filmon) will announce the round table when it is appropriate.

The Member knows that when the Manitoba Environmental Council was scheduled to meet, I was scheduled to speak to them, but I was in Ottawa at a meeting of the task force and I was not able to attend. But my deputy came home early from that meeting to ensure that he was able to present our concerns with them.

Mr. Speaker, I talked to Mr. John Barker from the Manitoba Environmental Network yesterday to set up a meeting with them to discuss environmental issues. So while he says we have not discussed with the independent groups, we have. Our department has an ongoing discussion with the environmental groups and we will continue to discuss with them environmental issues we know need to be addressed that were not addressed by the previous Government.

## Participants

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, over 100 days have gone by since this Minister has been sworn in. He has not yet met and consulted with one or any of the major environmental groups in this province dealing with the round table. I would ask the First Minister (Mr. Filmon) if his Minister of Health (Mr. Orchard) would not meet with health officials, or his Minister of Education (Mr. Derkach) would not meet with education officials, or the Minister of Finance (Mr. Manness) would not meet with financial officials.

**Mr. Speaker:** Does the Honourable Member have a question?

**Mr. Doer:** Would he find that acceptable and why does he find this standard of behaviour acceptable, in terms of the important environmental issues of this province?

**Hon. Gary Filmon (Premier):** I wonder if I can beg the indulgence of the Member for Concordia (Mr. Doer) and have him repeat that question.

**Mr. Doer:** I had trouble getting the preamble in last time, but now you are ready for me.

**Mr. Speaker:** The Honourable Member will kindly put his question now.

**Mr. Doer:** I cannot hear you, Mr. Speaker, I cannot hear you. My question is and it is a very, very important question.

The First Minister (Mr. Filmon) expects his Education Minister (Mr. Derkach) to meet with school officials of all levels. The First Minister expects his Finance Minister (Mr. Manness) to meet with economic and financial officials at all levels. He expects the Attorney-General (Mr. McCrae) to meet with justice officials. He expects the Urban Affairs Minister (Mr. Ducharme) to meet with the City of Winnipeg. Why after 100 days, when the report recommends that the round table be established in September '88, does he find it acceptable standards for his Environment Minister (Mr. Connery) to not consult with one major environmental group in this province dealing with this important priority?

**Mr. Filmon:** The Round Table on Environment in the economy involves many, many people and the work of many people. I might say that in his response to our earlier announcement about the World Sustainable Development Centre for Winnipeg, the Leader of the Opposition (Mr. Doer) indicated that I had not given credit to the previous administration for having participated in—actually he is on the environment that led up to that centre. For instance, in the article that is in today's Free Press, it says and because I said it in the scrum that I had with news reporters, "Manitoba deserves the complex because its people, including initiatives of the former NDP administration, have built Winnipeg into a centre with a strong interest in industrial-environmental development."

There are private sector people involved, there are people from environmental groups, there is the Fort Whyte Environmental Centre that all of us are proud of, many groups from many different areas of society who have a part to play in the development of this world centre and in the establishment of a Round Table on Environment of the economy. We are interested in the views of all of them and indeed we have solicited views from many, many different groups. I am sure that the kind of initiative we will be undertaking will be acceptable to people right across this province, from all areas of society and from all groups in society.

## Rafferty-Alameda Project Federal Environment Study

**Mr. Gary Doer (Leader of the Second Opposition):** Now I know why the First Minister (Mr. Filmon) is so



sensitive about answering questions in this House. He does not answer them. I asked whether it is acceptable behaviour for a Minister of his Environment Department (Mr. Connery) to not meet with one major environmental group dealing with this priority.

My question to the First Minister (Mr. Filmon) is, given the fact that the Minister of the Environment has stated there is no environmental damage to the Province of Manitoba under the Rafferty-Alameda Dam, why will the First Minister not call for a federal environmental impact study on the Rafferty-Alameda Dam, which is consistent with the principles of sustainable economic development with environmental priorities? Why is it just rhetoric and not action on the First Minister's part?

**Hon. Gary Filmon (Premier):** Mr. Speaker, consistently throughout the discussions on Rafferty and Alameda, our Government has said, provided we get the assurances of quality and quantity of flow that we are looking for downstream from North Dakota on the Souris River, there will not be environmental concerns. All of our efforts with respect to our negotiations, the meetings of the Technical Committee, the undertakings that they are pursuing, are for the assurances of quality and quantity that we have asked for. Under those circumstances, there will not be environmental damage and that is acknowledged by all those who look at the project.

### Hudson Bay Mining & Smelting Upgrading Facilities

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

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, I will let the inconsistent comments of the First Minister (Mr. Filmon) on environment and his action be judged by Manitobans in terms of this very important project. My question to the First Minister is, the sludge still remains on the boxcars in Flin Flon because they have not found an acceptable way to get rid of this allegedly non-problematic material up in Flin Flon three months later, and also the First Minister has received a letter from Hudson Bay Mining and Smelting urging action on the part of the provincial Government dealing with the upgrading of the smelter in Flin Flon.

My question to the First Minister (Mr. Filmon) is, in light of the fact that we have signed the Acid Rain Agreement with the federal Government calling on some \$12 million, I believe is the figure, for the upgrading of the Flin Flon mine and money from the federal Government—

**An Honourable Member:** \$120 million.

**Mr. Doer:** —\$120 million—where is the action? His Ministers have met with the federal Ministers in May and June. Where is the action to deal with: (a) the boxcar situation that still remains unsolved by the Minister of Environment (Mr. Connery); and (b) the upgrading of Flin Flon that is so important as part of our national Acid Rain Agreement?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the Members opposite expressed their concerns about the

disposal of the material in Flin Flon at the smelter and, as a result, the Department of Environment has put it on hold until an acceptable solution can be found. Do you want us to have it processed in Flin Flon or not? Tell us—

**An Honourable Member:** No.

**Mr. Filmon:** Okay. Well then, it is not being done at this point in time until an acceptable solution can be found.

**Mr. Doer:** We will stop the intershipments too.

**Mr. Filmon:** You are not in Government, you cannot do anything.

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

**Mr. Doer:** A point of order, Mr. Speaker.

**Mr. Speaker:** The Member for Concordia (Mr. Doer), on a point of order.

**Mr. Doer:** Mr. Speaker, my point of order is that the conduct of the First Minister (Mr. Filmon) is unbecoming a Premier—

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

**Mr. Doer:** —and secondly, the only group that is not doing anything is the Minister of Environment (Mr. Connery).

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

**Mr. Filmon:** Mr. Speaker, the Member knows full well that a stop order can only be issued by an official of Government, not by a Member of the Opposition. Mr. Speaker, I am trying to respond to the Leader of the New Democratic Party (Mr. Doer).

**Mr. Speaker:** Apparently it is the Honourable Minister of Environment (Mr. Connery) who is attempting to answer that question.

\* (1050)

**Mr. Filmon:** The Leader of the New Democratic Party, if he followed the responses that have been given, the statements that have been made, would know that we are very concerned about the acid rain situation in Flin Flon. I, in Flin Flon during the course of the election campaign, made a commitment that we would work cooperatively with HBM&S and the federal Government to fund a solution to that problem. He would know, if he knew anything about it, that it is not a \$12-million initiative, that it is substantially more, and that we have been working on that initiative ever since we have been in Government.

Mr. Speaker, it involves more than just the provincial Government. It involves HBM&S who, as the industrial party in this agreement, requires a very major input of capital themselves. It involves the federal Government; it involves the province. We are doing our part.

## Rafferty-Alameda Project Senate Hearings

**Mrs. Sharon Carstairs (Leader of the Opposition):** My question is to the First Minister (Mr. Filmon). The Senate Committee on Agriculture and Forestry began its hearings on the Rafferty-Alameda project yesterday morning. On Wednesday, I wrote to the Clerk of the Senate Committee, asking that I, along with the Member for Wolseley (Mr. Taylor), the Liberal Party's critic on Natural Resources and Environment of this province, appear before the committee. Can the First Minister tell this House whether he has made a similar request and is he, along with his Ministers and department staff, going to appear before the committee to explain his Government's position on this project?

**Hon. Gary Filmon (Premier):** Last Friday, after the issue was raised about the Senate hearings on Rafferty-Alameda, our Government immediately contacted the Senate in Ottawa to find out about these hearings. We were told on Friday that it was not certain that the hearings would be held. They followed up later, which was this week, and they eventually were told on Wednesday that the hearings, late Tuesday or early Wednesday, were being scheduled for Thursday, which was yesterday.

They were told that there was no hearings contemplated for Manitoba. They were told that the focus of attention was on the issuance of the federal licence, not on the downstream environmental effects or the environmental assessment in Manitoba, and that the only people who were going to appearing were going to be a representative of the Saskatchewan Water Authority, Mr. George Hill, a professor from Brandon and somebody from the Canadian Wildlife Federation. We sent a representative who is part of the technical team from the Department of Natural Resources to monitor those hearings yesterday and to report back to us.

### Adverse Environmental Effects

**Mrs. Sharon Carstairs (Leader of the Opposition):** With a supplementary question to the First Minister (Mr. Filmon), George Hill, the President of the Saskatchewan Crown corporation building the Rafferty-Alameda dam, yesterday said that there would be some \$60 million as a result of adverse environmental effects. Can the First Minister tell us how much Manitoba will receive of that \$60 million?

**Hon. Gary Filmon (Premier):** First and foremost, we as a Government are committed to ensure that before any final approval of that project is given by the federal Government, any final sign-off vis-a-vis our rights under the 1909 Boundary Waters Treaty Act, that we have assurances of downstream quality and quantity of water in the Souris River. That is our bottom-line position. We are not interested in talking about compensation or damage until we get the assurances that we are looking for, and that is what we have been working on and that is what we continue to work on.

## Senate Hearings

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, with a final question to the First Minister (Mr. Filmon), in that Mr. Hill said there would be a reduction of flow of water available to downstream users, including North Dakota and Manitoba, would the First Minister contact the Senate Committee and ask for an immediate appearance by representatives of his Government, either the First Minister or the Minister of Natural Resources (Mr. Penner), so that Manitoba's interests could be protected?

**Hon. Gary Filmon (Premier):** Mr. Speaker, we had a full day of debate, a so-called debate of urgent public importance in this House. It was well understood, put on the table, that Saskatchewan, under the 1959 Apportionment Agreement, had the right to withhold half of the water that was contributed to the watershed in Saskatchewan. That was put on the record. If they would like to read the debates, it is there.

The average flow in the Souris River is 100 cubic feet per second. The fact of the matter is that it is not the average flow that is of concern. It is the minimum flows. We currently are entitled to, I believe it is, 20 cubic feet per second in five months of the year. So Saskatchewan holding back their portion of their flows in Saskatchewan does not necessarily mean that with the control structures in place we could not be assured of minimum flows that would satisfy our needs for quality and quantity downstream in Manitoba. It does not automatically say that the project means environmental problems in damage. It means that we have to ensure the average flow is apportioned out so that we get at least 20 and we hope better than 20 cfs downstream average flows in certain periods of the year to ensure that we overcome our concerns of quality and quantity.

### PCBs Transport Safety

**Mr. Harold Taylor (Wolseley):** Mr. Speaker, my question is to the Minister of Labour and Environment (Mr. Connelly). In early June this year, a giant U.S. Air Force C-5A Galaxy aircraft loaded with PCBs took off from Winnipeg International Airport. The source of these PCBs was from obsolete pine tree-line radar stations located at Gypsumville, Sioux Lookout, Ontario, and Beausejour. This exercise involved provincial, interprovincial and international transportation of dangerous goods. The question is, was the Minister aware of this operation and does he know if the U.S. and Canadian military followed proper procedures at all stages of preparation and shipment of the PCBs and the transformers? Does he know if any dangerous goods transport permits, including an export permit, were obtained for this movement over Manitoba's highways and air routes?

**Hon. Edward Connelly (Minister of Environment and Workplace Safety and Health):** Mr. Speaker, part of that question I will have to take as notice because I do not have the full information on that.

As the Member should know, to transport any hazardous goods, it has to be manifested and it has

to be flagged and it has to come under federal jurisdiction to be approved. So I will take that question as notice and get back to the Member.

**Mr. Taylor:** I will be very interested in hearing that response.

Mr. Speaker, does the Minister know how many more similar flights are planned and what role will Winnipeg Airport play as a transshipment centre for PCBs and other hazardous materials?

**Mr. Connelly:** Mr. Speaker, at some point in time, I think we have to address the issue of scare tactics developed by the Member for Wolseley (Mr. Taylor), and I am sick and tired of it, Mr. Speaker.

We have talked about PCBs in this House and PCBs are a concern. The boxcars that were talked about by the Member were not a hazard to the people of Manitoba or to Transcona. Air Canada has not moved any PCBs out of Winnipeg.

**Mr. Taylor:** How do you know?

**Mr. Connelly:** The Member for Wolseley (Mr. Taylor) says how do I know. Because we inquired, that is how we know, Mr. Speaker, we inquired. Air Canada has not and does not intend to move any PCBs out of Winnipeg on any of their airplanes, whether it be cargo or passenger.

### PCBs—Safety and Storage Manitoba Hydro

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

**Mr. Harold Taylor (Wolseley):** We were speaking of military flights to begin with.

Can the Minister tell the House how many transformers are still in active use with Manitoba Hydro that still contain PCBs, and how long will it be before they are phased out of service? Most importantly, is the Minister aware that the warning stickers on the same transformers easily come off due to weathering, which means that service and emergency crews will be unaware of what they are dealing with?

\* (1100)

**Hon. Edward Connelly (Minister of Environment and Workplace Safety and Health):** Mr. Speaker, the number of units can be obtained. As the Member well realizes, even in this building, there are ballasts with PCBs in and they will be phased out over a period of time.

PCBs that are in operation are not a hazard to the public, and the Member for Wolseley (Mr. Taylor) is continuing to try to terrify people about PCBs. We are, as a department, ensuring that there is safe storage and safe handling of PCBs. I had a meeting with Manitoba Hydro to discuss the PCB situation with the material that they have on stream right now. Some of

those units would take 20 years before they run through their life span.

The concern about PCBs, while it is relevant and is serious, has been totally blown out of proportion by the Member for Wolseley (Mr. Taylor) who knew, before the tragic fire in Quebec, about the PCBs in the boxcars and made no mention. The Member for Niakwa (Mr. Herold Driedger) knew about it over a year before and made no mention of those things.

Our department is very concerned about PCBs, and we are ensuring that all locations of PCBs are reported to us and we will make sure that they are stored safely.

### Social Assistance Minimum Standards

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, I would like to address a question to the Premier (Mr. Filmon) of our province with respect to the situation regarding social assistance in Manitoba. Unemployment, regrettably, is growing in the province. We have 3,000 more people out of work today than a year ago and, when they run out of unemployment insurance, often people go to municipalities to seek welfare. We do have a fragmented system of welfare in this province, causing many people to have to move to the City of Winnipeg or Brandon to seek social assistance.

During the election, the Premier stated a Conservative Government would regulate municipalities to assure a basic minimum standard of welfare assistance. My question to the Minister, is it still the Government's intention to proceed to regulate municipalities to meet certain basic minimum standards, and will he be prepared to move on this matter this year?

**Hon. Gary Filmon (Premier):** Mr. Speaker, that is still our goal and our objective and, in order to ensure that such a plan and a proposal is implemented in concert and in full cooperation with the municipal jurisdictions, we are undertaking a round of negotiations—*not* negotiations, actually consultations and discussions—with people from UMM, MAUM, and all of the various affected municipalities.

Some of the discussions have already been undertaken in a preliminary form. Others are going to be more formally undertaken as our Ministers have time to go out and meet with these various organizations, unlike the Member for Brandon East (Mr. Leonard Evans) who, when he was Minister, implemented a policy without any consultation whatsoever, imposed it on these municipalities, and it was a failure because of that.

**Mr. Leonard Evans:** I reject categorically the last statement because there was consultation, and indeed there was a resolution asked by the Union of Manitoba Municipalities at one point urging us to do this.

Mr. Speaker, my question is, would the Government reconsider the regulation method that the Premier (Mr. Filmon) proposed during the election and is still considering inasmuch as assuming that regulation is

going to increase the cost for the municipalities as well? Knowing the fact that there is indeed a lot of problem involved in regulating municipalities, setting up an effective police force perhaps within the department, will the Premier reconsider the regulation method and reconsider a one-tier system and do what seven out of ten provinces in Canada do and take the full responsibility for social assistance? Particularly, I say that with regard to the additional cost involved in municipal expenditures.

**Mr. Filmon:** That is a long rambling and somewhat hypothetical question because he said, assuming that it will cost more money for the municipal jurisdictions, and all sorts of ifs, ands, and buts.

Having said that, Mr. Speaker, let me say that we want to seek the best solution on behalf of those people who unfortunately must turn to social assistance in our province. We want to have a solution that is fair, balanced and reasonable, that ensures that they are entitled to live in dignity on social assistance, and that we do so in consultation with those municipalities who are currently delivering the Social Assistance Program as well as all others interested in the case.

**Mr. Speaker:** The Honourable Member for Brandon East (Mr. Leonard Evans), with a final supplementary question.

**Mr. Leonard Evans:** Will the Premier (Mr. Filmon) also consider consulting with the Manitoba Anti-Poverty Organization and the various church groups who have very serious concerns about perhaps what is one of the most serious problems of social injustice in this province? Will the Government, if indeed it does proceed with the regulation method, be prepared to pick up the additional cost that the municipalities may be faced with in this matter?

**Mr. Filmon:** My Minister of Community Services (Mrs. Oleson) has already met with various of the groups that he mentions, including the Manitoba Anti-Poverty Organization, to discuss with them all of their concerns about Government policies, funding and so on.—(Interjection)— In response to the Member for Concordia (Mr. Doer), no, we have not cut them off. They are getting their additional funding, their grant, as they have in the past.

Mr. Speaker, I do not know why, when articles are written about heckling in the House, my name is the only one prominently mentioned?

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

**Mr. Filmon:** Just as in the way we conduct our Government, I am just looking for fairness and balance.

**Mr. Speaker:** Order, please. The time for oral questions has expired.

## NON-POLITICAL STATEMENTS

**Mr. Mark Minenko (Seven Oaks):** Mr. Speaker, I would ask leave for the House to make a non-political statement.

**Mr. Speaker:** Does the Honourable Member for Seven Oaks have leave? (Agreed)

**Mr. Minenko:** As a member of the Canadian Armed Forces Medical Services Reserves, who was selected to serve as a peacekeeper, it is indeed an honour for me to rise in the Manitoba Legislature to join with many others around the world in congratulating the United Nations Peacekeeping Forces for the awarding of the Nobel Peace Prize to them for the service which they provided to maintaining world peace.

Since 1949, Canada has participated in every peacekeeping force assembled by the United Nations. Members of the Canadian Armed Forces have participated in maintaining peace in countries from around the world, including the Dominican Republic, Zaire, Egypt, Afghanistan, Korea and the Cypress. Canada's service for world peace has been costly, not only financially but also in terms of human lives.

Canadian statesmen and women have also played a great role in attempting to maintain world peace. On November 3, 1956, the Right Honourable Mike Pearson introduced a resolution at the United Nations during the Suez crisis for, and I quote from his remarks that day: "The immediate purpose of our meeting is to bring about, as soon as possible, a cease-fire and a withdrawal of forces in the area which we are considering from contact with each other." - (Interjections)-

**Mr. Speaker:** Order, please. The Honourable Member is attempting to make a non-political statement. I see numerous conversations throughout the Chamber. We do have room on the outside of the Chamber if Honourable Members would like to carry on their discussions.

**Mr. Minenko:** For his actions, this Canadian statesman was also awarded the Nobel Peace Prize. I would ask all Members of the Manitoba Legislature to join with me in offering our congratulations and a "well done" to all past, present and future members of the United Nations Peacekeeping Forces.

**Mr. Bill Uruski (Interlake):** Could I ask leave to associate ourselves with the remarks of the—

**Mr. Speaker:** Does the Honourable Member for Interlake (Mr. Uruski) have leave? (Agreed)

**Mr. Uruski:** Our group too would like to associate ourselves with the fine remarks made by the Member for Seven Oaks (Mr. Minenko) dealing with Canada's international role in peacekeeping. It is very clear that the ensign, the Canadian ensign on luggage, and on the role that peacekeeping has kept is a very strong symbol that is exhibited by and world-renowned in terms of the fairness and the compassion that

Canadians worldwide are recognized in the role of peacekeeping that has been very clear for the many years.

We, on this side, wish to associate ourselves with the remarks and pay tribute to those who have spent many years on peacekeeping in various European and Asian countries, and we want to pay tribute to those who will come after them as well.

**Mr. Harry Enns (Lakeside):** It is my privilege to respond on behalf of the Government Members—

**Mr. Speaker:** Order. Does the Honourable Member for Lakeside have leave? (Agreed)

\* (1110)

**Mr. Enns:** With the indulgence of the Honourable Members opposite, if I have leave to do so, I associate Members of the Government with the sentiments expressed by the Members of the opposing Parties, the Liberal and New Democratic Parties. Certainly, Mr. Speaker, we can all take pride in Canada's continuing role, supportive role, of United Nations through times when United Nations has not always lived up to the expectations of the world, you might say. Certainly, we have high expectations of this organization, but we do recognize and we do support the role of the United Nations as being the forum that brings reason and sanity to the affairs of mankind in this world, this troubled world. I think we can be very proud of our particular contribution, very often in excess of our numbers in terms of the size of our country, in terms of our, I suppose, numerical strength, that we have been able to use our position in world affairs with the kind of decisiveness, particularly in the area of peacekeeping role, that we have in the past.

So this current venture on the part of those representatives of ours, of all of us, who are trying to bring about and maintain the peace in a very fragile and volatile part of the world ought to be acknowledged the way it was, and I congratulate the Liberal Member for bringing that to the attention of this Chamber by all Canadians throughout this country.

## ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Speaker, would you be so kind as to call the Bills as listed on page 2 of today's Order Paper, and also Bill No. 27, listed at the top of page 3?

## DEBATE ON SECOND READINGS

### BILL NO. 6—THE FIRES PREVENTION AMENDMENT ACT

**Mr. Speaker:** Debate on second readings, on the proposed motion of the Honourable Minister of Environment (Mr. Connery), Bill No. 6, The Fires Prevention Amendment Act; Loi modifiant la Loi sur la prévention des incendies, standing in the name of the Honourable Member for Churchill (Mr. Cowan). (Stand)

### BILL NO. 8—THE COURT OF QUEEN'S BENCH SMALL CLAIMS PRACTICES AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 8, The Court of Queen's Bench Small Claims Practices Amendment Act, standing in the name of the Honourable Member for Brandon East (Mr. Leonard Evans). (Stand)

### BILL NO. 9—STATUTE LAW AMENDMENT (RE-ENACTED STATUTES) ACT

**Mr. Speaker:** On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 9, Statute Law Amendment (Re-enacted Statutes) Act, standing in the name of the Honourable Member for Elmwood (Mr. Maloway). (Stand)

### BILL NO. 11—THE CHILD CUSTODY ENFORCEMENT AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 11, The Child Custody Enforcement Amendment Act; Loi modifiant la Loi sur l'exécution des ordonnances de garde, standing in the name of the Honourable Member for Inkster (Mr. Lamoureux). (Stand)

### BILL NO. 14—THE REGULATIONS ACT

**Mr. Speaker:** On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 14, The Regulations Act; Loi sur les textes réglementaires, standing in the name of the Honourable Member for St. James (Mr. Edwards). (Stand)

### BILL NO. 15—THE COOPERATIVE PROMOTION TRUST ACT

**Mr. Speaker:** On the proposed motion of the Honourable Attorney-General (Mr. McCrae), Bill No. 15, The Cooperative Promotion Trust Act; Loi sur le fonds en fiducie de promotion de la coopération, standing in the name of the Honourable Member for Brandon East (Mr. Leonard Evans).

**Mr. Leonard Evans (Brandon East):** I would like to make a few remarks on this Bill which generally is one that we can support given the fact that the New Democratic Party and, before it, the Cooperative Commonwealth Federation, has long been devoted and concerned with the promotion of the cooperative movement. Indeed the name "Cooperative," I guess I should remind some people was in the name of the CCF, the Cooperative Commonwealth Federation, the Party that was the predecessor to the New Democratic Party. It goes without saying, therefore, that we are very keen on seeing any legislation that would enhance the co-op movement in this province.

We do have regrets, however, that the Government has seen fit to, in effect, downgrade the co-op initiatives,

in our opinion, in this province. They have downgraded the initiatives by having a Minister responsible for various departments, the Attorney-General (Mr. McCrae) being responsible for Consumer and Cooperative Affairs, responsible for the A-G's Department, including Corrections, and also this department.

I do not know how you can give the same amount of attention to what we consider to be a very vital department if you have a Minister who is engaged in other responsibilities and other duties. I know that when we were in Government, we had a very competent Minister of Co-op Development who dedicated a great deal of time to the co-op movement, to the department, and came up with a number of initiatives. The present Member for Churchill (Mr. Cowan) was indeed a very activist Minister of Co-ops. I know he met many, many people in the co-op movement and indeed in the credit union field as well, which is obviously a form of co-ops, and had a lot to do with many new initiatives that were taken by the New Democratic Party Government. We do, therefore, regret that in effect this department has been downgraded.

In principle, we have no difficulty with the Bill. The objects of the board are straightforward. I can see the proposal is that it assists in the development of co-op organizations, to encourage cooperation among co-op organizations—that is a rather different twist, encourage cooperators to cooperate—to examine co-op organizations and laws related to co-op organizations in Manitoba and elsewhere, to promote the general welfare of co-op organizations in the province, and to promote the general welfare of rural residents in the province.

Indeed, Mr. Speaker, it is in rural Manitoba where the co-op movement has played a significant role, maybe more so than in larger centres. I know that many small towns in Manitoba simply would not have adequate retail facilities if it were not for the co-op movement. I look at many small towns where, for whatever reason, Safeway or Supervalu choose not to go to. Obviously, it would seem not to be profitable for these larger companies, Safeway or Supervalu, to go into the small towns, whether it be Minnedosa, Neepawa, Virden, Souris, Birtle or whatever. They are looking for maximization of profit and they get that by going into the large centres only—Winnipeg, Portage, Brandon and so on.

So if you go to a small town in Manitoba and if you want to see a half-decent size retail outlet, it will likely, 99 times out of 100, be a co-op store. Also in rural Manitoba, you will find invariably in most towns a co-op gasoline outlet. Indeed, you have co-op lumber outlets and very basic services. Many basic services, therefore, are provided by the cooperative movement in rural Manitoba. I am not suggesting they do not play a role in the cities as well but their prominence is seen in rural Manitoba, and indeed they are a co-op movement in the true sense that there is participation by people in the community at elections, on the boards and so on. They make decisions in this area to develop their community through the vehicle of the co-op.

I was involved in my own area last winter in trying to encourage people to form a cooperative in order to

tackle the question of unduly high prices of gasoline in the City of Brandon. Indeed, for whatever reason, the City of Brandon had gasoline prices that were much higher than not only Winnipeg, but were much higher than surrounding smaller towns and no one could seem to get the explanation as to why the major oil companies, through their outlets, were charging 3 cents, 4 cents, 5 cents a litre more than the town 10, 15, 20 miles away, and certainly much more than the City of Winnipeg. The conclusion was—I arrived at the conclusion that there was simply a lack of competition. For whatever reason, maybe an understanding, unwritten—and I am not suggesting collusion although there could have been—but there was simply an agreement, it seems, that the price would stay high. There were no differences in the prices. Every station had the same price and the people of the community were very, very exasperated.

\* (1120)

It is no wonder then that when I called a public meeting to discuss the subject, we had standing room only in the hall. My only regret about the meeting was that we did not get a large enough hall to house everybody. As I understand, we had people leaving because they could not get into the doors. But this was a move to utilize the co-op method to deal with the extraordinarily high price of gasoline, the unfair pricing of gasoline in the City of Brandon.

Out of that meeting—and incidentally that meeting was attended by the Department of Cooperative Development who gave us a lot of technical advice and advised how there was a program put in place by the former Minister to enable small co-ops to be established throughout Manitoba to get into the business of selling gasoline, to bring about more competition. Of course, there was a very major problem in northern Manitoba where you have a high cost of transport and, again, a very unsatisfactory situation with regard to high gasoline prices.

But nevertheless, because of policies brought in by the former Government, by the former Minister to promote gas bar cooperatives, the officials from the department were able to tell the audience that there were indeed programs available to encourage the formation of a gas bar cooperative. We found out that there were loan monies available that were dedicated by the former Government at favourable terms to would-be gas bar cooperatives.

There was certainly a lot of legal and technical advice available and in addition, through the Northern Co-Op Services Ltd., it was possible to make available a source of gasoline at a price that would enable the co-op - (Interjection)- Well, I have been listening to the Member for Arthur (Mr. Downey) for a long time and I know how gas arises in this Chamber. But that was a critical part of this gas bar co-op. They had to have a source of supply. Indeed, one was identified and I believe that some of the communities—I stand to be corrected. Maybe the Minister of Northern Affairs knows that these communities in northern Manitoba are supplied through the Northern Co-Op Services Ltd., which enables those people to get gasoline at a little better price and maybe a great deal better price than they would have otherwise.

Those were the programs, this was the program that was made available. The staff explained it to the members of the audience and, out of that, came a committee to look at establishing a gas bar co-op. We had no shortage of volunteers and this was cooperation in action. It was a grass-roots thing and they got together, formed a committee, and eventually out of that came a board and an executive group and an application to be set up on an interim basis as the Brandon Gas Bar Cooperative.

A lot of work was done, and these are people from all walks of life who did indeed cooperate. They were, in the true sense of the cooperative movement, looking at serving the community. They were not interested in sort of maximizing profit for the group. That was not the intention, of course. The intention was to provide some competition in the retail gasoline market in Brandon to bring down the price of gasoline.

A lot of progress was made. We had people who had some expertise in land zoning. We had people who had previously been in the gasoline retail business in other communities. We had people from all walks of life—farmers, workers and so on. Together they formed a committee. They worked, they met many a time, consulted with the officials. They got going, they started to advertise and so on. It became well known in the community that a serious effort was under way to bring in gasoline likely at about 4 cents a litre less. It seemed to be about 4 cents a litre less than the prevailing gasoline price at that time.

But lo and behold, not long afterwards, the price dramatically dropped. We cannot tell for sure why the price dropped dramatically. In fact it dropped dramatically and became lower than that which prevailed in the City of Winnipeg. I would like to think that one reason was the fact that there was going to be some competition, and it was going to be real and it was going to be meaningful in the sense that the price was likely going to be 3, 4, maybe even 4.5, 5 cents per litre less than was being offered. The prices dropped; the Gas Bar Co-op exists. They are in a holding situation at the moment waiting to see what happens because the price did come down. It has gone up again a bit although it is still less than what it is in Winnipeg today, I can advise you.

I think that this is an example of where Members of the community, being unhappy with what the private sector as we know it was offering, were prepared to cooperate and try to cope with a serious situation. I think sometimes we do not realize how important the price of gasoline is to the average family; people are very aware of it. You pay it at the pump and it is certainly higher than it was many years ago. We depend on the automobile to a large extent. We are dependent on private transportation, and therefore the price of gasoline is a very critical factor. I say any Government who chooses to raise taxes on gasoline must do so with some trepidation because people are very, very sensitive to this form of tax.

At any rate, people cooperated. They were going to promote this Gas Bar Co-op. They have it in place and it is ready to go. It is in a holding pattern, however, at this present time, but the point being that everyone

would have benefited by this, not the people who formed the co-op, but everyone who would then deal with the co-op outlet. In the true spirit of cooperation, everyone who chose to become a member subsequently—it would be open to anyone who wanted to join—would get the benefit of that lower price. They would get it on the spot.

The meeting was attended by a very key person in the co-op movement from the City of Thompson. The City of Thompson has had a community gas bar co-op for a few years now. It has been successful in bringing down the price of gasoline. So they heard from that individual and he explained how they got organized and so on.

So I suggest, Mr. Speaker, that the method of cooperation is indeed active and alive in the Province of Manitoba. I think it is incumbent upon provincial Governments to do everything and anything they can to help people help themselves because we are not talking about Government bureaucracy, we are not talking about state enterprise, we are not talking about any Big Brother operation, we are talking about operations of the people and for the people. So anything that enhances the co-op movement in this province, I suggest, is welcomed by our Party, and I believe it is welcome by all persons in the House, all Members of the House.

What I do regret however, Mr. Speaker, is that somehow or other the department has been downplayed by the fact that it has only a part-time Minister. I think the co-op movement and promotion of cooperatives is such that we should have a full-time Minister. When I say that I would have thought the Members opposite, many of whom are from rural Manitoba, would be very sensitive to this because it is in rural Manitoba where co-ops have played a very significant role.

\* (1130)

I would say we do not have any great difficulties with the Bill, but I wanted to put on record our disenchantment with the diminishing or diminution of the department of—

**Mr. Jay Cowan (Churchill):** And your support for the co-op movement.

**Mr. Leonard Evans:** I beg your pardon?

**Mr. Cowan:** And your support for the co-op movement.

**Mr. Leonard Evans:** Of course, I wanted to take the opportunity as I have been for the last while. I am glad some people have been listening to me. I usually like to quote statistics and refer to numbers and so on. I do not have them with me but I am sure the record is great. (Interjection) The former Minister reminds me that the growth of the co-op movements exceeded the growth of every other sector in the province. Seriously, in terms of the statistics we have been bandied around—only that part because I do not have the numbers so I do not know whether I can be serious about certain numbers that are being thrown at me here by the Member for Churchill (Mr. Cowan). But

indeed my remarks are serious that I throw a bouquet to the—

**Mr. Cowan:** That is it, the last time I throw information at you!

**Mr. Leonard Evans:** As an element, I might add, I am very proud of the fact that our Government, the previous NDP Government, did assist the credit union movement in a very substantial way when it had some difficulties in the early Eighties, early 1980s, in fact a very serious situation. The New Democratic Party Government at the time did indeed bail the credit union movement out in this province of a very, very serious situation. I am proud of the fact that we were able to act positively, decisively and to avoid what could have been a very serious crisis throughout the credit union movement in the province.

With those few remarks, Mr. Speaker, I will sit down and listen to anyone else who has something to say. I think everyone should take an opportunity, even if it is for a couple of minutes, to say something about the co-op movement. I think it really deserves—

**Hon. James Downey (Minister of Northern Affairs):** Tell us about Pool Elevators and the United Grain Growers and some of those things.

**Mr. Leonard Evans:** Look, there are other co-op sectors besides retail. I have only been talking about the retail movement. Certainly the co-op movement in the grain distribution field has been very significant. It has been very fundamental—

**Mr. Cowan:** Also the co-ops in Brandon, that beautiful housing co-op we built in Brandon.

**Mr. Leonard Evans:** Well, yes, I am being reminded there by the Minister of Northern Affairs (Mr. Downey) there are Pools, the Pool Elevators. There is a major effort by farmers using the co-op method to ensure they have adequate handling of grain and ensure that they get as great a return from the distribution and sale of grain. The Member for Churchill (Mr. Cowan) reminds me of the housing co-op movement. I would say again that this is an opportunity for people to work in cooperation to get something done.

I want to use another example. I am glad the Member for Churchill reminded me because I can use the examples.— (Interjection)— He is a great speech writer. I can use the examples in my own community he gave me because I happen to be familiar with a lot of these developments. There are major developments on the North Hill of Brandon, some very significant apartment developments that have filled the need to supply housing in the City of Brandon and at a reasonable rate.

I know many of the people who live in these dwellings. They are comfortable and they are very happy that through the Co-op Housing Program, and I guess this is including the Department of Housing—the Department of Housing has been involved in this— there is a specific program for Housing Co-op. The

work, I know, in cooperation with the Department of Co-op Development, which provides a lot of technical assistance, a lot of encouragement, a little bit of CED money and so on, that they were able to get a couple under way.

I want to refer specifically, however, to one that was very unique and is unique, and that is the establishment of a senior citizens' cooperative in Brandon at the site of the Fairview Personal Care Home. There was a building there. As you know, there was a \$10-million extension to the existing personal care home at Fairview about a year and a half or so ago, and some of the old structures were designated to be destroyed. However, it was pointed out that one building in particular had some value. There was a bit of conflict between various people on the board of the Nursing Home, the City Council and others on the use of this building. However, we were able to ask the Department of Housing to take a quick look at the viability of turning that building into a small apartment for seniors, because the seniors for Seniors Co-op in Brandon had expressed an interest in using the building for a small co-op, about 30, 31 suites. We got a quick response.

Yes, indeed there was some viability about this, so we managed to hold up the destruction of the building and had a very hard look at it. Engineers looked at it and, lo and behold, in not too many weeks we were able to get the board of Fairview to back away from destroying it. With the cooperation of the Mayor and the City Council of Brandon we were able to proceed, because there had to be some land transfers from the city as well. This is near the fire station there—some of you may be familiar with the new fire station—and we were able to put the pieces together.

But the point I am making is that here is a group of seniors who use the co-op legislation that we have. They were for promoting co-op for the benefit not necessarily of themselves, but for people, the seniors in the community. As a matter of fact, it has gone along very well. The people in the co-op will be paying for it. The people who live in the apartment will ultimately be members of the co-op. It is a loan that they got from the Government. It is at favourable terms as the co-op loan provisions are. There is no federal money in it. As I understand, it is strictly provincial loan money for cooperatives.

The building is just about completed. In fact, it is completed and we are going to have an official opening in the very near future. Here is a living example where a group of seniors use the co-op movement to approach everyone concerned and say we want to do something with the building, we want to enhance seniors' housing and indeed they have. So that we are now getting 30, 31 beautiful suites, a beautiful apartment block in a very good location for seniors at a favourable rate. It is their building. The people who live in it are members of that co-op. They will appoint their board, they will make the decisions. Ultimately, they will be paying back that loan over a period of time.

I was very remiss in the beginning of my remarks talking about the promotion of co-ops only in the area of retail business. As important as that is to rural Manitoba, in particular, we should not forget the fact



that the co-op movement played a very significant role enhancing the lives of farmers in this province, indeed throughout Canada, wheat pools in particular. We should not forget that even in the area of housing, that we have done some great things in this province.

I would only hope that the Government will see fit to carry on doing whatever it can to encourage and help people who indeed want to use the cooperative method to improve their lives, the lives of the community, indeed enhance the quality of life in the Province of Manitoba.

Thank you very much for your patience in listening to my remarks in this respect.

**Mr. Richard Kozak (Transcona):** I rise this morning to share a few brief remarks with the House on Bill No. 15, The Cooperative Promotion Trust Act. As the Attorney-General (Mr. McCrae) stated in his brief remarks on this Bill, its object is to replace The Wheat Board Money Trust Act with an Act that is more intelligible and coherent.

The original Act, dating back to the 1920s, governs the management of approximately \$300,000 held in trust, and the board disperses about \$30,000 a year in grants to help people set up cooperatives, to finance studies of cooperatives and similar work. However, the language of the original Act is archaic and convoluted, and the Official Opposition supports Bill No. 15, which is easier to read—Nothing more, nothing less.

\* (1140)

This Bill is the absolute minimum gesture of encouragement to the cooperative movement and, quite frankly, I feel the movement deserves more than minimal attention.

At this point, I feel obliged to state that we feel our skepticism about the Government's legislative intentions, as expressed in the Throne Speech, has been borne out. The Government promised bold initiatives in virtually every area of Government responsibility.

Instead, we see on the Order Paper very little, other than re-enactments and redrafts of old statutes and regulations. The Throne Speech would have been more accurate if it had said that this Government proposes a long period of inactivity.

The Government is in the habit of saying that it takes time to deal with the legacy of six-and-a-half years of mismanagement by the previous Government. If there had not been mismanagement in the past, I myself would not have sought election to this House, but it astounds me that this Government has so few proposals to put on the table after six-and-a-half years in Opposition.

I am pleased to say that the cooperative movement serves our province well. The Province of Manitoba is the only province and the City of Winnipeg is the only major city with higher unemployment than a year ago in this country. I refer Honourable Members to the province's most recent labour force report. Manitoba needs to encourage all forms of business organization

consistent with our laws, and cooperative business organization is such a form of business organization.

The three main forms of cooperative business are producer cooperatives, consumer cooperatives and credit unions. The underlying principle of all three is that individuals who feel they have insufficient clout in the marketplace organize themselves to drive a better deal. For this reason, successful cooperatives earn what any business would envy, the undying loyalty of a segment of the population. Even non-members receive spinoff benefits as the co-ops intensify healthy competition in communities throughout our province.

One major Manitoba corporation, United Grain Growers Ltd., has its roots as a producer cooperative and continues to be a constructive force in Manitoba's development. Unfortunately, there is a less constructive force of which cooperatives and the Government of Manitoba must be aware. In their anxiety to provide maximum benefits to members, cooperatives sometimes have not retained sufficient earnings to finance optimum growth or to survive economic downturns.

The Honourable Member for Burrows (Mr. Chornopyski), with wisdom bred of experience and with the utmost devotion to the interests of the cooperative movement, has stated in this House that the movement must be nurtured in order to thrive. The Second Opposition Party, and I say this with some sadness, has been critical of the Member's remarks. But the Liberal Party does not feel that a cheerleader wearing rose-coloured glasses is really the best friend of the cooperative movement.

I am concerned that statistical measures of Manitoba's economic performance have turned down. I hope all Members in this House will join me in urging the Government to assist cooperatives as appropriate in preserving their greatest asset, their fine reputation. I urge the Government to make a particular point of instructing regulatory authorities to exercise due diligence in ensuring that credit unions and other provincially-regulated financial institutions maintain sufficient loan loss reserves to protect depositors' savings. We should nurture a higher level of confidence in our financial institutions in Manitoba than we see in Alberta or in the United States.

In the United States, during the 1970s, an average of about 10 bank failures occurred per year. This number swelled to 184 in 1987 and currently the list of problem banks has grown to 1,500. The savings and loan industry in 1972 collectively had a net worth of \$16.7 billion in the United States. By 1980, the net worth of the industry had become a negative \$17.5 billion, and 387 of the remaining 4,000 savings and loan associations in the United States were insolvent at the end of 1987.

I now cite evidence of laxity on the part of banking regulators in Alberta and Ottawa in recent years when the Alberta economy was in clear decline following Brian Mulroney's precipitous cancellation of the National Energy Program. Several days ago—

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

**An Honourable Member:** You got their attention, Richard.

**Mr. Kozak:** I am certainly pleased, Mr. Speaker, to have the avid attention of Members opposite.

Several days ago, the Minister of Finance (Mr. Manness) detailed some of the early history of the National Energy Program. I would like to do him the courtesy of updating his remarks.

The NEP offered Alberta freedom from the boom-and-bust economy by providing for ceilings and floors on energy prices. When the Prime Minister left a gaping hole in the floor, bank and trust failures in the Province of Alberta became inevitable and should not have surprised regulators.

The Liberal Party in Manitoba does not want Manitobans' savings placed in jeopardy during any economic downturn. I emphasize that the record of Manitoba's financial institutions justifies a superior level of confidence. However, confidence is not to be equated with complacency. I urge the Attorney-General (Mr. McCrae) to insist that regulatory authorities exercise due diligence in protecting Manitobans' savings. Thank you, Mr. Speaker.

**Mr. Jerry Storie (Flin flon):** I would like to take this opportunity to also make some comments on Bill No. 15, The Cooperative Promotion Trust Act. I think some of the previous speakers have covered quite adequately the importance of this legislation, the importance that the Members on this side attach to it.

This particular piece of legislation had been proposed by my colleague, the previous Minister responsible for Cooperative Development, some time ago. In fact, I believe that if one were to review the piece of legislation that was being developed with the legislation that we have before us, you would find that it is word-for-word, sentence-for-sentence identical to the one that my colleague, the Member for Churchill (Mr. Cowan), introduced or was working on some months ago.

**Hon. Charlotte Oleson (Minister of Community Services):** Something interfered.

\* (1150)

**Mr. Storie:** The Member for Gladstone (Mrs. Oleson) reminds me that something interfered, and indeed it did. Fortunately, this is one of the pieces of legislation which would have been introduced—it was in fact introduced by the Government—which this Government has had the foresight to leave in place so that we can continue to work towards a better, stronger cooperative movement in the Province of Manitoba.

I would remind the Member for Gladstone (Mrs. Oleson) that, unfortunately, many of the other innovative and progressive changes which were to be introduced have not been introduced and that the Government's legislative agenda looks all too much like the agenda of a Government with no particular vision of what this province needs, what direction the province should take. In fact, is a hodgepodge of administrative amendments

to a number of Bills which perhaps are necessary but belie the fact that there is no particular agenda that the Government has in mind when it comes to the affairs of Manitoba.

It reminds me that the other pieces of legislation that we have that are of significance, including changes to the small courts procedures, are also legislation that was proposed by the previous Government.

Mr. Speaker, this particular piece of legislation is designed to support the activities of our co-ops in the Province of Manitoba. I think Manitobans were saddened, disheartened—certainly, those who have worked with the cooperative sector in the province were saddened by the elimination of the Department of Cooperative Development. I think that it belies the attitude of this Government when it comes to the importance of the cooperative sector.

I know that my colleague from Churchill and other Members have reflected on the fact that the period in Manitoba's history from 1977 to 1981 was not a particularly good period for Manitoba's cooperative movement. The number of incorporations of co-ops in the province declined significantly over that period to a point, in 1980-81, where there were virtually no new co-ops incorporated. Of course, for the co-op movement, thankfully, in 1981, we saw the election of a new Government with a new attitude towards cooperative development and the installation of a new Minister of Cooperative Development into the portfolio who believed fundamentally in the cooperative movement.

The results of that change in attitude, that change in Government, were reflected in the fact that the number of cooperative incorporations increased dramatically in successive years to the 1987 year, when I believe there were some 60 co-ops incorporated. That is a tremendous achievement, and it also not only reflects the attitude of the Government when it comes to cooperative development, the fact that we had an independent department with its own staff with a Minister responsible who supported it, but it reflects the fact that given an opportunity Manitobans are more than willing to support and to develop co-ops on their own to promote their own interests and their own regional local activities.

The Member for Rupertsland (Mr. Harper), I think spoke quite eloquently about the role that co-ops have played in his community—his communities, if I can expand that—over the last few years. Co-ops have worked to the advantage of fishermen and farmers, of trappers and now of communities, and the Member for Rupertsland talked about the importance of the gas co-ops, the formation of co-ops to bring gasoline at reasonable prices into their community. The fact is that northern Manitoba is perhaps the most extensive user of co-ops in the province. That is because of the nature of our communities and also reflects the fact that in small communities, in single-industry communities, in isolated rural communities, the free market tends to be less competitive and less consumer oriented. I think perhaps that is understating it.

The formation of the gas co-op in Thompson some years ago, some six or seven years ago now, is perhaps

the best example of a community enterprise which worked to affect the market prices of fuel in that community and has actually given the Thompson residents a multimillion dollar benefit. That benefit accrued not only to the members of the co-op who had the vision to say there is something we can do about our own circumstances but it has been a benefit to many, many, in fact all of the members of that community, even those who were not particularly supportive of the idea of a co-op, because what it has meant is the reduction in the price of gasoline from what it is perhaps in Snow Lake, which is currently some 53 cents a litre to 46, 47 cents a litre.

So millions and millions of dollars have been saved by virtue of the fact that a co-op was formed, that it introduced a new element of competition in the fuel market in Thompson and has resulted in tremendous savings. Of course, as people had begun to understand the impact that the co-op itself was having on pricing in Thompson, new members joined, businesses joined, firms became members so that their fleet vehicles could also be the recipients of not only low prices but the benefits of co-op membership which entitled them to significant rebates at year-end. So, Mr. Speaker, the co-op movement is not just a benefit to its members, it has a significant benefit to the communities that are lucky enough to have co-ops come and establish in their areas. Thompson is a good example, but it is not the only one in Manitoba.

For years, fishermen have relied on fishermen's co-ops to support their activities, to give some structure to the marketing of fish, the catching, transportation of catches in our communities, in many, many communities. Those institutions, those corporations have been supported not only by the local community but agencies of Government.

The Special ARDA Program, when it changed its policies some years ago when it came to providing support to individual fishermen and trappers, recognized that the co-op movement in that particular industrial sector, in that particular economic sector was an important cog in the efficient production, delivery, marketing of fish products, in particular, decided that it would change its policy in support of co-ops. So now the policy that Special ARDA uses—and this is a federal policy—is used to support individual community co-ops, rather than individual producers. The rationale, of course, came from the fact that the co-ops had been useful. They had been used very successfully to coordinate the activities of those individuals, whether they were on a trapline or individual fishermen.

So there is a broad recognition on the part of many different groups in Manitoba's society that co-ops have been successful in not only monetary terms but in social terms as well.

\* (1200)

Mr. Speaker, the Cooperative Promotion Trust Board, which has the authority to spend money as it sees fit for the promotion of co-ops, has done a good job. Clearly, this Bill will define to a greater extent the role of the board, the role and mandate of its activities, and that will be useful for the future of co-ops as well.

Mr. Speaker, I want to move back some way to the apparent contradiction that exists between the introduction of this Bill, which is designed to promote and support co-ops in this province, and the actions of the Government in eliminating the Cooperative Development Department. Despite the claim that is made by the Government that this rationalization, which they have called it, is money saving, I think that history will show—and I am not talking about history in the long term but history being in the next year or so—that view was short-sighted.

The benefit that accrues to the province, individuals looking for jobs, communities looking for support, communities looking to reduce the price of goods and services in their community, communities looking to introduce an element of competition into the market system, will find that very quickly the incorporation of co-ops decreases as the focus of Government activity lessens in terms of its direct support, its ability to support people who come forwarding looking to develop co-ops.

The formation of co-ops is not a simple task. I have been involved in developing co-ops, supporting co-op development. I know that it takes years of activity from the formation of an idea to the establishment of a group of people interested in supporting it, attempting to define the level of support in the community because co-ops, unlike some other kinds of operations, cannot survive without the individual support of members. That is what binds those people and that enterprise together, and the formation of co-ops takes some time.

Certainly, people working to establish co-ops and, whether we are talking about housing co-ops or gas co-ops or commercial co-ops of one kind or another, it starts out with the will of several people who see a need, and there is a long process between the original idea, the incorporation of a co-op, the establishment of productive enterprise. Along the way there are many hurdles. From experience, I know that many times the people who conceive of the idea or see the need for a co-op do not have the legal expertise that is required, are not familiar with the laws which govern co-ops, co-op boards and the activities of co-ops. So they seek assistance; they seek direction.

To the extent that there are fewer people rather than more who are involved in co-op development at the Government level, you have more or less problems in developing co-ops. To the extent that you have people, a Minister, a Government, who is supportive of co-ops, who is prepared to designate administrative responsibilities within a departmental context for cooperative development, you have more co-ops being developed. You have a resurgence of cooperative development, which is what we saw from 1981 till 1987, a resurgence in the interests of co-ops. That happens because of the involvement of all sectors of our society.

It certainly requires, in my opinion, the active involvement and participation of Government. A departmental status for cooperative development gives it a profile, puts a signature on it which I think identifies clearly, in the minds of many, the level of support that exists in the Government.

Mr. Speaker, what we are concerned about is the signal that is being sent out by the diminishing role of

Cooperative Development within the context of Government departments. I know that the Minister who is now nominally responsible for Cooperative Development (Mr. McCrae) would argue that the change is insignificant, that the Minister is still concerned about the development of co-ops, but the signal itself I think tells a different story. I believe that over a very short period of time you will see the number of incorporated co-ops decline and the end result will be fewer jobs, less competition and higher prices for many goods and services in our communities.

The Member for Churchill (Mr. Cowan), I think identified in his speech the goals of the Co-op Promotion Board, and I believe the goals of that board certainly were not supported when the Government made its decision to eliminate the Department of Co-op Development. I believe that the board itself should have been and needs to feel that it is being supported in a much more visible way by the Government.

The interesting thing about co-ops, not only in Manitoba but around the world, has been the fact that co-ops, although they have experienced troubles like any other entity, have been survivors. Other countries, particularly other European countries, have used co-ops successfully in a much broader array of enterprises than perhaps we have seen in Canada and in Manitoba. The scope for developing cooperatives really has only scratched the surface in Manitoba's terms. Many of the co-ops that we have seen established, and we have seen a broader array in the last few years, have dealt with the traditional activities we associate with co-ops, and that is the retailing of goods in the cooperative movement, the handling of agricultural products, whether it is fishing or trapping.

The cooperative movement could be much more effective in the industrial sector. The cooperative movement could be much more effective in preventing plant closures, in preventing significant disruption in different areas of our economy. My and I guess the concern of many others is that while Bill 15 is being introduced, there is no real commitment to broadening the involvement of the cooperative sector in other sectors of the economy. What we have seen here is a signal that the cooperative approach that can be used to rejuvenate business entities is being ignored.

Co-ops, of course, can be called by many names, but the idea of workers' co-ops, the idea that people involved in a failing, flagging industry can take control of their own destiny and form co-ops to rejuvenate an industry, a business, cannot be ignored either. We have seen workers' co-ops formed in the Province of Manitoba. They have been successful. We should not lose sight of the fact that workers' co-ops tend to be very successful, and they are successful not only in financial terms—that is critically important, nonetheless—but they have also been successful in the way they have dealt with the involvement of workers. Research has shown, I think quite clearly, that workers' co-ops provide a level of job satisfaction that is unheard of almost in the private sector, in the strict private sector. The reason that is true is because the owners of a particular enterprise in a co-op situation are the members of the board, are the management, are the

senior staff, are the workers on the floor. What you see, because of the level of involvement, is a tremendous sense of satisfaction in the work that is being done.

\* (1210)

(Mr. Deputy Speaker, Mark Minenko, in the Chair.)

The satisfaction goes beyond the simple wage, the wage level that is being received. The satisfaction goes to the more important level of personal reward and satisfaction, and that is that they have some control over their own destiny in financial terms and in terms of their own security. They have some control in their workplace, in the product, the quality of the product that they are producing, and the quality of the service they are delivering.

Promotion of co-ops should not be simply the advertisements one sees from time to time for the Dairy Producers' Co-op, or the Fishermen's Co-ops, or individual co-ops, collectives of one kind or another. The job of the Cooperative Promotion Board is to expand the idea that individuals can gain some control over their own destiny by collective action, by cooperative action—words, which in some quarters and perhaps in the minds of Members opposite, should not be used in a society which stresses individualism, which stresses free enterprise in the free market system.

History has shown that the principles of cooperative action work, and they work in many instances to the advantage, to the major advantage, of the participants in that particular activity. That is true, whether you are talking about the ability of co-ops to introduce a new element of competition in the market place, whether we are talking about the simple saving of dollars for consumers, or whether we are talking about the level of satisfaction that comes from knowing that you are working for yourself, that you are, like farmers, independent in a sense, that you are relying on your skills and the skills of your worker colleagues to make that particular enterprise a success.

The work of the Co-op Promotion Board needs to be expanded, and its mandate to promote co-ops has to be broadened to include some more imaginative, some more forward looking aspects of the potential for the co-op movement in Canada.

We all know that the co-op movement has an illustrious history in the province. We all know that the development of co-ops, support of co-ops is not confined to one region of the province. Farmers who consider themselves independent, who like/need their independence, are supporters of co-ops. The establishment of grain cooperatives, the establishment of financial cooperatives in rural Manitoba speaks volumes about the ability of individuals in all areas of the province, all regions of the province, to understand the efficacy of cooperative action to deal with problems, and the formation of co-ops, financial co-ops, is a good example of a reaction to the world around them, the perceived unfairness, the perceived insensitivity of major financial corporations in Canada to the plight of farmers in rural Manitoba.

We saw the development of rural financial cooperatives. But again, the establishment of co-ops

is not relegated, if you will, to one region, one group in the province. The establishment of co-ops goes from Winnipeg and rural Manitoba to northern Manitoba. It covers a wide range of economic activities. So what we need to see after the passage of this piece of legislation, after it had been to committee and been scrutinized by the cooperative movement, individuals interested in legislation which affects co-ops, we need to see the kind of promotion of co-ops which is expansive; that does not narrow it down to a passive role, which somehow expands the mandate of the board, which provides it with the wherewithal to really promote the use of co-ops in every sector and every region.

The specifics of this Bill—I know we are not supposed to talk at length about the specific clauses in the Bill because that will be saved for committee. At least, I cannot find any major issues within the specific clauses. I think the Bill conforms to what the majority of Manitobans who are familiar with co-ops would expect. I think it improved the mandate of the board. I think it clarifies some of their duties and responsibilities, and I am sure that it will receive the support of the majority of Members as it moves through the committee process.

What is not in the Bill—and I am assuming talking about what is not in the Bill is within the rules, Mr. Deputy Speaker. I am sure you will correct me if I am in error in that. But what is not in the Bill I guess is equally important. I said in speaking to other Bills that one of the things that we need to have as legislators is information about the process of implementing legislation.

We need to know what is going to happen after it receives our stamp of approval, if you will. Is the Bill going to receive the unqualified endorsement of the Government? Is the Government going to proclaim the legislation? Is the Government, after proclaiming the legislation, going to act in a way which is supportive of the legislation? Is the Government going to pay lip service to the legislation or is it going to act in a way which is consistent with the Bill? -(Interjection)- The Member for Arthur (Mr. Downey) says no, that they are certainly serious, and that is gratifying to hear.

I think we have all raised the issue that their actions on the one hand of eliminating the department and introducing the Bill do not speak to the kind of consistency which most Manitobans would like to see, but we will have to wait. We will have to wait because clearly actions do speak louder than words. This Government will have an opportunity to show that it is in fact serious about the introduction, the promotion of cooperatives in the province, and Manitobans will have a chance to judge. There are several ways you can judge whether a piece of legislation is successful.

I would suggest, and perhaps the Minister responsible for Cooperative Development (Mr. McCrae) in the province will stand in his place and tell us what goals he has for co-op development in the province. Is he going to achieve the kind of success we saw in 1987 with the development of co-ops? Are we going to establish some 60 co-ops in 1988 and 1989? What are the goals of this Government? What we have seen so far from this Government is we are on all sides. We

want everything for the province, we want everything for everybody. They have not done anything concrete when it comes to just about anything.

\* (1220)

**An Honourable Member:** What about yesterday?

**Mr. Storie:** What about yesterday? Very good question.

The Member for Virden (Mr. Findlay) talks about their great achievement yesterday. There is no doubt that the announcement made by the Minister responsible for MTS was an achievement. Of course, there is a cost to it. Whether the burden is going to be fairly distributed is something that we will be discussing. The Minister responsible talks about the quality of service.

The Minister would like us to believe that somehow he has achieved this. The Minister knows that this had been in the planning, this had been on his desk, just as this particular Bill had been laying on the desk of the Minister responsible for Co-op (Mr. McCrae). Mr. Deputy Speaker, let no one be under the illusion that this Government has set the agenda for this legislative Session or for most of their actions. In fact, when they have had an opportunity to act in a decisive way to protect Manitoba's interests on any issue which was not on their desk, they have failed miserably. That is why I raised the question about the intention of the Government because it is important. It is not good enough just to introduce—

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

**Mr. Deputy Speaker:** Order, please; order, please.

**Mr. Storie:** I noticed that we have struck a somewhat sensitive chord in Members opposite. I can appreciate that, because I would think it must be somewhat depressing, demoralizing, to sit day after day and know that what you are doing was planned by the previous Government and that you have no other agenda. The pieces of legislation that we have got before us I think prove the point more vividly than any words than I could add to the debate about whether they have an agenda. But it does raise the question of whether the Government has any intention to promote this legislation, to utilize it to its best advantage. We have seen time and time again that while they pay lip service to action to support for the environment, to support for regional development, when it comes time to act, we have nothing.

My colleague, the Member for Concordia (Mr. Doer), our Leader, indicated today that the people of Flin Flon, the people of Snow Lake, the people of Leaf Rapids are getting concerned because HBM&S has been waiting for some indication of financial support for its major modernization plans. I know that the feasibility studies, the technical studies that were needed to prove the viability of that plan, its appropriateness, its benefit to Manitoba have been done. That evidence has been before the federal Government, before the provincial Government, for months. While the federal and provincial Governments dither, there are serious

pollution problems, ground pollution problems in Flin Flon that are jeopardizing the health of workers in Flin Flon and families in Flin Flon.

We get lip service about doing these wonderful things and we get no action. The environment, the Rafferty-Alameda situation, the environmental situation when it comes to action in PCBs or anything else, all are indicative of the problem.

Mr. Deputy Speaker, I would like to get back to this Act. The question I am asking and I have asked the Minister responsible for Co-op Development (Mr. McCrae) is, is the Minister going to set some specific goals for his department? Is the Minister going to set some specific goals in terms of the incorporation of new cooperatives? Is the Minister going to set some targets for the incorporation of new fishing co-ops, new gas co-ops, new housing co-ops? Is the Minister going to say unequivocally that, yes, we are going to use cooperative developments to build more housing for seniors in the province? Are we going to use co-ops to build more housing for the disabled? Are we going to use co-ops to build more housing for families? Are we going to use co-ops to make sure that the market prices for housing in this province remain stable and steady and that families can expect some lower cost over time for their shelter needs?

Co-ops impact on a broad range of activities of Manitobans, and we need to know whether the Government has some serious objectives, because if all we are going to see is, "I am standing up and saying I am concerned about co-ops, yes, I am—oh sure, we dismantled the Department of Cooperative Development but we are very concerned," it is not satisfactory. It gives no one in the province any meat with which to hold this Government accountable.

I believe that they have a responsibility. The Minister responsible for Cooperative Development has an obligation to stand and say, yes, the co-ops are important and these are our goals for the next year. The same is true for the Cooperative Promotion Trust Board. We need to know how much money this board is going to spend on the promotion of co-ops, what particular co-op sectors are going to be the focus for promotion, how is the promotion board going to operate in terms of its mandate, some specifics about how this board is going to operate, how the Department of Cooperative Development is going to operate is necessary for anyone to be able to quantify whether the Government is meeting its objectives.

The Minister is going to have a chance when he speaks to the Bill, the Minister is going to have an opportunity when the Bill goes to committee, the Minister is going to have an opportunity at third reading and, subsequently, to defend their record when it comes to co-op development and co-op promotion.

I do not think it is going to make our job on this side any easier if all we have is rhetoric and no specific goals and objectives. So I would call on the Minister responsible to prepare those in advance of our completion of this task, and that is reviewing The Cooperative Promotion Trust Act, to prepare in advance of the next Session of the Legislature not only a set

of objectives for co-op development and promotion, but a report on whether we are meeting, how far we have come in meeting those objectives.

The Members opposite would like us to believe that they are good managers. I think it is unfortunate that nothing we have seen this Session would lead us to that conclusion because, when it comes to management, one of the things that any first-year business administration student knows is that what you have to do to succeed in business is to set out clear objectives for yourself and say, are we meeting them. In many, many cases, this Government has not only failed to meet its objectives, it has failed to understand that the setting of objectives is the first step in an exercise to develop or promote anything. We have not seen the Minister responsible for Co-op Development stand and give us any indication of where they are coming from.

I do not want to have my comments degenerate into some of the other areas where this Government has failed to set objectives, has failed to set any clear agenda for itself, but this Bill is important to the cooperative movement in Manitoba. The cooperative sector is important to Manitoba and, although it is still small relative to the total economic pie, if you will, it is an important sector and if the Government will undertake to tell Manitobans, tell this Legislature what they hope to achieve by this, what specific parts of the co-op sector they are going to promote, in what way and for what purpose and to what end, I think it would make our job a lot easier and perhaps their job a lot easier some six months or a year or two years down the road when we have an opportunity for one reason or another to debate co-op development amendments to The Co-op Promotion Trust Act or whatever.

They will be able to stand up and say, in 1988 we said we were going to do this for co-ops in the province. Today, I can announce that these and these objectives have been met or we have gone part way to meeting these objectives. If we leave it only on the level of rhetoric, no one will be at all clear whether anything is achieved.

**An Honourable Member:** Do you have the support of your caucus?

**Mr. Storie:** Yes, I certainly do. What will be evident is that once again the Government's rhetoric has far outreached its ability, and that would be unfortunate when it comes to the co-op movement.

The Member for Arthur (Mr. Downey) acknowledges that I am a great teacher, and that has been said before, and I cannot say that the Member for Arthur is a good student. I do not think he has learned anything in all his years in this House, but that is through no failing of his own.

**Mr. Deputy Speaker:** The Honourable Member's time has expired.

**Mr. Harry Enns (Lakeside):** I just want to serve notice so that when next I have the opportunity to speak on the Bill, it would be my intention to explain why it is

that the New Democratic Party, its philosophy, is so damaging and has been so harmful to the cooperative movement in this province and in the country generally—

**Mr. Deputy Speaker:** Order, please. Is the Honourable Member moving adjournment of debate?

**Mr. Enns:** I am speaking to the Bill. It is a fact of life and, despite that it is a Friday morning and it is a lovely Friday morning, I do not want to create any undue controversy. But one should not allow an otherwise gentle speech by the Member for Flin Flon (Mr. Storie) to leave a lot of basic untruths on the record. The fact of the matter is that the cooperative movement has blossomed and flowered into its prominence long before there was an N.D. Party, long before there ever was a CCF Party elected to any province of this country.

In fact, it is not more Government bureaucrats and bitter Government departments that encouraged the development of cooperatives. It is exactly the opposite. He had one thing right when he said a cooperative is based on the individual responsibility, individual members deciding to do something for themselves. And that means not having Government or Government departments do it for them.

\* (1230)

I hope to have the opportunity to examine the legacy of the NDP years in the cooperative movement, when they did change Government agents through the length and breath of this province, created a lot of cooperatives that regrettably were not founded on that very sound principle of member involvement, but were put together through the Minister's office and through his agents. Subsequently, the failure rate of the cooperative has been at an all-time high during those years of '81-86.

I realize my time is up, Mr. Deputy Speaker, I will debate the next time . . . .

**Mr. Deputy Speaker:** Order, please. The time being 12:30 p.m., the Honourable Member will have 38 minutes remaining when next we debate this Bill.

**Hon. James McCrae (Attorney-General):** Could I ask the indulgence of Honourable Members not to see the clock for one minute or so?

**Mr. Deputy Speaker:** Does the Honourable Attorney-General have leave? (Agreed)

## HOUSE BUSINESS

**Hon. James McCrae (Government House Leader):** Mr. Deputy Speaker, I believe I would have leave of the House to move a motion, seconded by the Honourable Minister of Northern Affairs, that Bill 10, The Court of Queen's Bench Act, be withdrawn from the Standing Committee on Law Amendments and transferred to the Standing Committee on Statutory Regulations and Orders.

**MOTION presented and carried.**

**Mr. McCrae:** I rise today to call for Thursday, October 6 at 10 a.m. in Room 255, the Standing Committee on Statutory Regulations and Orders to consider Bills referred to it.

As well, Mr. Deputy Speaker, I would designate Tuesday, October 11 at 10 a.m. in Room 255, for a meeting of the Standing Committee on Public Utilities and Natural Resources to consider the Annual Report of the Manitoba Public Insurance Corporation and, if necessary, I would suggest also Thursday, October 13 at ten o'clock in Room 255.

**Mr. Deputy Speaker:** The hour being 12:30 p.m., this House now stands adjourned until Monday at 1:30 p.m.