

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, February 26, 1990.

The House met at 8 p.m.

DEBATE ON SECOND READINGS

BILL NO. 51—THE MARITAL PROPERTY AMENDMENT ACT

Mr. Deputy Speaker (William Chornopyski): On the proposed motion of the Honourable Minister of Justice (Mr. McCrae) that Bill No. 51, The Marital Property Amendment Act; Loi modifiant la Loi sur les biens matrimoniaux, be read for the second time, standing in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis), who has 18 minutes remaining. Pass.

QUESTION put, MOTION carried.

BILL NO. 52—THE FAMILY MAINTENANCE AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 52, The Family Maintenance Amendment Act; Loi modifiant la Loi sur l'obligation alimentaire, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 57—THE PENSION BENEFITS AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Labour (Mrs. Hammond), Bill No. 57, The Pension Benefits Amendment Act; Loi modifiant la Loi sur les prestations de pension, standing in the name of the Honourable Member for Brandon East (Mr. Leonard Evans). Pass.

QUESTION put, MOTION carried.

BILL NO. 47—THE DEPENDANTS RELIEF ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 47, The Dependants Relief Act; Loi sur l'aide aux personnes à charge, standing in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis). Pass.

QUESTION put, MOTION carried.

BILL NO. 48—THE INTESTATE SUCCESSION AND CONSEQUENTIAL AMENDMENTS ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 48, The Intestate Succession and Consequential Amendments Act; Loi sur les successions ab intestat et modifiant diverses dispositions législatives, standing in the name of the Honourable Member for St. Johns (Ms. Wasylycia-Leis). Pass.

QUESTION put, MOTION carried.

* (2005)

BILL NO. 6—THE LAW REFORM COMMISSION ACT

Mr. Deputy Speaker: On the proposed motion by the Honourable Minister of Justice (Mr. McCrae), Bill No. 6, The Law Reform Commission Act; Loi sur la Commission de réforme du droit, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 9—THE FOREST AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Natural Resources (Mr. Enns), Bill No. 9, The Forest Amendment Act; Loi modifiant la Loi sur les forêts, standing in the name of the Honourable Member for Brandon East (Mr. Leonard Evans), who has 37 minutes remaining. Pass.

QUESTION put, MOTION carried.

BILL NO. 39—THE HUMAN TISSUE AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 39, The Human Tissue Amendment Act; Loi modifiant la Loi sur les tissus humains, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 50, The Wills Amendment Act; Loi modifiant la Loi sur les testaments, standing in the name of the Honourable

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Member for St. Johns (Ms. Wasylycia-Leis), who has three minutes remaining.

POINT OF ORDER

Mr. Bill Uruski (Interlake): Mr. Deputy Speaker, on a point of order, I should advise you that the Member for St. Johns (Ms. Wasylycia-Leis) spoke, and I spoke this afternoon. That Bill went to committee this afternoon.

Mr. Deputy Speaker: My apologies.

BILL NO. 61—THE CITY OF WINNIPEG AMENDMENT ACT (2)

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Urban Affairs (Mr. Ducharme), Bill No. 61, The City of Winnipeg Amendment Act (2); Loi no 2 modifiant la loi sur la Ville de Winnipeg, standing in the name of the Honourable Member for Churchill (Mr. Cowan). Pass.

QUESTION put, MOTION carried.

BILL NO. 62—THE CITY OF WINNIPEG AMENDMENT ACT (3)

Mr. Deputy Speaker: On the proposed motion, the Honourable Minister of Urban Affairs (Mr. Ducharme), Bill No. 62, The City of Winnipeg Amendment Act (3); Loi no 3 modifiant la Loi sur la Ville de Winnipeg, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 65—THE FATALITY INQUIRIES ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 65, The Fatality Inquiries Act; Loi sur les enquêtes médico-légales, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 66—THE SUMMARY CONVICTIONS AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 66, The Summary Convictions Amendment Act; Loi modifiant la Loi sur les poursuites sommaires, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 68—THE COURT OF APPEAL AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 68, The Court of Appeal Amendment Act; Loi modifiant la Loi sur la Cour d'appel. Pass.

QUESTION put, MOTION carried.

BILL NO. 69—THE LAW SOCIETY AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill No. 69, The Law Society Amendment Act; Loi modifiant la Loi sur la Société du barreau, standing in the name of the Honourable Member for Thompson (Mr. Ashton). Pass.

QUESTION put, MOTION carried.

BILL NO. 75—THE INSURANCE AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Co-operative, Consumer and Corporate Affairs (Mr. Connery), Bill No. 75, The Insurance Amendment Act; Loi modifiant la Loi sur les assurances, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). Pass.

QUESTION put, MOTION carried.

BILL NO. 78—THE PREARRANGED FUNERAL SERVICES AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Co-operative, Consumer and Corporate Affairs, Bill No. 78, The Prearranged Funeral Services Amendment Act; Loi modifiant la Loi sur les arrangements préalables de services de pompes funébres, standing in the name of the Honourable Member for Elmwood (Mr. Maloway). Pass.

QUESTION put, MOTION carried.

* (2010)

BILL NO. 80—THE CIVIL SERVICE SUPERANNUATION AMENDMENT ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Labour (Mrs. Hammond), Bill No. 80, The Civil Service Superannuation Amendment Act; Loi modifiant la Loi sur la pension de la fonction publique, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). Pass.

QUESTION put, MOTION carried.

BILL NO. 92—THE MANITOBA ENERGY FOUNDATION REPEAL ACT

Mr. Deputy Speaker: On the proposed motion of the Honourable Minister of Energy and Mines (Mr. Neufeld), Bill No. 92, The Manitoba Energy Foundation Repeal Act; Loi abrogeant la Loi sur La Fondation manitobaine de l'énergie, standing in the name of the Honourable Member for Flin Flon (Mr. Storie). Pass?

The Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Thank you. Mr. Deputy Speaker, I will not be taking an undue length of time.

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However, I did want to put on the record our opposition to this particular piece of legislation. The fact of the matter is this is another interesting example of our friends in the Conservative Party sending out mixed signals to the people of Manitoba.

In the first round of hydro exports, when the concept of the Manitoba Energy Foundation was introduced to the people of Manitoba, a concept which recognized that we had tremendous potential for the development and sale of our hydro-electricity to the profit of the Province of Manitoba. When the first major firm export power was concluded back in 1984 with Northern States Power, we said at the time that the Province of Manitoba was going to benefit to the tune of \$1.7 billion. That particular figure, Mr. Deputy Speaker, was corroborated by the National Energy Board, who was required at that time to review the terms of that sale in order to determine that it was in the best interests of Canadians, both in terms of energy and in the best interests of Canada and the Province of Manitoba in terms of the economics of the matter.

Mr. Deputy Speaker, they determined there was to be a profit. We recognized at the time that the sale of firm power to other jurisdictions, to the United States and to Ontario, would in fact leave us in a position to create wealth for the Province of Manitoba. That wealth had nothing to do with Manitoba Hydro's original commitment to provide the people of Manitoba with power at cost. Had I the time I would discuss whether that is a mandate that should still hold, whether in fact if we had not treated our hydro resources and the development of those resources in a different way, we might not be in a better position. If we had not allowed Manitoba Hydro, for example, to carry a debt to equity ratio of 97 to 3, perhaps we would have been able to achieve even lower rates for Manitobans today and into the future.

Mr. Deputy Speaker, the present Government believes that this concept of a heritage fund for Manitobans has no validity. They argue on the one hand, and we hear this from the Minister of Finance (Mr. Manness), the Minister responsible for Manitoba Hydro, that the taxpayers should not be having higher rates placed upon them while the Government uses the wealth that is being created by hydro exports for other purposes, namely economic development purposes.

It is interesting to note, while they do not support the concept of hydro ratepayers supporting the Government on the one hand, they are prepared to earn an extra \$40 million through additional charges to Manitoba Hydro for water rentals in the Province of Manitoba. I maintain, Mr. Deputy Speaker, those two things are synonymous. They recognize the limited capacity of the province to do some things.

* (2015)

In the era of the previous Lyon Government and the Roblin Government before that, the concept of creating wealth through hydro exports was not as well understood, nor was it in fact believed that that could happen. I remember the Minister of Natural Resources (Mr. Enns) exhorting the Government to abandon its

plans to sell export power because it was exporting jobs, were his words. Some of his colleagues were using the same terminology.

It is interesting to note that they have now adopted the New Democratic Party policy, which says that hydro can be exported to create wealth and to create jobs in Manitoba, and exporting power is not necessarily exporting jobs, just as it is not necessarily exporting jobs when Alberta exports their oil or Saskatchewan exports their potash or the like.

Mr. Deputy Speaker, this Bill is moving the province in the wrong direction. It is failing to take account of the potential for creating wealth that our hydro resources give us. It is moving backwards. It is not giving us the opportunity that should be available to Manitobans by virtue of the fact that profit can be created from the sale of our electricity to other jurisdictions.

I am not arguing that we should not have a policy of maintaining the lowest possible prices. But where the rates in Manitoba can be maintained at a reasonable level, where those rates can be subsidized by some of the profits from export sales, there is no reason to believe that the additional profits should not go to the benefit of Manitobans as a whole, to the benefit of establishing and creating other opportunities, should not go to facilitating economic development in other areas of our economy or other regions of our province.

The Manitoba Energy Foundation was a good idea. The Manitoba Energy Foundation would have been funded by profits from export sales. There is no truth to the suggestion whatsoever that the establishment of this fund would have been moving away from the concept that was originally established, that Manitobans should have their own production costs passed on to the consumers in terms of rates that supported those costs.

The fact is that we are into a new generation of hydro development and hydro management. That management includes the massive export of hydro electricity for profit. That was not contemplated when the original Manitoba Hydro Act was introduced, it was not contemplated when the mandate was originally given to Manitoba Hydro. We are into a new era. For the Conservative Government, most of all, to introduce an Act which repeals a heritage fund for the Province of Manitoba, I think is extremely shortsighted.-(interjection)- The Member for Ste. Rose (Mr. Cummings) suggests that there is a lot of money in it.

Mr. Deputy Speaker, if the Conservative Government would have had any vision in 1977 and recognized the importance of establishing markets into which we could market our power, if they had done anything to support the development of export markets for profit, we would have been in a better position; perhaps we could have been. If they had not stopped Limestone, for example, perhaps we could have been in a position to be putting money into that heritage fund already. But the fact of the matter is that we are there now, we have an export sale which will generate profit. The latest announcement, the negotiations for the sale that were begun under the NDP to Ontario for 1,000 megawatts is only one

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other example of how profit is going to be created through the use of our hydro resources.

There will be profits from those sales. If I have my way, if the New Democratic Party has its way, there will be additional sales. I have to say at this time that there is no need to believe that because we are creating more and more power for export, we cannot at the same time conserve and manage our resources within our boundaries more effectively and more cost effectively. We should do that as well.

Repealing this foundation is shortsighted and it is politically motivated. I was going to say ideologically, but clearly the Conservative Governments in Alberta and British Columbia, the NDP Government in Saskatchewan, believe that a Heritage Fund was a good idea for those provinces. There is no reason why a Heritage Fund would not have been a good idea for Manitoba. This is just an example of the repeal mentality of this Government because much of what they are doing is not building but subtracting. Much of what they are doing is taking away, not building. This is one of those examples, Mr. Deputy Speaker.

* (2020)

I personally am prepared to see this go to committee, but I can tell you that I personally will be voting against this particular piece of legislation.

Hon. Harry Enns (Minister of Natural Resources): Mr. Deputy Speaker, I will not attempt to correct some of the very obvious errors put on the record by the Member who just spoke, such as the fact that Limestone was in fact stopped by a previous Conservative administration. Executive orders to mothball Limestone were made in August of 1977, three months prior to the election which saw the return of a Conservative administration. The records are well documented to speak for that.

I just want to rise briefly to compliment my colleague the Minister of Energy and Mines (Mr. Neufeld), indeed this Government, because what we are doing by the repeal of this Bill is removing a stand, a fraud, that was perpetuated on the people of Manitoba when they introduced this Bill. To talk about a Heritage Fund, to talk about a fund, period, is an outright scam. They knew what they were doing because the words—and they used the words carefully because indeed a sister province did have a Heritage Fund. Alberta did have a Heritage Fund. They did put aside certain royalties and revenues accrued to that province in their energy programs, in the oil and gas exploration in that province. They put that money, and those are real dollars, Mr. Deputy Speaker, that served that province in good stead over the years and still does, still making it possible for that being the only province in the country without a sales tax for instance.

For the previous administration, the NDP administration, to conjure up this Heritage Fund out of a corporation that was, as he himself said, operating with a debt equity situation of some 96 percent or 97 percent is a sheer sham. Furthermore, to entertain or to engage in the kind of selling of surplus power that

they entered into—God forbid that any Government should ever follow or do again—not based on the cost of producing the power, no assurance for profit, but based on the fragile price of coal in another jurisdiction. At the time that price was negotiated the price of gold, for instance, was running somewhere around \$32 and it is now at \$22.00.

Mr. Deputy Speaker, it has yet to be seen if there is a nickel profit to be made on that sale. Yet that Government, that former Minister, was already setting up Heritage Funds. Why, Mr. Deputy Speaker? To fool the people of Manitoba just as they attempted earlier when they created ManOil. What was ManOil created for? It was to save all future farmers and businesses from going bankrupt, it said so right in their election in 1981. ManOil will keep down the property taxes.

Mr. Deputy Speaker, with the introduction of ManOil no homeowner in Winnipeg would ever see their taxes rise; in fact they would go down because they would use the profits of that big oil company to hold down the assessment in taxes and stave off bankruptcies in this province. What is the history of that corporation? Some \$8 million, \$9 million, \$10 million. Along came a man with some vision, my friend the Honourable Member for Arthur (Mr. Downey), and finally shed that albatross from the neck of the Manitoba taxpayers and finally stopped the public hemorrhaging from that great adventure.

* (2025)

I see the signs; I do not want to unnecessarily hold up the progress that is being made in this House, but the Honourable Member for Flin Flon (Mr. Storie) ought not to ruffle the feathers of Honourable Members opposite who remember when this Bill was introduced. We promised then and we will promise now to correct certain legislative action and I am pleased that we have a Government that is carrying out that goal. Thank you.

Mr. Steve Ashton (Thompson): Very briefly, I could respond to the comments from the Minister of Natural Resources (Mr. Enns). I do want to indicate that time will prove that the course that was taken by the New Democratic Party in the 1980s with regard to hydro development was the correct course. In fact, time has already proven, we are in 1990 and the Conservatives are implementing our policies, in this case in regard to Conawapa.- (interjection)-

Well, that is right. The Member for Flin Flon (Mr. Storie) says even the friends of the Conservative Party are now supporting the whole policy, the whole strategy of the New Democratic Party of the 1980s. It is sad, Mr. Deputy Speaker, that they have chosen in this particular case to deny this and the bottom line is we will point this out in the future. The Member for Lakeside (Mr. Enns), who I respect, who has been wrong in this issue in the past, will be proven to be wrong in the future. We are pleased to see this Bill put to a vote so that we can state our opinion on this particular vote. We feel it is important for us to be able to do that.

We hope to see that other Bills that are through to second reading will also be called, in particular Bill 42,

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and I want to stress that is our top priority for calling it from second reading into committee. Bill 42 we feel is vitally important and we are in every way, shape or form willing to work to ensure that that Bill is passed through to committee as will this Bill—not in this particular case. Bill 42 has been passed through second reading. In this particular case, we believe it is important to state our view on this particular Bill, but I can indicate to the Member for Lakeside (Mr. Enns) and the Government House Leader (Mr. McCrae) that the fight on hydro issues on this particular matter continues, and that the policies of the New Democratic Party have been proven already in 1989 and 1990 to be correct in terms of hydro development and they will be proven again in the future to be correct.

I would say that this Bill will come back to haunt the Conservatives in the future because I feel they may wish to have not made the decision to move this Bill through. So with those particular comments, we will vote now on this Bill on second reading.

QUESTION put, MOTION carried.

Some Honourable Members: On division.

Mr. Deputy Speaker: Let the record show, on division.

Mr. Storie: The New Democratic Party Caucus is voting against this motion, unlike the Liberals and the Conservatives who are in support of this motion.

Hon. James McCrae (Government House Leader): Mr. Deputy Speaker, I move, seconded by the Honourable Minister of the Environment (Mr. Cummings), that Mr. Deputy Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows (Mr. Chornopyski) in the Chair.

COMMITTEE OF THE WHOLE

COMMITTEE OF SUPPLY

Mr. Chairman (William Chornopyski): The Committee of Supply will come to order. The Honourable Minister of Finance.

* (2030)

Hon. Clayton Manness (Minister of Finance): Mr. Chairman, I move, seconded by the Minister of Justice (Mr. McCrae), that the Committee of Supply concur in all Supply Resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, 1990, which have been adopted at this Session by the two sections of this Committee of Supply sitting separately and by the full committee.

MOTION presented and carried.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, would this be a proper time to put forward some questions to the Ministers?

Mr. Chairman: Is it the will of the committee that I report—is it the will of the committee to adopt the motion? Agreed. Is it the will of the committee that I report the motion? Agreed.

Committee rise, call in the Deputy Speaker.

IN SESSION

COMMITTEE CHANGES

Mr. Kevin Lamoureux (Inkster): Mr. Deputy Speaker, I have committee changes. I move, seconded by the Member for Radisson (Mr. Patterson), that the composition of the Standing Committee on Industrial Relations be amended as follows: Inkster (Mr. Lamoureux) for St. James (Mr. Edwards), Niakwa (Mr. Herold Driedger) for Ellice.

Then I move, seconded by the Member for Radisson (Mr. Patterson), that the composition of Standing Committee on Private Bills be amended as follows: Fort Rouge (Mr. Carr) for St. James (Mr. Edwards).

COMMITTEE REPORT

Mr. Harold Gilleshammer (Minnedosa): The Committee of Supply has adopted a certain motion and asks me to report same.

Mr. Deputy Speaker: Will the Honourable Member move?

Mr. Gilleshammer: Moved by myself, and seconded by the Honourable Member for Lac du Bonnet (Mr. Praznik), that the report of the committee be received.

MOTION presented and carried.

Hon. Clayton Manness (Minister of Finance): I move, seconded by the Minister of the Environment (Mr. Cummings), that the report of the committee be concurred in.

MOTION presented and carried.

Hon. James McCrae (Government House Leader): Mr. Deputy Speaker, appearing that we have done all the business we can for the day, I would move, seconded by the Honourable Minister of Industry, Trade and Tourism (Mr. Ernst), that the House do now adjourn.

MOTION presented and carried.

Mr. Deputy Speaker: This House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).