

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 19, 1989.

The House met at 10 a.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Hon. Gary Filmon (Premier): Mr. Speaker, last Sunday, the 14th of May, Derek Bedson died.

Mr. Bedson is well-known to past and present Members of this Legislature. For some 23 years, he served with distinction as the Clerk of the Executive Council of Manitoba, and today he will join previous generations of his family buried on the banks of the Red River.

His roots in Manitoba were deep, and his contribution to this province and its people is worthy of the note of this Assembly.

The public service of Manitoba, a group of men and women who have consistently over the years demonstrated their ability, dedication, and deep commitment to the people, the shared values and the goals of this province, are one of Manitoba's greatest strengths.

In many ways, Derek Bedson could be described as the founder and the architect of Manitoba's modern public service.

In his role as the senior Deputy Minister in Government, through the administrations of Premiers Roblin, Weir, Schreyer and Lyon, he made important contributions to effective federal-provincial relations in the fields of culture and in the arts. He worked continually for the extension of French Language Services in Manitoba and supported our province's policies of respect for all of the cultures that make up our community.

But his most important contribution relates, not to any specific measure or any specific policy, but to the tradition of public service and the processes of honest and open Government in Manitoba.

Through four administrations, administrations that were led by different political Parties, Derek Bedson was a source of invaluable advice to Cabinet Ministers. Many of us learned a great deal about how to discharge our responsibilities, how to work effectively with the public service, and about how the Cabinet system of Government ought to work.

* (1005)

He was always alert for talent in the public service, encouraging and challenging several generations of younger people to apply their abilities in Government to benefit all of the people of Manitoba.

It would be fair to say that Derek Bedson was, in many senses, a traditionalist. He believed in the British

parliamentary system of Government and fought to preserve the conventions and processes that have made that system the most successful in the history of mankind.

In another sense he was a radical, a man who was open to and promoted new ideas, who believed passionately in the obligation of Government to provide for those who need our help and to promote equality and fairness for all.

Derek Bedson came home to Manitoba after a distinguished career at the federal level. His network of friendships spanned Manitoba, Canada and the world. The stories of the personal kindnesses that he performed are legion. His wit and charm will be sorely missed.

In this Chamber, we sometimes talk as though Government were simply a matter of which of our Parties had been most successful in capturing votes in the last election or enjoys the expressed preference of the largest proportion of the electorate according to the most recent poll.

We all know that Government is much more than that and I think we all recognize how fortunate we, in the elected sphere, and all Manitobans are to have the advice, dedication, ability and energy of an outstanding public service.

Mr. Speaker, you may after an opportunity for the Opposition to perhaps respond to my statement, consider a moment of silence that we might share to recognize the value of the legacy of excellence in the public service that Mr. Bedson has left for us in the province that he so loved.

Mr. James Carr (Fort Rouge): I, too, learned of the passing of Derek Bedson with sadness and regret not only for his service of these many years to the people of Manitoba, but for our own personal friendship.

I first met Mr. Bedson some 25 years ago when I was a young musician playing with the Winnipeg Symphony Orchestra and he was the chairperson of the Centennial Corporation. He was involved, at that time, to establish the foundations of a rich cultural life we all now enjoy in Manitoba. He was very much a pioneer and a founder of all we enjoy today, as Manitobans, in the cultural life of our province.

He represented to me stability and intelligence and respect for our traditions of Government and the parliamentary system. It was beyond the partisanship. He had a capacity to think historically. He was able to take the events of yesterday or today and give them some perspective, a lesson we can all learn certainly in the Chamber and in political life. We shared many important hours together for me. I found him to be a man of great wit, of charm, of intelligence and of integrity. I will miss him very much as a friend, and Manitoba will miss him as a loyal public servant.

Mr. Gary Doer (Leader of the Second Opposition): I would like to join with all Members in the statement issued today by the Premier (Mr. Filmon) on the passing of Mr. Bedson.

I have also known Mr. Bedson for a number of years, in other capacities of my career, and have always found him to be an honest and sincere individual with roots deep in the prairie. His dedication to the cultural life of Manitoba is well-known and has been well-articulated by previous speakers. So we would join in this motion of silence for an appreciation of the work and service of Mr. Bedson in Manitoba and Canada.

Mr. Speaker: Is there unanimous consent to observe a moment of silence for the late Derek Bedson?

(A moment of silence was observed)

Hon. Gerald Ducharme (Minister of Housing): I wish to table the Annual Report of The Manitoba Housing and Renewal Corporation for the year 1987-88.

Hon. Albert Driedger (Minister of Highways and Transportation): I have two reports I would like to table: one is the Annual Report for Government Services for the year '87-88; and the Annual Report for Highways and Transportation for the year '87-88.

* (1010)

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, it gives me the greatest pleasure to table the final sale agreement as between Repap Pulp and Paper and the Government of Manitoba.

Some Honourable Members: Hear, hear!

Mr. Speaker: Prior to oral questions, may I direct—the Honourable Member for La Verendrye (Mr. Pankratz).

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Heimit Pankratz (La Verendrye): Mr. Speaker, would I get leave to revert back in our procedures to Presenting Reports by Standing and Special Committees?

Mr. Speaker: Does the Honourable Member have leave to revert back to Presenting Reports by Standing and Special Committees? (Agreed)

Mr. Pankratz: I beg to present the Fourth Report, First Session of the Committee on Economic Development.

Mr. Clerk (William Remnant): Your committee met on Tuesday, February 21, 1989, at 10 a.m. in Room 255 of the Legislative Building to consider the Annual Reports for the fiscal periods ended March 31, 1987, and March 31, 1988, of the Venture Manitoba Tours Ltd. Your committee also met on Thursday, February 23, 1989, to consider the 1986-87 Annual Report of the Manitoba Development Corporation. On February

21, 1989, your committee accepted the resignations of Hon. Mr. Downey, Messrs. Angus, Driedger (Niakwa), Evans (Brandon-East) and Storie as Members of the committee and elected Hon. Mr. Penner, Mrs. Charles, Messrs. Gaudry and Maloway, and Ms. Wasylcyia-Leis to replace them. On February 23, 1989, your committee accepted the resignations of Hon. Mr. Connery and Hon. Mr. Penner, Messrs. Evans (Fort Garry) and Gaudry and Ms. Wasylcyia-Leis as Members of the committee and elected Hon. Mr. Ernst and Hon. Mr. Orchard, Messrs. Minenko and Storie and Mrs. Yeo to replace them.

Mr. A. Finnbogason, Finance Chairman, Mr. W. Podolsky, Secretary-Treasurer, and Mr. J. Frank Johnston, Vice-President, provided such information as was requested in respect to the Annual Reports and the business of Venture Manitoba Tours Ltd.

Mr. Ted Chiswell, Acting General Manager, provided such information as was requested in respect to the Annual Report and the business of the Manitoba Development Corporation.

Your committee considered the Annual Reports for the fiscal periods ended March 31, 1987, and March 31, 1988, of Venture Manitoba Tours Ltd. and the Annual Report for the fiscal year 1986-87 of the Manitoba Development Corporation and adopted the same as presented.

Mr. Pankratz: I move, seconded by the Honourable Member for Emerson (Mr. Albert Driedger), that the report of the committee be received.

MOTION presented and carried.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to oral questions, may I direct Honourable Members' attention to the loge to my right where we have with us today the former Member for Minnedosa, Dave Blake. On behalf of all Honourable Members, we welcome you here this morning, sir.

May I also direct the attention of Honourable Members to the gallery where we have with us today the two longest-serving Manitoba Hydro employees, Eileen Zubek for 37 years and Cam Neirinck for 41 years, who have been presented today with the first two Manitoba Hydro savings bonds issued. On behalf of all Honourable Members, I welcome you here this morning.

Also with us this morning, seated in the public gallery, from the Dawson Trail School, twenty-six Grade 6 students under the direction of Sherry Nadeau. This school is located in the constituency of the Honourable Member for Springfield (Mr. Roch). On behalf of all Honourable Members, I welcome you here this morning.

ORAL QUESTION PERIOD

**ERDA Agreements
Negotiations**

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, in yesterday's Speech from the Throne,

a Throne Speech filled with hot air but not much action, the Government indicated that federal-provincial relations were of prime concern. I quote, "Within the Canadian Federation, it is essential that the two levels of Government work together effectively."

When this Government took over a year ago, there were high expectations that federal-provincial relations would improve under two Conservative administrations, but the "Bobbsey Twins" did not seem to work out that way, because never in this province's history have Manitobans received such discriminatory treatment as they have received from the federal Government.

* (1015)

The federal Budget will take \$300 million out of this provincial economy. My question to the First Minister is, at least six ERDA agreements were allowed to terminate under his administration and can he tell us when, if ever, and in what areas these ERDA agreements will be signed?

An Honourable Member: Hear, hear!

Hon. Gary Filmon (Premier): Mr. Speaker, I am pleased to see that in the intervening months since the last Session the Leader of the Opposition (Mrs. Carstairs) has not elevated her presence here in the Legislature or indeed her approach. I suppose the Member for St. James (Mr. Edwards) thinks that those comments about hot air are high-road comments. If that is his idea of high road, we will wait for his contribution.

As the Leader of the Opposition (Mrs. Carstairs) knows full well, in order to achieve agreement on federal-provincial cost-shared arrangements such as ERDAs, it requires two Parties to sign those agreements. From the day that we were elected to office, we highlighted the ERDAs as an approaching and impending concern. We have talked about it consistently. There was no ongoing indication that ERDAs were going to be renewed under the former administration and indeed we consistently at the Western Premiers' Conference, at the Premiers' Conference, raised the issues of ERDAs. When I met earlier this year in Ottawa with the Prime Minister, the issues of ERDAs were highest on my priority list of things that had to be dealt with.

I might indicate to the Leader of the Opposition (Mrs. Carstairs) that no provinces have renegotiated or signed new ERDA agreements. Indeed, the federal Government, as a result of its budgetary process, is obviously re-examining that area. We do not agree with it, Mr. Speaker. We feel very strongly that the federal Government has a role that it must play in regional economic development and regional economic interest, and we are going to do everything possible to make the federal Government keep that commitment which it must keep, not only to Manitoba but to all of the regional areas of this country that need that support.

Some Honourable Members: Hear, hear!

Western Diversification Fund Funding Allocations

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, the word is "ineffectual." There has been a reduction of \$40 million for Western Diversification Funds. Will the Premier (Mr. Filmon) tell this House today what are the specific implications for Manitoba at a loss from WDF of \$40 million, and the extension of this money from five years to six-and-a-half years?

Hon. Gary Filmon (Premier): The fact of the matter is that if the federal Government contributes less to this or any other province—and I might indicate that every single province in this country has had to meet some new requirements for its own fiscal responsibilities as a result of offloading of federal responsibilities, whether it be in transfer payments, whether it be in the fact that there will be less money for regional economic development as a result of the federal Budget—then we are not happy with it.

When the Leader of the Opposition (Mrs. Carstairs) was bleating away about all sorts of things, we were coming out the day after the federal Budget with the facts on the case, the facts that she can now repeat to us, that indicate what damage is done for Manitoba, over a quarter billion dollars annually taken out of our economy, \$137 million of economic interest in this province annually taken out as a result of the base closures. All of those issues, Mr. Speaker, are of serious concern to the people of Manitoba. But the fact of the matter is, it is the sad legacy of the Trudeau years of Government—

Some Honourable Members: Oh, oh!

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

Mr. Filmon: When massive debts are run up by an irresponsible Government such as the kind of Mr. Trudeau, whom this Leader of the Opposition (Mrs. Carstairs) worshipped at his shrine, was one of his appointees, was the president of his Party in Alberta during that time when he was driving up the debt that is now a millstone around the necks of every single Canadian. That is where these problems come into place and that is why these consequences occur.

Some Honourable Members: Hear, hear!

Mr. Speaker: Order, please.

* (1020)

Mrs. Carstairs: Mr. Speaker, we know that he does not have much historical knowledge, this individual across the way. I mean, after all, he thinks P.E.I. came into Confederation before we did. Your historical knowledge, quite frankly, on the last five years is equally vacant. Do you want to go back to Laurier?

Port of Churchill Grain Shipments

Mrs. Sharon Carstairs (Leader of the Opposition):

My supplementary question is to the Minister of Transportation (Mr. Albert Driedger) in this province. It was with some shock that I sat in the House of Commons on Tuesday to hear that our Minister of Transportation had agreed that there would be no grain transportation out of Churchill this year. Can the Minister of Transportation explain this agreement with Benoit Bouchard to the House this morning?

Hon. Albert Driedger (Minister of Highways and Transportation):

I had hoped that by the opening of this Session we could start off on a little better attitude and be little more practical than we are here today. I met with the federal Minister of Transportation, Benoit Bouchard, a week ago last Wednesday and the issue was the Port of Churchill and VIA Rail. I had a very frank discussion with him and he indicated to me it did not look well for Churchill to be having any grain shipped through it. I pressed the point and said we would continue to lobby. I came back and met with the all-Party committee on Monday. I did not report to the press or anyone before that. I felt my obligation was to report the circumstances to the all-Party committee.

Mr. Speaker, I have met with the federal Minister, I have met with the Wheat Board, I have met with CN, I have met with Ports Canada, I have met with our federal counterparts, as many as I could, raising the issue of the Port of Churchill. I have indicated all the time that I am in support of Churchill, will do everything I can to lobby for movement of grain in the Port of Churchill, and that is my commitment. I will continue to do that. I take exception to the kind of remark she makes indicating I supported that position.

Mrs. Carstairs: Mr. Speaker, if he takes exception, he better talk to Benoit Bouchard, who is taking his name in vain in the House of Commons in Ottawa.

Mrs. Carstairs: Mr. Speaker, with a new question.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order please; order, please. I am having difficulty.

Budget—Federal Premier's Correspondence

Mrs. Sharon Carstairs (Leader of the Opposition):

Mr. Speaker, with a new question to the First Minister, while campaigning in April of 1988, the First Minister (Mr. Filmon) made the following statement and I quote: "I can call Brian Mulroney on the phone at any time and know that he will listen."

My question to the First Minister is, since this devastating federal Budget was leaked on the 26th of April, will he present to the House today the list of all of his phone calls and all of his letters on behalf of Manitobans fighting for Manitobans?

Hon. Gary Filmon (Premier): I know the Leader of the Opposition (Mrs. Carstairs) has an understanding of what it is like to talk to people in Ottawa. I know she got the shock of her life last week when she found out that Mr. Chretien, her idol, had changed his position on Meech Lake.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order please. It is Friday!

Mr. Filmon: Mr. Speaker, I do not know what the Member for Fort Rouge (Mr. Carr) is getting so excited about. He agreed totally with me when I took my position last December, on the 19th of December. The difference now is that he does not like the new position Mr. Chretien is taking. Is that your preference?

* (1025)

The Leader of the Opposition (Mrs. Carstairs) obviously enjoyed the Throne Speech so well that she does not have any questions to ask about it today. I find that remarkable but I also find that enjoyable. I am delighted, and we accept her support and will look forward to her vote.

Some Honourable Members: Hear, hear!

Mr. Filmon: Mr. Speaker, the fact of the matter is she knows full well that I have indeed written not only to the Prime Minister but to several Ministers whose responsibility it is to address some of the issues that were caused by the Budget that will be a problem for Manitoba. We have laid them out with fact and detail so that we know exactly what the issue is. We are not like the Leader of the Opposition (Mrs. Carstairs), cheerleading on anti-Government tirades.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Filmon: We are getting to work with the federal Government to address the concerns of the Budget and to try and ensure that Manitoba gets the benefits it deserves in the future.

Some Honourable Member: Hear, hear!

Mrs. Carstairs: Mr. Speaker, unlike the First Minister (Mr. Filmon), I can phone both present and future Leaders of the Liberal Party of Canada and get instant meetings. A supplementary question to the First Minister.

An Honourable Member: How about Lloyd?

Mrs. Carstairs: Even Lloyd takes the phone calls.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order.

An Honourable Member: He is not too happy with you in Ottawa. He is not very happy, he told me that.

Mr. Speaker: Order, please; order.

Mrs. Carstairs: No, but then he has you to be . . .

Some Honourable Members: Oh, oh!

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

CFB Portage la Prairie Closure

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, a supplementary question to the First Minister (Mr. Filmon), it became clear at the meeting we all attended and the one I am sure that he attended with the Minister of Defence that the Minister of Defence is unwilling to make any changes to his policy with regard to CFB Portage. It is, therefore, absolutely essential we go over the Minister of National Defence's head and go right to the Prime Minister.

Will the First Minister (Mr. Filmon) tell us today when he will meet with the Prime Minister of Canada in order to have justice and equity for the people and the base at Portage la Prairie?

Hon. Gary Filmon (Premier): Indeed, I did attend a meeting with the Minister of National Defence, Mr. McKnight. In fact, I met with him twice in the past week. I presented, as did the people of Portage la Prairie, rather extensive briefs to the Minister about the concerns that his decisions on the base closures leave for us in Manitoba. It became clear and I am sure that the Leader of the Opposition (Mrs. Carstairs) remembers the rationale that he put forward for his cuts on those base closures. They were, firstly, that he had to achieve an expenditure reduction target of \$2.74 billion in the next five years and, secondly, that he had to maintain the integrity of Canada's defence establishment across the country. Those were the only two considerations he took into account in making those decisions.

The point I made with him and the point I have made in a letter that is going to the Prime Minister is that in 1985 at a First Ministers' Conference, all First Ministers, including the Prime Minister of Canada, agreed that any time there was a national policy implemented, it must take into account the regional economic effects of that policy. In this particular case, from the words of the Minister of National Defence himself, it did not do that. It has failed that test and on that basis I have written to the Prime Minister and indicated that it must do that. I would like to discuss this further with him, either in Ottawa or Winnipeg, and I anticipate the opportunity to do that.

An Honourable Member: Hear, hear!

Alternative Use

Mrs. Sharon Carstairs (Leader of the Opposition): With a final supplementary, Mr. Speaker, to the First Minister (Mr. Filmon), the Minister of Defence says that

Portage is not a militarily necessary base at the present time. I disagree and I think the Premier does as well.

Will the Premier take to Mr. McKnight the suggestions of alternative military use of the site at Portage la Prairie? I will give him just three suggestions: one, the use of Portage as a NATO training centre; the relocation of troops from Downsview, Ontario to CFB Portage; and the movement of CFB Winnipeg to Portage.

An Honourable Member: Hear, hear!

* (1030)

Hon. Gary Filmon (Premier): Mr. Speaker, I just want to remind the Leader of the Opposition (Mrs. Carstairs) she is attempting to indicate that perhaps defence closures and base closures only happen as a result of efforts by Conservative Governments. I can tell her as somebody who was here and somebody who has a summer place, for instance at Gimli, that there was devastation when the Liberal Government with a Minister of National Defence from this province closed down bases in Rivers and in Gimli.

Mr. Speaker, we are not happy about the Portage situation. We have presented a variety of alternatives to the Minister of National Defence. We have suggested to him that indeed they look at other alternatives rather than the closure of those bases in Winnipeg and in Portage la Prairie. Mr. Speaker, it involves more than just saying, move all the people out of Winnipeg to Portage la Prairie, or move all the people out of Downsview. She knows full well that he has answers for those questions in terms of military information and that he presented answers to the people of Portage la Prairie. I believe he has to look at it from the viewpoint of regional economic impact. That is a national policy that the federal Government agrees with and, in that particular case, they did not take into account that national policy.

Oriented Strand Board Project Funding

Mr. Gary Doer (Leader of the Second Opposition): -(Interjection)- The Members of the adult day care centre are at it again, Mr. Speaker, the new feisty Opposition that pulled out their questions from news releases over the last two weeks.

My question is a very serious one and it deals with the Government's relationship with the federal Government and also the Government's relationship with the private sector. It is becoming obvious to all Manitobans, in terms of the inability of our provincial Government to negotiate on behalf of the provincial Government in federal-provincial areas, whether its ERDAs, EPF grants, other regional development grants, the Port of Churchill, agricultural projects, drought relief. We could go on and on and on in terms of the inability, and it is well documented, of this Government.

My question deals with the private sector and your ability to negotiate with the private sector. We were told in this House, on numerous occasions, there would

be no change in the criteria for the cut area in the divestiture of Manfór, a project we (a) supported in terms of the divestiture but not with the radical changes in the forest cut area. The Minister responsible for the divestiture has told us on eight occasions there is no market for the oriented strand board, and that is why they sold out the people of the Parklands Region in terms of this project.

Does the First Minister (Mr. Filmon) stand by the analysis of the First Minister that was given to us in committee on March 28 that there was no market at all for that product?

Hon. Gary Filmon (Premier): Mr. Speaker, more particularly, one has to look at the prospect of anybody with private sector capital developing an oriented strand board plant in the area of Swan River or anywhere else in this province. The investigations that we did indicated that the proposal that was put forth, by Penn-Co, involved a substantial amount of money from the federal Government. The federal Government has a number of criteria under its policy for science and technology and industrial development. They have not targeted for public support the forest products industry. That is one area that does not qualify for regional development money, such as is available from WDO. So the Penn-Co proposal would not have qualified under that criteria.

In addition to that, Mr. Speaker, it falls outside the mandate of economic development of the Minister responsible, and it was not put forward by the Minister responsible. So neither the Minister responsible for Economic Development nor WDO itself put forward that proposal. All the information we have indicates the oriented strand board plant would not have come into being in any foreseeable future.

Under those circumstances, Mr. Speaker, we did what we thought was a very acceptable thing in terms of bringing additional employment into the Swan River area. I am sure the Leader of the New Democratic Party (Mr. Doer) is unhappy we have added some 200 jobs in the Swan River area, as a result of what we are doing with the Repap divestiture. They are going to be doing that because it is part of the terms of reference of that sale, that they will put part of their facilities and part of their operation down in that area. In exchange for that, of course, they will harvest some of the trees in that area. The cut area will not be larger overall. There is a replacement of some areas to the south by a removal of some areas to the north. That is what has happened as a result of what, we believe, to be a very good arrangement.

Mr. Doer: This Government is not being straightforward on this deal with Manitobans. I have a document from the Western Diversification Office sent to the Conservative Caucus, which I will table in this Chamber right now, that says clearly there is a 74 percent market for this product at this point. Clearly, there is economic reality to this project. It is an excellent project that will create over 350 jobs in the area. This document recommends the federal Government go ahead with this project.

I am asking this Minister, given the fact that your Government and your Ministers have said there is no

market, which is incorrect, when your Governments have said there will be no change in the cut area in terms of going south, which is not true, why are you neglecting the advice of the federal Government, and why did you turn your backs on an opportunity in the Parklands Region with considerable economic opportunity for Manitoba?

Mr. Filmon: Mr. Speaker, the reality is that all of the background documents are meaningless if WDO would not fund the project. They can do all the economic analyses, all the market analyses they want, but if they will not commit the money the project will not proceed. There was no economic possibility that project would proceed without substantial Government money. WDO refused to provide the money. We did the next best alternative, which was to create 200 jobs and have the investment go into the Swan River area. We are very happy that we have something in that area, contrary to those people who did not want it to happen.

Mr. Doer: There is not one sentence in this document and the other share agreement dealing with those 200 jobs. Your Minister said 300. There is analysis that says 10 jobs. It is just wind and rabbit tracks. We have a situation, and this illustrates the problem with this Government. They cannot even negotiate with the federal Government when there are needed projects. They cannot even pick the money off the table when it is offered by the WDO, the Western Diversification Office.

My question is, why do you not really practise what you are preaching about rural diversification when the Western Diversification Office is recommending this project? It is in writing from the Assistant Deputy Minister. Why did you turn your back on real diversification in this area that, as according to the document, 'will particularly create substantial industry in a rural slow growth region of Manitoba where there are limited other industrial development opportunities? Why has he turned his back on the money that was on the table with this document?

Mr. Filmon: Let the Leader of the New Democratic Party show us the offer. That is not an offer.

Mr. Doer: Mr. Speaker, this document clearly shows the incompetence of this group to deal with the federal Government. Every time they get in a fight with Brian Mulroney, they get sand kicked in their face. They cannot deliver to the people of Manitoba. The only thing they are delivering is an office in Ottawa and that is not rural diversification.

Feasibility Study

Mr. Gary Doer (Leader of the Second Opposition): I would ask the First Minister, did he see this analysis for the Western Diversification Office? Why did his Government turn their back on the Parklands Region, turn their back on those jobs, turn their back on those communities, and not proceed with a meaningful diversification when it was there to be had through the feasibility study?

Hon. Gary Filmon (Premier): Mr. Speaker, there is a big difference between a feasibility study and an offer

of money, real money to the company. No offer was made. We did not turn our back on the people of Parklands. We have created an opportunity for them to have over 200 real, full-time jobs and industry in their area. That is what they have got because of the efforts of our Government. They would get nothing because of that individual.

Sustainable Development Centre Funding

Mr. Harold Taylor (Wolseley): My question is to the First Minister (Mr. Filmon). His administration tries to cloak itself in environmental green, but the blue just keeps shining through. During his opening address to the provincially organized Conference on Sustainable Development, the Premier was quite pointed in his comments about encouraging delegates to avail themselves of the shopping facilities in Winnipeg and encourage them to visit the pandas at the zoo, but did not give us much detail and emphasis at all on the Sustainable Development Centre.

Then we have his Deputy Minister yesterday saying, "If they are talking silk purses in the rhetoric and sows' ears at the resource level, then it is our job to say you are going to have to lower your sights and you are going to have to do it as publicly as you raise them."

My question is, what is with the First Minister's off-target, off-base comments and the warnings from his Deputy Minister, and where the heck are the solid budgeted federal dollars for this project? Good intentions, yes, but where are the plans in dollars?

* (1040)

Hon. Gary Filmon (Premier): Mr. Speaker, I know that the Member perhaps is not all that interested in that Sustainable Development Conference. He might, if he took an interest, know that I am speaking today at 11:15 a.m. at the conference and that is my opportunity to give a speech to the conference. I gave an introduction at which I did indeed welcome people from throughout the world. As the Member well knows, we had some 500 delegates from throughout the world: academics, industrialists, environmentalists, people from all walks of life and all with interest in the development of the Brundtland style of sustainable development throughout the world.

This conference has been a tremendous success. I was very happy to welcome those people, to tell them a little bit about some of the sights and some of the other amenities of Winnipeg and Manitoba, because I think that is a fair thing to do to visitors who are coming here is to make them feel at home and to tell them we are happy to have them here for this very, very important conference. Later today, I will also be speaking about other issues in the entire realm of sustainable development. But when he asked the question about why did we not put money in the federal Budget, we as a provincial Government do not put money in the federal Budget. We put it in our Budget. That is the job of the federal Government and I wish he would learn that.

Manfor Divestiture Environmental Impact Study

Mr. Harold Taylor (Wolseley): Mr. Speaker, neither substance nor logic. Can the Premier explain to this House how his Government could have finalized the Manfor sale to Repap without conducting any environmental studies when, by definition, sustainable development requires environmental analysis before economic go-aheads? Where is the merit in this thing about sustainable development? All we got is rhetoric. Where is their definition?

Hon. Gary Filmon (Premier): I am not sure that rhetoric is sustainable actually, Mr. Speaker. The fact of the matter is that the so-called critic for the Environment—I am not sure if he has been moved. If he is the critic for the Environment, he should know that when you sell a commercial operation that does not mean that you have to, under our Environment Act, have an environmental impact analysis for the sale of an operation. You need to have a complete and thorough environmental impact analysis should any changes in process take place. If Repap proceeds with its announced intention to change to bleached pulp from the existing process, they need to have an environmental impact analysis, thorough, complete in accordance with all of our environmental laws and all of our procedures, and they are committed to do that.

Rafferty-Alameda Dam Project Environmental Impact Study

Mr. Harold Taylor (Wolseley): Shades of Rafferty-Alameda—Saskatchewan says go ahead, then we will do environment. The question is on Rafferty-Alameda. When is his Government going to call for a full public environmental assessment instead of this internal review that the feds are proposing and public information meetings, as was announced by an MP from Brandon this morning? When are they going to cease being lip-service environmentalists like their federal brethren, McMillan and Bouchard? Come clean.

Hon. Gary Filmon (Premier): I know that the Member for Wolseley (Mr. Taylor) has not been paying attention to all this important information. The Minister responsible in our Government wrote to Mr. Bouchard the day after the federal judgment and said that we now believe that there was an opportunity to step back from the process, to halt any further development on Rafferty and Alameda until we had a full and complete and thorough environmental impact assessment and review on the entire project. That is our position and that is what we have communicated to the federal Government.

Seniors' Programs Initiatives

Mr. Jim Carr (Fort Rouge): Mr. Speaker, my question is to the Minister responsible for Seniors (Mr. Downey). Let me begin by congratulating him and wishing him well in his new responsibilities, but I have to say that

his Government has given him a pretty shaky send-off. First of all, they forgot to appoint him to the new Human Services Committee of Cabinet, an oversight I am sure that the First Minister will correct.

Yesterday in the Throne Speech we heard these old promises that the Seniors Directorate will continue to inform and consult with Manitobans. Those were the promises of the Throne Speech last year. Those were broken promises. This Government's record on seniors is abysmal. Now, what specific initiatives does the Minister intend to pursue in this Session of the Legislature so that these hollow words and the rhetoric of the Throne Speech can take on some life?

Hon. James Downey (Minister responsible for Seniors): Mr. Speaker, let me first of all thank the Member for his congratulations on my appointment. I take it very responsibly. Our Government is very proud of our seniors in Manitoba and will do everything possible to make sure that their way in life, their opportunities are fulfilled to the maximum. Let us set that ground rule.

Secondly, Mr. Speaker, we have had one very successful year as a Government in this province. We have not governed for the last 15 years out of the last 20. It has been another administration. So we look at it as a new challenge which we are very proud to take on and will in fact work with those seniors, not in isolation as the Members opposite would do, to come forward and ram legislation down the throats of the seniors that is not acceptable to them.

Mr. Speaker: Order, please.

Elderly Abuse White Paper Release

Mr. Speaker: The Honourable Member for Fort Rouge has the floor.

Mr. James Carr (Fort Rouge): Thank you, Mr. Speaker. The First Minister says, "Hit him again." We will let the seniors judge if that answer satisfies them.

Mr. Speaker, the empty words of the Throne Speech now promise a paper on elder abuse some time in 1989 or 1990. This elder abuse paper was due in October of 1988. They are eight months late. I wonder if the Minister can tell us what issues specifically he intends to discuss within the context of this two-year-old late document that the seniors of this province have been waiting for, for an awfully long time.

Mr. Speaker: The Honourable Minister responsible for Seniors.

Hon. James Downey (Minister responsible for Seniors): Well, Mr. Speaker, let me say to the Member opposite that we take very seriously our work as Government working with the seniors and feel it is paramount that we continue, as my colleague had done, to get expressions of what the seniors in this province want. They are the pioneers of our province, they have had the experience and I believe they have some very

fruitful and productive ideas that will help them in their senior golden years. It is my first intention to meet with those groups, those representatives, to get their thoughts and their input directly from them.

Pharmacard System Implementation

Mr. James Carr (Fort Rouge): This Minister's first intentions are already two months old and good ideas coming from these Golden Agers have been flowing to this Government for over a year and nothing has happened. Mr. Speaker, as the Minister knows, our Party had announced in the last election campaign the idea to introduce a Pharmacare card for the Senior of Manitoba. Now, we know that

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Will the Honourable Member for Fort Rouge kindly put your question now?

Mr. Carr: Thank you, Mr. Speaker. We know that the coalition partners thought it was a good idea, and the Minister of Health (Mr. Orchard) thought so too. Has the Minister discussed the idea of a Pharmacare card with his colleague, the Minister of Health, and can we expect some specific action taken in this Session of the Legislature?

Hon. James Downey (Minister responsible for Seniors): Mr. Speaker, not only have I talked about the Pharmacare card with my colleague, the Minister of Health (Mr. Orchard), I have talked to him of a multitude of issues which will assist and help the seniors have a better way of life in Manitoba, a group of people who deserve better than they have had for many years.

Manfor Divestiture Environmental Hearings

Mr. Harry Harapiak (The Pas): Mr. Speaker, my question is to the First Minister (Mr. Filmon), and it deals with the concerns of the divestiture of Manfor and concerns about the environment. It is interesting that in the final agreement that was just tabled, after giving us such great emphasis on the sustainable development, there is only one paragraph in the whole agreement dealing with the environment.

When the proposed sale of Manfor was announced, our caucus and other interested citizens raised a number of concerns with respect to reforestation, the pulp bleaching process, the cutting areas and, importantly, environmental issues which are a concern to many people of Manitoba. Under the federal environment assessment guidelines, the public is permitted to be involved in the establishment of a criteria to govern the environmental assessment for the project of this magnitude. Can the Minister tell us what steps he has taken to involve the public in preparing assessments, and can he give us a date as to when the hearings will begin?

* (1050)

Hon. Gary Filmon (Premier): I think what we should find out is whether or not the Member for The Pas (Mr. Harapiak) has changed his mind about whether or not he agrees with the deal, because he has gone on record publicly. I know he has said to the people of The Pas area, because he was with us at the time that the agreement was signed in The Pas, and he stated publicly that he supported the sale to Repap. We will have to find out whether or not he supports it.

Mr. Speaker, I might say as well that he does a disservice to the people of this province and the people of this Chamber by suggesting that he has read that entire document in the course of the last 25 minutes since he has had it. Let me tell you that the most important thing in that document is that Repap must comply with all of the environmental laws and regulations of this province. That says it all. That takes in all the statutes, The Environment Act, and all of the various regulations, reams and reams and reams of material that do not have to be put into that document because they are in that agreement under that statement. They must comply with all.

Let me also tell him that we have one of the most progressive, if not the most progressive, agreement in the country with respect to reforestation, because it calls not for a planted tree for a harvested tree but a growing tree for a harvested tree. They must ensure throughout the course of their agreement with us and as long as they operate that they have another tree growing in this province for every tree harvested. That is true sustainable development, 100 percent regeneration. Nowhere else in Canada does that occur.

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

Mr. Harapiak: Let me assure the First Minister (Mr. Filmon) that I have never swayed in my support for the sale of Repap and I congratulate the Government—

Some Honourable Members: Hear, hear!

Mr. Harapiak: —in completing the agreement that we had worked so hard to bring to completion. I am glad that they completed it.

Environmental Hearings—Funding

Mr. Harry Harapiak (The Pas): There are Manitobans who are concerned about the environment. There are people in other jurisdictions who are able to participate in environmental assessment through Government support of public dollars to that. There are people who are interested in making presentations. Will this Government make a commitment that there will be public dollars available to assist people to prepare and make presentations to the environmental assessment hearings?

Hon. Gary Filmon (Premier): The environmental assessment process is one that was developed under the previous administration. It calls for opportunity for access by people. We will give the broadest possible access to people to ensure that any questions that are there to be made about this agreement and about the

environmental consequences of this agreement will be answered and answered fully so that people are satisfied that this is a good deal economically, a good deal socially and a good deal environmentally for the people of Manitoba.

Some Honourable Members: Hear, hear!

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

Mr. Harapiak: Mr. Speaker, there are a number of organizations, including the Manitoba Native groups and environmental groups, including three—just to name a few—which are interested in making presentations. In the other jurisdictions in Ontario, they have been given public funding to support their efforts to make a presentation. Will this First Minister (Mr. Filmon) make commitment to give public funding to assist these groups to make environmental presentations for this project?

Mr. Filmon: We will abide by all of the requirements that are set before us that were developed under the previous administration—The New Environment Act, the environmental impact and assessment process—that it is as broad and as open as possible, that any Manitobans or any groups in Manitoba who want to come there to have their views known, have their concerns answered, they will have access. That I can assure him by virtue of the Act, by virtue of the process. We will abide by it and ensure that Repap will be submitted to the most rigorous environmental impact assessment process that is required under our law.

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

NON-POLITICAL STATEMENTS

Hon. Gerrie Hammond (Minister of Labour): May I have leave of the House to make a non-political statement?

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

Mrs. Hammond: Mr. Speaker, as the House knows, pay equity is the responsibility of my department. Therefore, it gives me great pleasure to announce that my Deputy Minister, Ms. Roberta Ellis-Grunfeld, has been honoured nationally for her developmental work and leadership in the field of pay equity, both in our province and across the nation. Ms. Grunfeld is the first recipient of the President's Award given this year by the Canadian Public Personnel Management Association. She received the award in Toronto yesterday.

The Association is made up of more than 1,500 professionals in the human resources field across Canada. As many of the Honourable Members know, Ms. Grunfeld, from late 1986 until her recent appointment as my Deputy Minister, was Pay Equity Commissioner for the province and Executive Director

of the Pay Equity Bureau. I am sure the House joins me in congratulating Ms. Ellis-Grinfeld for this well-deserved award.

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

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

Mrs. Mitchelson: Thank you, Mr. Speaker, and Members of the House, for the opportunity to bring to your attention today a piece of history which occurred just one week ago today.

On Manitoba Day, May 12, Manitoba's Legislative Building was designated a provincial heritage site, protecting and preserving this landmark for future generations.

Our Legislative Building is an outstanding example of neoclassical architecture and has the reputation of being one of the finest capital buildings in North America.

The present Legislative Building is Manitoba's third and is situated on a large tract of land known as provincial and dominion Government reserve. Construction began in 1913 with the official opening on July 15 of 1920, the 50th anniversary of Manitoba's entry into Confederation. Built primarily of tyndall limestone quarried here in Garson, Manitoba, the structure is decorated with allegorical works of art celebrating wisdom, justice and courage. Crowning the building, the Golden Boy faces north to Manitoba's frontier.

At the time of opening, the building and grounds were incomplete. Last Friday, the opening ceremonies of 1920 were completed with the unveiling of the round brass plaque, which for reasons never explained, has rested in the provincial Archives instead of on the walls of this great building. The plaque, slightly tarnished with age, is on display today in the rotunda by the entrance to this Chamber.

Designating the Legislative Building a provincial heritage site has a significance beyond recognizing the architectural beauty of the building. It reminds us of the value we place on our democratic institutions, particularly those that govern us. Periodically, we need to be reminded of the respect they are owed and that our present and future is dependent on the way we treat them today.

I would like to remind Members that an exhibit of historical photographs documenting the Legislative Building's construction is on display in the Pool of the Black Star until May 26.

Thank you.

MATTER OF PRIVILEGE

Mr. John Angus (St. Norbert): Mr. Speaker, I rise on a question of privilege. I wish to bring to your attention certain events which occurred in the Standing

Committee on Economic Development and subsequently on the 1st day of May in 1989.

Mr. Speaker, on that evening, during the meeting, the Standing Committee on Economic Development, the Government Members of the committee—that is the Member for Morris, the Minister of Finance (Mr. Manness); the Member for Arthur, the Minister of Northern and Native Affairs (Mr. Downey); the Member for Lakeside, the Minister of Natural Resources (Mr. Enns); and the Member for Gimli (Mr. Helwer), immediately following an adjournment motion, which was proposed by the Minister of Finance, and which was defeated, these four Members simply rose and left the committee room. In so doing, Mr. Speaker, I believe they acted in contempt of the committee.

Mr. Speaker, very shortly after, the Chairperson on that committee, the Member for Minnedosa (Mr. Gilleshammer), despite clear advice from the committee on which a quorum was still present, recessed the committee and left the room. While it is a common practice for a Chairperson to recess a committee to receive advice, it is extremely unusual for such a recess to continue beyond a few minutes without seeking additional advice from the committee or taking the matter under advisement and continuing with the meeting. In acting in the manner he did, the Chairperson aided and abetted those Members, who I have already indicated, and acted in contempt of the committee.

* (1100)

Mr. Speaker, this has raised serious questions about his ability to act as an impartial Chair of a committee. Certainly, he no longer has the confidence of the Members of the Standing Committee on Economic Development, nor does he have the confidence of a majority of the Members of this House.

Normally, an allegation, an alleged breach of privilege which occurs in a committee would come to the floor in this House in the form of a report from the Chairperson of the committee. However, as the Chairperson of this committee is himself the subject of the allegations of contempt of the committee, I feel that I must appeal to you, Sir, in your capacity as Speaker of this Assembly to ask you to ensure that my rights as a Member are protected and that the Rules of this House are upheld.

Mr. Speaker, you are charged with the duty of determining whether or not a prima facie case of privileges exists in order to debate on a motion which must accompany such a matter to be given precedence, according to Beauchesne's Parliamentary Rules and Forms, Sixth Edition, Citation 117. In so doing, you must be satisfied, Sir, "both that privileges appear to be sufficiently involved to justify giving such precedent to and also that the matter has been raised at the earliest opportunity." I would point out that the duty does not include consideration of the procedure by which a matter is raised, only that it be raised.

On the question of timeliness, I believe that in keeping with the practice of the House I am well within the definition of earliest opportunity.

The salient question then is, are the privileges sufficiently involved? In considering the question, I

would ask that you review the definition of privilege as set out in Beauchesne's Sixth Edition, No. 24, "Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively and by Members of each House individually without which they could not discharge their function," and 26(2), Sir, "A question of privilege is a question partly of fact and partially of law, the law of contempt of Parliament." While—

Mr. James Carr (Fort Rouge): Mr. Speaker, I would ask that you call the Members opposite to order. This is a matter of privilege. It is an extremely serious matter.

Mr. Speaker: I would like to thank the Honourable Member. The Honourable Member for St. Norbert (Mr. Angus).

Mr. Angus: Thank you, Mr. Speaker. It is indeed a very serious matter. While contempt is admittedly difficult to define, I believe that the general definition provided on page 196 of Mr. Joseph Maingot's Book of Parliamentary Privilege in Canada is widely accepted. Mr. Maingot defines contempt generally as "any act or omission which obstructs or impedes either House of Parliament in the performance of its function or which obstructs or impedes any Member or officer of such a House in the discharge of his parliamentary duties."

I also direct your attention to our Rule No. 11.

Finally, matters of order within the committee ought to be dealt with in the committee. However, matters of privilege can only be dealt with by the House.

The committee was properly constituted, called by the Government at the request of the Minister of Finance (Mr. Manness), and proceeded according to accepted practice. A motion to adjourn was put and was defeated. In defiance of this, the Government walked out. A quorum remained and, despite their clear indication of a desire to discuss the matter, the Chairperson walked out. As a result, the remaining Members of the committee and I were deprived of our rights to raise this matter to the House in a normal fashion.

Consequently, I would like to move, seconded by the Member for Thompson (Mr. Ashton), the events which occurred during, subsequent to and related to the May 1, 1989, meeting of the Standing Committee on Economic Development be referred to the Standing Committee on Privileges and Elections.

It is indeed a very serious matter and I believe that the responsibilities of those elected to govern must—they absolutely, Sir, have to—abide by some coalition of understanding of rules. If we do not abide by those rules and if we do not work within that framework, then we have an unravelling of the form of democracy as we understand it. Mr. Speaker, it is a very, very serious matter and I would like your utmost consideration of this at this time.

MOTION presented.

Mr. Speaker: I will permit limited and strictly relevant debate concerning the matter raised by the Honourable Member for St. Norbert (Mr. Angus) as to whether or

not the Honourable Member has established a prima facie case.

Mr. Steve Ashton (Thompson): I regret that my first opportunity to participate in this Legislature in my new role as House Leader for my caucus is on a matter such as this.

Some Honourable Members: Hear, hear!

Mr. Ashton: I thank the Members. As I said, I do regret that it is on a matter such as this. I really believe that this matter is a serious breach of privilege and goes to the heart of our parliamentary system.

As the Member outlined, I think the circumstances are important here. I just wanted to reiterate because in advising you, Sir, in terms of your role as Speaker in determining whether there was a prima facie case of breach of privilege, I think it is important to recognize what happened in that committee.

What happened was that the Government Members of the committee moved a motion for adjournment, lost the motion, then proceeded to walk out of the committee, which is unheard of, Mr. Speaker. I would point out that the Minister who was before the committee at the time, the Minister of Finance (Mr. Manness), who is a Member of that committee, was one of the Members who walked out.

What happened following that was that I, as a Member of the committee, moved a motion of adjournment—of recess, pardon me—until the next morning and the Chair of the committee took under advisement as to whether that motion was in order. The important point was we had given a clear signal of our intention to continue as a committee, and despite the fact it was the understanding of the Chair of the committee—certainly, it was the understanding of his office that the committee Members would be available to meet. Certainly, they were able to meet at nine o'clock the next morning.

The Chair of the committee did not show up, did not resume the meeting of the committee. We found, despite the fact that we had a quorum of the committee, we were unable to resume sitting as a committee. I raise that because the circumstances are clearly important in determining whether this is a matter of privilege.

I refer you, Mr. Speaker, to exactly what the definition of matter of privilege is. I think one of the best descriptions of matter of privilege is, "It is a willful disobedience to orders of Rules of Parliament in the exercise of its constitutional functions." It is clearly defined. There are citations. Citation 16 in Beauchesne, in Erskine May, Chapter 5 and Chapter 10 go to some great length in terms of outlining what is a question of privilege. I point to Erskine May, which points to the fact that it is a "matter of Parliament's rights which are absolutely necessary for the due execution of its powers."

I point also to the definitions in terms of contempt, because I think there is clear prima facie evidence there was contempt on the part of the Members of the committee, which denied the Members of that

committee a quorum of that committee, the ability to function as a committee. In fact, Mr. Speaker, I point to no greater an indication of the roles of Members of Parliament, the route of the parliamentary system, the Beauschene's Citation 1, which outlines a number of the basic principles of parliamentary law, and points in particular to giving every Member the ability to express his opinions within the limits necessary to preserve decorum, and to give abundant opportunity for the consideration of every measure and to prevent any legislative action from being taken upon sudden impulse. I would point out that was what the Members of the committee were seeking to do.

We had received information at four o'clock that afternoon on the detailed draft of the agreement. We provided that to the Liberal Caucus as was requested by the MKO that had provided us with that information. This was our first opportunity to deal with that draft despite the fact that it had been requested continuously, repeatedly, by Members of the committee.

I would also point out for your consideration to Rule No. 11, Mr. Speaker, which states quite clearly, "Every Member shall attend the service of the House and of each committee thereof, of which he is a Member, unless leave of absence has been given by the House." I would suggest that obligated the Members of that committee, Members on the Government side, including the Chair, to attend to that committee, to ensure that we were able to perform our function as Members of the Legislature.

* (1110)

As I said, Mr. Speaker, your duty is to determine whether there is a prima facie case of privilege. I think there clearly has been a prima facie case of privilege in this matter. I would say, once again, that I regret we are dealing with this because a matter of privilege, as is pointed out in our Rules and in Beauschene, ought rarely be raised. I really believe in this particular case, in the upcoming weeks and months, we will be discussing some of the events of that committee and the political backdrop to it. We will find out whether the sale to Repap was a good deal or not.

The sad part, Mr. Speaker, is that if those Members had not walked out of the committee and if committee Members who duly constituted a quorum of that committee, had been able to perform its function in terms of asking questions of the Government in attempting to develop a better deal, a better deal for Repap and for Manfor, we probably would have done a lot better, had a better deal. That is our role as Members of Parliament, as Members of this Legislature, part of the parliamentary system, whether it is on the side of the Government or the Opposition, to try and peruse matters and try and improve situations such as that, provide constructive criticism.

We were denied that, Mr. Speaker, because of that unprecedented walkout. I would indicate, once again, my support and the support of the New Democratic Party Caucus for having this matter referred to Privileges and Elections to ensure that perhaps if we cannot deal with this matter, we cannot perhaps redo

the Repap deal in the Economic Development Standing Committee to make sure that it does not happen again in this Legislature.

Hon. James McCrae (Government House Leader):

Mr. Speaker, perhaps I could begin my contribution to this discussion by extending my congratulations and the congratulations of all of my colleagues to the Honourable Member for Thompson (Mr. Ashton) on his taking the position of House Leader for his Party. I can say that in the short time the Honourable Member has been House Leader for his Party, the relations between myself and him, and I suggest the House Leader for the Official Opposition (Mr. Alcock), have been positive and constructive. I appreciate the Honourable Member's attitude.

It is unfortunate indeed that his first official act is to come forward to support an argument put forward by the Honourable Member for St. Norbert (Mr. Angus), which I suggest has no merit. I do say that the Honourable Member for Thompson (Mr. Ashton) this morning on his first contribution on an issue like this has conducted himself well and, may I say, eloquently.

Mr. Speaker, the Honourable Member for St. Norbert (Mr. Angus) in raising his question of privilege failed to tell you the whole story, for whatever reasons. I will not comment on those reasons. The Honourable Member failed to tell you that the events which he told you of happened at 2:30 in the morning, at a time when Liberal Members on that committee were spelling each other off so that further time could be taken with the deliberations of the committee, failed to tell you that they were hunkering down for a long evening, ordering pizza and who knows what-all-else so that they could carry on the discussions. I remind you, Mr. Speaker, that I sat quietly and listened to the Honourable Member for St. Norbert, and I would hope for the same courtesy from Honourable Members opposite.

The Honourable Member for St. Norbert (Mr. Angus) failed to tell you that the events of that morning, wee small hours of that morning occurred after 17 hours of deliberation before that committee. The presence of the Minister of Finance (Mr. Manness) for 17 hours, answering questions about a deal that had not been consummated, about an agreement which had not been presented before the Members of this House, as was done this morning at his first opportunity.

What is unprecedented about all of that is that no Government has extended itself as far as this Government has with respect to discussing the terms of a deal before the deal was actually consummated and signed. Not even the New Democrats gave us the opportunity at the time of the Flyer divestiture to discuss in committee beforehand the details of such a deal. The usual procedure, Honourable Members in this House should know, is what happened this morning. The Minister of Finance (Mr. Manness) tabled in this House the agreement respecting the Manfor divestiture and the Repap Agreement. That was done. Now the logical thing to do is to call the Committee on Economic Development to review the terms of that arrangement.

The fact is Honourable Members are taking, have been, or were, or did, take advantage of the extension

of a courtesy which went some 17 hours, a courtesy on the part of the Minister of Finance (Mr. Manness). Questions were answered, questions were becoming very, very repetitive. At that point, the Minister of Finance had to do what was right in terms of his responsibility to the people of Manitoba and the people who potentially would be benefitting from the divestiture of Manfor, and fail or refuse or stop answering questions which might have the effect of putting the agreement into jeopardy.

The Minister of Finance (Mr. Manness) throughout the piece, Mr. Speaker, conducted himself in an entirely responsible manner and carried out his duty to the people of Manitoba as he should do. As I say, the only thing unprecedented in this whole piece is the lengths to which this Government was prepared to go to be open and to consult and to answer questions, I suggest again, prior to the consummation of the deal. So I suggest there is an element of hypocrisy in the position taken by the NDP on that. With respect to the Liberal Party, I guess we can say they just did not know any better.

I, Mr. Speaker, will not argue the question of timeliness. I believe understanding the traditions of our House, the issue has been raised today by the Honourable Member for St. Norbert (Mr. Angus) at the first possible opportunity. I remind the Honourable Member for St. Norbert if his House Leader did not tell him, the Honourable Member for Minnedosa (Mr. Gilleshammer), the former Chairman of the Standing Committee on Economic Development, resigned on Wednesday morning of this week. Perhaps the Honourable Member did not know that. I see his eyebrows rising.

The fact is the calling of the committee now rests in the hands of the Government and the fact is also, if the Honourable Member for St. Norbert's (Mr. Angus) House Leader did not tell him, both House Leaders of the Opposition have been offered the opportunity to meet with the Minister of Finance (Mr. Manness) Tuesday evening between the hours of 8 p.m. and 10:30 p.m. in the Standing Committee on Economic Development.

Mr. Speaker, as a Government, we have done everything that is reasonable and that is responsible vis-a-vis our responsibility to the people of Manitoba and our responsibility to the Members of this House.

The Honourable Member for St. Norbert (Mr. Angus) spoke in his remarks about contempt for the Legislature. I suggest after 17 hours, at 2:30 in the morning, asking repetitive questions, one can only assume what they were waiting for, maybe something to happen later on that morning. I do not know. We were to the point where Honourable Members in the Liberal Party were more concerned. I would suggest, about making some kind of point about an agreement. No one has appeared to have been listening. Certainly no one outside the Legislature was interested in trying to see the Manfor-Repap deal put off the tracks and put into jeopardy. The behaviour of Honourable Members in the Liberal Party demonstrates pretty clearly a feeling of opposition to creating the jobs that are being created in The Pas and in Swan River, and in opposition to the expenditure of huge, vast amounts of money toward the

développement of northern Manitoba and Manitoba in general. I think their position will be viewed as being an irresponsible one ultimately.

Mr. Speaker, I leave the judgment about the behaviour of Honourable Members in the Liberal Party vis-a-vis this divestiture to the people of Manitoba as to how they have conducted themselves and whether they have been acting in the best interests of Manitobans with their behaviour, reminding you again, Sir, that this Government has extended itself far and away more than any other Government with respect to an important arrangement like this.

But with respect, Mr. Speaker, I would have to say a word or two about whether we should even be discussing this matter today in this House. The only question before the House and indeed you today, Sir, is whether you are able to rule on the actions taken in a committee of the House prior to it having reported to the House.

I would direct your attention, Sir, and that of the House to Beauchesne's Fifth Edition and in particular Citation 607(2): "There is no appeal to the House from the Chairman's ruling except by way of a report from the committee."

The Standing Committee on Economic Development has at this point not reported to this House. Beauchesne's clearly outlines that a committee and indeed you, Sir, outlines what a committee and yourself are to do when Members of a certain committee supersede that forum and come to the House with these matters. We find the solution in Beauchesne's Citation 608 which is as follows, "Procedural difficulties which arise in committees ought to be settled in the committee and not in the House."

* (1120)

This is nothing new, Mr. Speaker. Our traditions and practices and rules extend back over many, many years. For example, I refer you to the statement of Madam Speaker Phillips who said this when faced with a similar question, on page 3205 of Hansard for June 18, 1987, and was referring at that time to the then Honourable Member for Lac du Bonnet, Mr. Clarence Baker, and she said to the Honourable Member, "May I also remind the Honourable Member that procedural difficulties arising in committee ought to be settled in committees and not in the House."

It is not just a precedent established in this House, it is a precedent established in the House of Commons as well. I present for your consideration the words of a very distinguished former Speaker, Mr. Speaker Jerome, of the House of Commons, at page 1641 of the House of Commons Debate for November 23, 1979, when ruling on the proceedings in the Standing Committee on Broadcasting, Films, and Assistance to the Arts. Mr. Speaker Jerome said in part, "The Honourable Member I think will realize that if he examines the matter further, that if he is asking the Chair to rule on proceedings that have taken place in the committee I would ask him to reconsider his position. Committees in every case must be the masters of their own procedures. The House does not sit in appeal on procedural matters in committee."

If that one is not enough, I will refer to another one by Mr. Speaker Jerome when ruling on a question raised by Mr. Bob Kaplan, the Member for York Centre, regarding statements made by the then Minister of Employment and Immigration which had taken place before a Standing Committee on Labour and Manpower. They said the following: "I am sure the Honourable Member will realize that for me to permit this would be an extension of the committee proceeding into this House in this way. This is an unwarranted extension of our practice."

Speaker Lambert, on another matter, "The Honourable Member is not in order at this time in discussing anything that transpired in a standing committee."

Speaker Bosley, on another matter, "The Member knows that the traditions of the House are that the Speaker has no right to intervene in procedures or decisions taken in committee. The committees are masters of their own affairs."

It goes on and on. There is much more, Mr. Speaker, but I see the Honourable Member for Dauphin (Mr. Plohman) has concern that we get on with the rest of the business of the day, dealing with matters that are properly before this House and, Mr. Speaker, it may be—

Mr. Speaker: Order, please.

Mr. McCrae: —that you will see fit to review this matter further before making a decision, but I think I have put fairly clearly the position of the Government, which should be the position of all Honourable Members. Committee business is committee business, House business is House business.

Mr. Reg Alcock (Osborne): Mr. Speaker, I wonder if you would entertain a few additional comments.

Mr. Speaker: I do not believe I want to get into a debate. I have heard from the Honourable Member's Party, but I would like to thank all Honourable Members for their advice. As Honourable Members know, a Matter of Privilege, as we have heard, is a very serious matter. Consequently, I wish to consider the advice of Honourable Members very carefully before making a ruling. Therefore, I am taking the matter under advisement and will bring back a ruling to the House.

Mr. Gary Doer (Leader of the Second Opposition): I would like to move a matter of urgent public importance.

I move, seconded by the Member for Rupertsland (Mr. Harper), that under Rule 27 the ordinary business of the House—

Mr. Speaker: Order, please.

HOUSE BUSINESS

Hon. James McCrae (Government House Leader): I wonder if the Honourable Leader of the New

Democratic Party would be so kind as to allow me to make one very brief announcement about Monday before we get into this.

Mr. Gary Doer (Leader of the Second Opposition): Yes.

Mr. McCrae: I thank the Honourable Member for that.

Mr. Speaker, House Leaders for the three Parties have agreed that Members of the Legislative Assembly ought really to join other Manitobans on Monday in observing Monday as a holiday.

MATTER OF URGENT PUBLIC IMPORTANCE

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, I move, seconded by the Member for Rupertsland (Mr. Harper), that under Rule 27, the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the federal Budget and the devastating effect on the Manitoba families in communities.

I would speak to the motion in my five minutes, Mr. Speaker. I believe that the proper—

Mr. Speaker: Before determining whether the motion meets requirements of our Rule 27, the Honourable Member for Concordia (Mr. Doer) will have five minutes to state his case for urgency of debate on this matter. A spokesperson for each of the other Parties will also have five minutes to address the position of their Party respecting the urgency of this matter.

Mr. Doer: Of course, we have given proper notice under the Rule 27, and we believe it is consistent with the criteria that it is pressing and people in Manitoba will suffer if we do not give immediate attention to this matter. It is our first opportunity, Mr. Speaker, as you know, to deal with this issue since the Budget has been tabled in the federal Chamber on April 26, 27—maybe previous to that.

We believe we have to send a clear message on this emergency debate in terms of representing the people of Manitoba and the effect of the Budget on the people of Manitoba and on the communities of Manitoba.

Mr. Speaker, I hope we can have all-Party support on this resolution, as there is with specific items that are in the federal Budget that do affect people in this province across partisan political lines.

I mentioned, Mr. Speaker, the pressing matter of the closing of the bases in Winnipeg and Portage, the CFB in Portage. I believe we have to send a very clear message today, that all of us are joining together in this emergency debate to let the Prime Minister, the Minister of Defence, the federal Cabinet, and all Members of Parliament know that this is not a partisan issue, this is an all Manitoba issue. Mr. Speaker, I would urge that all Members support this resolution.

There are other very major issues contained within the Budget, the whole issue of fairness, the fact that

there is a \$14 billion effect on Manitoba families and communities and only about a \$1 billion hit on corporations in the Budget. There is also the fact that our regional development grants are not being renewed. We believe by passing this resolution we can help our provincial Government put some muscle behind our negotiations in terms of the regional development grants. They are vital for many communities in this province and no one shares any unique ownership in terms of the concern for those regional development agreements. We all share those concerns for those regional development agreements and we must, therefore, again show a united message in terms of the effect of the federal Budget.

We have heard recently again that the Western Diversification Office will be extended a year and a-half with the same amount of money. We are getting into all the flimflam of what the statistics mean, but we know that is a 24 percent cut. If you have a five-year salary and it has to be extended for six and a-half years, it is pretty simple to any ordinary worker or any family that you have a situation where you have 24 percent less by spreading the money out over a longer period of time.

We have the absolutely intolerable situation with the Port of Churchill. Implicit in the federal Budget inaction is the total neglect of our northern vision, our Canadian vision, with a vision that includes a port in our northern part of our province in the Port of Churchill.

Mr. Speaker, EPF funding is also being cut back in the federal Budget. Now, that sounds like again a very technical term, but if we look at the progression of the funding on our established programs and Medicare, we will lose over \$100 million in the next five years on Medicare, and we will also lose \$41 million in our post-secondary education. These are not political issues. These are not partisan issues. These are issues that we should all join together in terms of a united and clear voice to Ottawa to oppose the federal Budget and the devastating effect on families and communities in our province. Thank you very much, Mr. Speaker.

Hon. James McCrae (Government House Leader): Mr. Speaker, I appreciate very much the concerns expressed by the Honourable Leader of the New Democratic Party (Mr. Doer). Many of those concerns are shared by Honourable Members on this side of the House. It is no secret the way we feel about certain aspects of the federal Budget. Certainly, the Premier of Manitoba (Mr. Filmon) has displayed considerable leadership in working with the people of Manitoba, specifically the people around Portage la Prairie, in his dealings with the federal Government in an attempt to try to do what we can to protect the interests of Manitobans.

There are numerous issues in the federal Budget which are certainly of concern to all Manitobans, and the Government of Manitoba is certainly not going to be left out of that process. We are certainly not going to lose out on the opportunity to make our case known at every possible opportunity, and to make that case as strongly as we possibly can, to see that Manitobans are treated fairly in this Confederation by the federal

Government. We have no hesitation in agreeing wholeheartedly to having discussions and debates and taking actions with regard to the federal Budget but, Mr. Speaker, very briefly, we must also be consistent in this House.

* (1130)

The way we have conducted this House and the traditions, the rulings and the precedents are that when there are other opportunities available for discussions of important matters, like the one raised by the Honourable Member, we ought to avail ourselves of those opportunities. So it is with regret that I would decline support for the resolution put down today by the Honourable Member for Concordia (Mr. Doer). But, as Government House Leader, it is also my duty, Mr. Speaker, to ensure that the Rules of the House are followed, that our practices and precedents are respected, and that the Government's business and the business of the House be done in an orderly way.

So it is certainly with the greatest of sympathy to the Honourable Member and all Honourable Members who want to have the opportunity to discuss issues related to the federal Budget that I take this position. As I say, we are into a Throne Speech Debate and a Budget Debate back to back that would provide ample opportunities for Honourable Members to place their concerns on the record and to take part in debates that could very easily include discussions of some of the negative and devastating effects of the federal Budget. While I certainly agree with the Honourable Member's motive behind raising the motion today, I do believe, as Government House Leader, it is proper for me to take the position of standing behind our rules and traditions in this House. You can bet that when my turn comes to debate the Throne Speech and the Budget, I will certainly have some things to say about the federal Budget too.

Mr. Reg Alcock (Opposition House Leader): The only thing consistent in this House to date is the Government's support of the federal Conservative Government. All we have heard all through the last Session was time after time the defence of the positions taken by the federal Government and, when we have an opportunity in this House to debate the impact of the federal Budget on Manitoba, one more time they stand up and cut off that debate.

The Members of my caucus support this motion. Now, the Leader of the New Democratic Party (Mr. Doer) has put forward many of the reasons why we should be debating this, but I want to add a couple of comments to that.

The Throne Debate will be focused on the Throne Speech. Now, normally a matter of urgent public importance would not be brought forward . . .

Some Honourable Members: Oh, oh!

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

Mr. Alcock: Normally a matter of this nature, although not this magnitude, would be encompassed within that

debate, but we have had an unprecedented assault on our province, the like of which we have never seen before. The Government in its Speech from the Throne has stated its concern about this and yet in its actions today it undercuts the statements it made yesterday.

There is an opportunity, Mr. Speaker, for you to exercise some discretion and to recognize the general will of Members in this House to debate this. I frankly had thought that the Government would stand up and support this debate so that we could deal with this very important issue. The impact of these cuts on Manitoba is going to be greater than the impact of the drought last year. The net impact on this province is going to be larger than that, and I think that is not a matter we can simply push aside and deal with as a part of other matters. I think this House deserves a day of debate on that issue. I strongly recommend you to exercise the discretion offered you in Beauchesne and put the question to the House.

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

SPEAKER'S RULING

Mr. Speaker: I would like to thank Honourable Members for their advice.

There are two conditions to be satisfied for this matter to proceed. The first condition has been met in that I did receive the proper notice from the Honourable Member for Concordia (Mr. Doer). The second condition is that debate on the matter is urgent and that there is no other reasonable opportunity to raise this matter.

The subject of this motion is unquestionably an important one but it is not, in my opinion, of such urgent and pressing necessity that today's regularly scheduled business be set aside. I would suggest to the Honourable Member that he will have adequate opportunities to raise this matter during the Throne Speech and the Budget Debates and, therefore, I must regrettably rule his motion out of order as a matter of urgent public importance.

Mr. Steve Ashton (Thompson): With greatest respect, Mr. Speaker, I challenge your ruling.

Mr. Speaker: Order, please.

The ruling of the Chair has been challenged. We will get to that right away. The question before the House is, shall the ruling of the Chair be sustained? All those in favour of the motion will please say aye; all those opposed will please say nay. In my opinion, the ayes have it.

Mr. Ashton: Yeas and Nays, Mr. Speaker.

Mr. Speaker: Yeas and Nays.

Call in the Members.

* (1200)

The question before the House is, shall the ruling of the Chair be sustained? All of those in favour of the motion will please rise.

A STANDING VOTE was taken, the result being as follows:

YEAS

Burrell, Connery, Derkach, Downey, Driedger (Emerson), Ducharme, Enns, Ernst, Findlay, Gilleshammer, Hammond, Helwer, McCrae, Mitchelson, Neufeld, Oleson, Orchard, Pankratz, Penner, Praznik.

NAYS

Alcock, Angus, Carr, Carstairs, Charles, Cheema, Driedger (Niakwa), Edwards, Evans (Fort Garry), Gaudry, Gray, Kozak, Lamoureux, Mandrake, Minenko, Patterson, Roch, Rose, Yeo, Ashton, Cowan, Doer, Harapiak, Harper, Hemphill, Maloway, Plohman, Storie.

Mr. Clerk (William Remnant): Yeas 20; Nays 28.

Mr. Speaker: The ruling of the Chair has been overturned. Therefore, the question before the House is, shall the debate proceed? (Agreed)

HOUSE BUSINESS

Hon. James McCrae (Government House Leader):

Mr. Speaker, on a brief point of order, the House Leaders and I have agreed that the Standing Committee on Economic Development will sit Tuesday evening between the hours of 8 p.m. and 10:30 p.m. in Room 255.

MATTER OF URGENT PUBLIC IMPORTANCE (Cont'd)

Mr. Gary Doer (Leader of the Second Opposition):

Mr. Speaker, I will keep my comments brief because of the duration. Manitobans will not be proud of the vote from the Members opposite on this very important issue. We will keep our comments brief so that as many people can get in on our short period of time as possible. We are seeing, I believe, Americanization of our country in this last federal Budget. I do not use buzzwords often but I really sincerely believe that the values and standards of our Canadian life are in rapid and escalating deterioration with this first post-free trade Budget, and it will have devastating effects on families and workingpeople and their families in Manitoba.

If we start from the North, we see total inaction on the Port of Churchill in complicity in not dealing with our northern port and our northern vision with the federal Government. We see neglect and cutbacks on the railway service, both passenger and others in northern Manitoba and southern Manitoba. Our vision of a national dream that includes a national passenger service is going away with this federal Budget. As Westerners and as Manitobans whose province was first established under the railway, I find it shameful that we do not all stand together and talk about the federal Government's changes in this area.

Mr. Speaker, we look at the changes in capping and the aboriginal rights. We look at a Treaty provision that has been changed and watered down in the federal

Government's position. Our people, our first people, were told that as long as the sun shines, the grass grows, and the rivers run, their Treaties would not be broken, but it took a Mulroney Government, this federal Government, to break the Treaties and break the deal with Canada's aboriginal people, again part of this federal Budget implicitly in the changes.

As we move through our beautiful province, Mr. Speaker, from north to south, we see massive tax increases on people and families, and in Thompson, Manitoba, we see again, and be removed—the people of Wabowden—from the tax remoteness provision.

Mr. Speaker, has Michael Wilson ever been in Thompson? Does he make his decisions only from Bay Street? Why did they neglect the people of Thompson and Wabowden? As we move on to Flin Flon, you see nothing in the federal Budget to deal with the acid rain abatement. Brian Mulroney can go down to Washington and make a great speech on acid rain, but when it comes to dealing with Flin Flon there is nothing in that Budget, nothing in that Budget to deal with that serious situation. They are spending 10 times more on the new embassy and talking about the acid rain than they are at dealing with the real acid rain problems in this province and this country.

As we move from Flin Flon to The Pas, Mr. Speaker, we see again federal action. We see the railway workers being slowly cut back because of the action of the federal Government. We see regional development grants; we see ERDAs that are not being renewed. We see all kinds of activity against the communities, such as The Pas, and again we are woeful of those changes.

Mr. Speaker, as we move into the Parklands Region, we see western diversification has been stretched for six and a-half years. Even when we had a chance to take the money off the table under the five-year agreement we did not do it. Now it is going to be even more impossible for people of the Parklands region to get that kind of support.

As we look at the Interlake, where is the drought relief? Did we not listen to farmers yesterday saying they had been betrayed with the federal Government? Mr. Speaker, this is not the betrayal that John Diefenbaker talked about 25 years ago in this country, this is the Dalton Camp-Brian Mulroney Government, and it is a lot different than the old John Diefenbaker Government in terms of treatment of farmers in our country.

If we look at the eastern end of the province, we see again aboriginal people who are located in those communities who are massively affected by the education denials and the lack of ERDA grants in those communities.

As we move into southwestern Manitoba, Mr. Speaker—and that is why I am surprised we did not get support—we again see the devastating effect of tax increases, the cutback in money. Brandon has seen a hundred jobs lost already in a small community in the post-free trade environment, and what do we see from the federal Government? We do not see rural economic development from this federal Budget. We

see continued concentration, not in Brandon, not in Portage, but in Toronto, Montreal and recession-proof Ottawa.

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

Then we go to Portage la Prairie, Mr. Deputy Speaker. We see again the absolute cavalier attitude to cutting back 20 percent of the economy for the workingpeople in the farming community of Portage la Prairie. Do we see any other diversification; do we see any other opportunity; do we see the Toronto base being cut; do we see the Lahr, Germany, \$1 billion base being cut? No, we see the people of Portage being devastated by that cutback and I think we should all stand up and condemn that group.

Then we move into the City of Winnipeg, Mr. Deputy Speaker, we do not know where the status is in terms of our urban provincial grants. Why should there be money for the St. Lawrence Seaway; why should Quebec get all that money for river clean-up; why should Nova Scotia get money for their clean-up; where is the money for the river clean-up in Manitoba? Again, a shafting from the Mulroney Government to the people of Manitoba and the communities that we feel so strongly about.

When we go into eastern Manitoba, we again see a lack of grants and lack of projects. There is nothing for our multicultural communities, Mr. Deputy Speaker, there are cutbacks on families. We believe that every family will be affected to the tune of \$1,700 under this revenue neutral. This promise of a revenue-neutral sales tax will hit us on one hand and then they will hit us again with the revenue-neutral sales tax. Why, Mr. Deputy Speaker, the one group that got the break in the Budget was the banks? There was going to be a profit-margin tax, not a consumer loan tax, but a profit-margin tax, and that would tax the margin under which the banks borrowed the money and the banks lent the money, not a consumer tax.

Mr. Deputy Speaker, that was in the White Paper by Wilson. All Parties supported it in Ottawa. And you know what? The day after Wilson retreated from that \$1.4 billion revenue increase, what happened? I will not even talk about what the Liberal Finance Critic said because I want to concentrate on Ottawa. What happened? The bank stocks had record days. Hallelujah, happy day are here again! All the stocks went up, record days, four out of six banks because they were the only winners on the federal Budget. Working people and their families and communities had just got clobbered to the tune of \$14 billion, and the banks got breaks of \$1.4 billion. All the things we were told about in the Free Trade Agreement, the opposite took place. UIC, diversification, regional development, social services, and now we see the worst and most insidious cut, we are seeing the death of Medicare. They are going to kill it in an insidious—well, you yawn and moan, but Mr. Deputy Speaker, be aware of the facts.

Under this Budget, almost all the rural hospitals in terms of their funding since 1980 have been cut back by the year 1994. We are going to lose \$100 million

in the EPF grants to our health care system. We are going to lose \$42 million that you will have to make up slowly around the Cabinet Table, and we will have to make up as a province for the cutback in post-secondary education.

We are seeing a situation where the original partnership of 50-50 health care funding is being killed 1 percent a year—1 percent and 1 percent and 1 percent. It is now at 38 percent from the federal Government; it will be at 30 percent at the end of this federal Budget. By the year 2000, if we do not reverse this, we will not have a universal health care system in this country—one of the finest, if not the finest, programs in the world.

Thank you very much, Mr. Deputy Speaker. I urge all Members to talk about the devastating impact of this federal Budget on Manitoba people and their communities.

Thank you.

* (1210)

Mr. Deputy Speaker: The Honourable Minister for Cooperative, Consumer and Corporate Affairs.

Hon. Edward Connery (Portage la Prairie): Thank you, Mr. Deputy Speaker. I want to take this opportunity to speak on the federal Budget, and I want to speak on one specific area of this Budget. I guess one of the most devastating parts of the Budget, which is the inhumane cruelty to some parts of Canada, specifically Portage la Prairie and Summerside, P.E.I.

Mr. Deputy Speaker, the Government of Canada, I think, rendered a death blow to those towns and have severely crippled them. A reporter asked me in Portage why, as a Conservative, I would be criticizing the federal Government. I was elected to represent the constituency of Portage la Prairie. It is my duty and privilege to represent that constituency and fight very hard, to the best of my ability, for the needs and the interests of my constituents. We have done that for some period of time.

I will say in all sincerity, I appreciate the efforts of the Leader of the New Democratic Party (Mr. Doer), who went to Ottawa with us and truly, in a non-partisan way, said that he was working for the citizens of Portage and for the citizens of Manitoba. He did acknowledge that they would never win Portage la Prairie. So he could honestly be non-partial, unlike the Leader of the Liberal Party (Mrs. Carstairs) and her people who have postured and played politics with this so-crucial issue to the citizens of Portage la Prairie. Their people were doing nothing else but holding clandestine meetings, trying to seize an opportunity, when a city the size of Portage is being decimated.

POINT OF ORDER

Mrs. Sharon Carstairs (Leader of the Opposition): Point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: What is your point of order?

Mrs. Carstairs: This particular Member, in his usual disgraceful fashion, is making comments for which there is absolutely no basis in fact. He, and he alone, has played partisan politics on the issue of Portage la Prairie from the very, very beginning, while clothing himself in apolitical rhetoric, and I demand an apology.

Hon. James McCrae (Government House Leader): In response to the Leader of the Opposition (Mrs. Carstairs), whose ego seems to know no bounds, the apology that is required should come from the Leader of the Opposition to the people of Portage la Prairie for the way she has been handling herself with this matter.

The Honourable Member for Portage la Prairie (Mr. Connery) is doing his duty standing up for the people of his community and the Honourable Leader of the Opposition ought to do better than she is. She ought to listen to what the Honourable Member for Portage la Prairie has to say, who after all does represent that area and, may I say, much better than the Leader of the Opposition.

Mrs. Carstairs: Point of order, Mr. Deputy Speaker. The Attorney General should attend some of the meetings in Portage la Prairie, other than the last one, and find out what his Member has been doing.

Mr. McCrae: Mr. Deputy Speaker, the Honourable Leader of the Opposition (Mrs. Carstairs) wants to make a running debate out of a point of order. The fact is the people of southwestern Manitoba happen to agree with the Honourable Member for Portage la Prairie (Mr. Connery) that the City of Portage la Prairie needs to be stood up for, and that is what I was doing in Portage la Prairie, representing the people of southwestern Manitoba, standing up for the rights and the dignity of the people of Portage la Prairie. The Honourable Leader of the Opposition ought to get the facts straight, and ought to conduct herself as a Leader of the Opposition should.

Mr. Deputy Speaker: I thank all the Members for their advice. We will peruse Hansard and we will come back with the decision. Thank you.

MATTER OF URGENT PUBLIC IMPORTANCE (Cont'd)

Hon. Edward Connery (Minister of Consumer, Cooperative and Corporate Affairs): Mr. Deputy Speaker, I must say that I want to give my utmost thanks and compliments to the citizens of Portage la Prairie in the way they rallied around their community, to the Mayor, the Reeve, the President of the Chamber of Commerce. All the various groups and individual citizens from all groups came to rally around to support the community in their fight to maintain the base and to maintain the livelihood of a very crucial and important community in Manitoba.

(Mr. Speaker in the Chair.)

Mr. Speaker, they opened an office, they have a committee going called "Portage In Motion." They have

been raising money, they have paid for the group to go down to Ottawa to meet with the Minister of Defence Mr. Speaker, I am very proud of that group in Portage la Prairie.

Mr. Speaker, that group sent a very clear message to the Prime Minister and the Honourable Michael Wilson, that we in Portage la Prairie will not tolerate the cruel and inhumane decision to close Southport. Like the rest of Manitoba and the people of Canada, the people of Portage la Prairie will always be, and are prepared to do their part, but when we are asked to carry a very inhumane part of deficit cutting then I think we have to speak back, and we have spoken back very strongly on behalf of Portage la Prairie and indeed on behalf of all of Manitoba, because all of Manitoba, not just the City of Portage la Prairie, is affected—all of Manitoba.

We are reported to lose some 7,000 jobs in Portage la Prairie. When you take the multiplier effect of that it relates to about 2,000 jobs, and if you took that to the City of Montreal and the City of Toronto, we would be looking at between 200,000 and 250,000 jobs to have a similar impact. Would the Prime Minister or the Minister of Finance allow that to happen in their cities? I doubt if they would.

One in five jobs in Portage la Prairie will be affected by the cut. Every sector, every business sector, every man, woman and child in Portage la Prairie will be affected by this cut and we will have staggering layoffs in every sector of the business community.

There are some 150 to 200 homes occupied by military personnel. When those are rendered vacant by this decision, we will see at least three years of new home building fall by the wayside in Portage la Prairie, and it will decimate that sector for a period of time.

Mr. Speaker, the school system will lose anywhere between 300 and 350 students and it will cost them about \$1.2 million a year annually. We cannot make savings on there and we will have to add that onto the citizens of Portage la Prairie.

Mr. Speaker, the time, I know, but 10 minutes is very short to be able to illustrate to all of the people the severity that this decision has, but I think, as the Premier has said earlier, the decision was to rationalize and make sure that we have a strong military presence and also to cut \$2.74 billion over that period of time out of the defence budget.

I do not think there was any consideration for regional economic development or regional economic preservation in that decision. In fact, we know there was not, because the Minister of National Defence said that. We know that in this 1985 document that was presented, it was signed by all the provinces and the Prime Minister and the Territories, and if those who would like to look at Principle 5, will find out that indeed regional development should take place in every decision that the federal Government makes. So I cannot speak any more strongly on my defence of the people of Portage la Prairie and the citizens of Manitoba in total at the object of the defence cuts that were rendered upon Manitoba—38 percent of all of the defence cuts took place in Manitoba.

I thank you for this short period of time and will allow other speakers to give their views. Thank you very much.

Mrs. Sharon Carstairs (Leader of the Opposition): I am delighted to rise today to participate in this debate but not, needless to say, very pleased with the Budget announced by leak on the 26th of April, 1989.

This Budget was a vicious attack on all Canadians, but particularly upon Manitobans, because when you go from region to region, when you go from program to program you realize that the impact of this Budget decision making was going to impact most unfavorably upon the people of Manitoba and the community, of course, of Portage la Prairie. Of course it was with some befuddlement that we watched the Member, who has now spoken eloquently on behalf of his community, vote against this debate today.

The people of Portage la Prairie are symptomatic of what this federal Government has done with regard to rural Canada. Rural Canada is under attack. Rural Canada, whether it is Portage la Prairie, whether it is Churchill, whether it is our farm population, has been attacked viciously by the federal Government. They have mentioned mealy-mouthed words about decentralization as a necessity of life in this nation and then they do everything via their tax policy, via their grant policies to make decentralization absolutely impossible. The people of Portage la Prairie, whom I made contact with the day the Budget came down and with whom I said I would do everything in my power working with the federal Government and with the provincial Government to be non-partisan—

Mr. Speaker: Order, please. Order.

Mrs. Carstairs: I do not know how other people write letters, but when I write to the mayor and to the Chamber of Commerce and to the R.M. of Portage, I sign them.

Let us take a look at issue after issue within that federal Budget that has impacted upon people. First and foremost, it will mean a drain of some \$300 million from Manitoba people and from our economy. Consumer and corporate taxes will count for some \$250 million, most of them paid by the consumer. The federal Government will cut its spending, as the Leader of the other Party has indicated, to health care, to post-secondary education, but let us take a look at the agriculture sector which has not yet been addressed.

Thirty-five million is going to be cut in grain freight rate subsidies. Farm fuels excise tax is going to expire and Manitoba, as a result, will pay \$600 to \$700 a year per farmer more in fuel taxes. Last year, the Prairie Grain Advancement Payment Act provided for \$3.4 million on loans—those will disappear. Prairie Branch Line Upgrading Programs will disappear.

* (1220)

We are now being told that Manitoba should pick up 25 percent of the crop insurance payments. We have been told that Manitoba should pick up half of the drought relief payments. The impact on the farm

community, when they have just been really as a result of one of the worst droughts in our history, is unprecedented in this nation.

When we look at families in this province, they are going to be hit over and over and over again, and always the family that is living near or below the poverty line. They are the ones who will be hurt by increases in UIC payments; they are the ones who will be hurt by increases in taxes. Yet we are still going to allow those who have the ability to make \$100,000 in capital gains, they are still going to be able to write it off. What family at \$25,000 a year with a family of four can ever write off \$100 in capital gains, let alone a hundred thousand dollars in capital gains? This federal Conservative Government takes conservatism to its ultimate extreme and says, for those who have had the ability to conserve, we will allow you to continue to conserve. You can hold your money, you can make money on your money, but you do not have to share that with the rest of the population.

In closing, Mr. Speaker, we must, as a group of individuals, put every possible effort that we can put into saving the Portage la Prairie base. That base is fundamental to the survival of that community, 493 military jobs, 173 civilian jobs. The impact of that transferred to Toronto would be some 200,000 jobs. Can you imagine Michael Wilson sitting in his constituency in Toronto allowing 200,000 jobs to be cut in his city? That is what they have done to Portage la Prairie. When we met with them, could they give us any justification? Not only that, they gave us sarcasm. They said, well, you have your military experts; we have our military experts.

The people of Portage la Prairie should be congratulated on the fine presentation that they made in Ottawa. It was an excellent presentation, a presentation which indicated the economic downturn in their community as a result. What did we find from the Minister of Defence? He nitpicked at them. He attacked their figures; he attacked their numbers. Now, we have the mythical monies coming from Ottawa—believe this—for them to conduct a six-month study on the impact—no studies beforehand, no understanding of the relationship of those economic cuts to the community of Portage la Prairie. Now, they are going to conduct the study and yet they are not going to change their mind, because the Minister of National Defence has indicated under no circumstances is he going to change his mind.

Mr. Speaker, we must go to a higher level. We must take this fight and an all-Party fight, and an all-Party fight welcomed by the First Minister (Mr. Filmon), not discouraged, and we must take that all-Party fight to the Prime Minister of this country. We have to tell him that Manitobans have had it and we are not going to take it any more.

Some Honourable Members: Hear, hear!

Mr. Elijah Harper (Rupert's Land): Mr. Speaker, I am very pleased to take part in this limited debate on the federal Budget, the emergency resolution that was just put forward. I might say that this Budget has a

devastating impact on northern Manitoba, on Northerners and aboriginal people. It is the aboriginal people who are going to be devastated by this Budget.

I just want to refer to the plight of the Native people in those areas and some of the measures that have been taken by the federal Government which will have a devastating impact in those communities. We have the unemployment situation in those communities, well over 90 percent unemployment in those areas. The federal Government has not addressed the concerns of those communities at all.

The other thing that I want to address with the amount of time that I have, which is very critical and crucial, is the post-secondary education of aboriginal students. This capping and the cutbacks of the federal Government will have a devastating impact on the present students and the future of our communities. It is not necessarily the lack of funds that we are addressing. It is the policy of the federal Government in respect to recognizing education as a Treaty right. The Treaty right recognizes that education has been promised in the Treaties but the federal Government is also denying that fact. The Indian people feel that education has been paid by the land and resources have been given up and returned for certain benefits.

An Honourable Member: It is a debt owed.

Mr. Harper: It is, as my colleague says, a debt owed to the Indian people across this country. It is very fundamental for Indian people to have access, to have that right implemented by the federal Government so that we can educate our young students to be part of this society. We want to contribute to society instead of being a burden to society. We want to have our own administrators. We want our own lawyers, doctors. We want to be able to have our teachers. We want to be part of society in general. If we are denied education funding that was promised in the Treaties, we are not going to achieve that.

I would urge the Minister for Native Affairs (Mr. Downey) to look into this situation. We should be tackling this issue like this whole issue with Portage la Prairie is being handled. I do not know how many thousands of people live in Portage la Prairie, but the people that are going to be affected by education with respect to aboriginal communities is greater. If we do not achieve that, we are going to have a greater social burden on the Treasury. Aboriginal people do not want to be part of the burden on society.

This issue should be addressed by all Parties. The Premier (Mr. Filmon) should be leading a delegation to Ottawa with respect to Native education cutbacks, the capping and the cutbacks the federal Government has done, not only with respect to Portage la Prairie, not to undercut the importance of Portage la Prairie, but there other Manitobans that have needs to be addressed. In particular, the aboriginal people, the situation that they are in—lack of employment, poor quality housing, generally the standard of life and living is really poor in many of the Native communities. We should be tackling that issue and voicing the concerns of aboriginal people in the Province of Manitoba.

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Also, we should not necessarily be dwelling on other issues. The other one I wanted to point out, with more time that I have, is Churchill. The port is the soul and heart of the survival of Churchill. If we were to convince the federal Government, and also the Wheat Board, to ship some grain through that port, we would ensure that jobs are preserved in the Port of Churchill and also the bayline that is going up to Churchill, the jobs that are along those lines would be also preserved. We

should be also talking about that to the federal Government. Thank you, Mr. Speaker.

Hon. Harry Enns (Minister of Natural Resources): I stand to speak on the —

Mr. Speaker: Order, please. The hour being 12:30 p.m., according to the Rules, the House is now adjourned and stands adjourned until 1:30 p.m., Tuesday.