

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 26, 1989.

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### TABLING OF REPORTS

**Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs):** Mr. Speaker, I would like to table the Annual Report of Co-operative, Consumer and Corporate Affairs for 1988-89, and the Supplementary Information for Legislative Review for the 1989-90 Estimates.

### ORAL QUESTION PERIOD

#### Meat Packing Industry Inter-Provincial Trade

**Mr. Laurie Evans (Fort Garry):** In days gone by, Winnipeg was frequently referred to as the Chicago of the North and that of course was due to the fact that Chicago was the centre of the meat packing industry in the United States, and Winnipeg had that distinction in western Canada. Unfortunately, those days appear to have gone forever.

We have seen the demise of Canada Packers and Swift's, now we know that the Springhill plant in Neepawa is in trouble, and of course today we hear that East-West Packers and Burns are either using layoffs or job sharing in order to try and remain viable because of the lack of slaughter cattle in Manitoba.

My question is to the Minister of Agriculture. Can he indicate to us just how many feeder calves or weaning calves have left this province in the falls of 1987 and 1988, and does he anticipate that trend continuing this fall?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, in Manitoba we have in excess of 300,000 cows producing in the vicinity of 270,000 calves each fall. In the fall of '87 there would have been in excess of 100,000 calves left the province for finishing. Last fall it would have been 150,000 to 160,000. I am approximating the figures.

This fall, because of desires on our part to level the playing field by joining tripartite and putting the Livestock Development Program in place, we hope that we have stemmed the flow of feeder cattle out of this province in terms of the level playing field concept, but I cannot give him an honest answer as to whether there will be less calves leaving this fall or more, because the fall sales are ongoing right now. The level playing field does exist for the feedlot operator, in terms of going out to buy calves, put them in his feedlot and finish them in this province, and much appreciated.

#### Livestock Industry Provincial Subsidization Levels

**Mr. Laurie Evans (Fort Garry):** I have a further question to the same Minister. Can the Minister today tell us what the comparable levels of subsidization are for feeders of cattle in the three western provinces? Is that level playing field actually there or are Alberta feeders getting much more subsidy than those in Manitoba?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, there is a level playing field in the concept that there is tripartite in all three provinces, the same level of support, identical level of support in the three prairie provinces.

The Livestock Development Program we have here is \$9 a ton paid here, \$10 a ton in Alberta, so basically they are the same. Saskatchewan is \$13 a ton, but that basically is a freight difference to Thunder Bay, so there is a level playing field in that concept. So in terms of the major programs in place in the three prairie provinces, there is a level playing field.

\* (1335)

#### Cargill Foods Limited Inter-Provincial Trade

**Mr. Laurie Evans (Fort Garry):** Mr. Speaker, can the Minister tell us whether in fact Cargill is purchasing slaughter cattle in Manitoba and taking them through to the Alberta plant and, if that is the case, is this part of a policy that is being developed to have better interprovincial relationships and better policy as far as trade between provinces is concerned?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, over the course of this summer there has been a lot of cattle move out of the province for slaughter, some east, a lot south, and I am not aware of any amount going to the West. The reason they were leaving the province is because the producer who is selling the animals is going to sell them to the highest bidder, and fortunately or unfortunately—I guess fortunately on the farmers' side—there was a higher bidder that came into the province from the east or the south. I have always contended that the farmer has to get the highest possible return he can get from the marketplace, and that is what he is getting.

#### Red Meat Stabilization Program Impact Manitoba

**Mr. Laurie Evans (Fort Garry):** I have a new question, Mr. Speaker. It was just a matter of a few weeks ago that the Minister got up in the House and, with a fair amount of satisfaction on his part, indicated that a new national tripartite Red Meat Stabilization Program had been signed. Can the Minister tell us when he anticipates

us seeing that tripartite agreement has actually had a beneficial effect as far as the meat packing industry in this province is concerned?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, the tripartite plan is to stabilize the beef producer, whether it is a cow-calf operator or whether it is a feedlot operator. That is what the program is set to do. It does create in the long term, and hopefully in the intermediate term, a more stable supply of production in this province which will then be available to the packer or processor to bid on.

### Meat Packing Industry Initiatives

**Mr. Laurie Evans (Fort Garry):** Mr. Speaker, the Minister has indicated that the tripartite is going to be beneficial to producers. My supplementary question then is: what initiative is the Minister about to take to try and re-establish the value-added component or portion of the meat industry to Manitoba, or is the Minister satisfied in having us be the provider of raw materials, which essentially the calves are, for this value-added component to take place in other provinces?

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Speaker, I have detailed already to the Member the desires that we have brought forward, the initiatives that we have put in place to work with the producer, and there is a serious problem at the processing level, there is no question. The subsidization programs in the processing sector that have gone into the Province of Alberta are of serious concern to us.

The Minister of Industry, Trade and Tourism (Mr. Ernst) and I have been in discussion with a number of the processing plants trying to work on this. We have set up the Red Meat Forum, which is producers plus processors talking and working on potential solutions for the difficult times that the meat processing people are facing right now.

### Springhill Farms Limited Closure

**Mr. Laurie Evans (Fort Garry):** Mr. Speaker, just to elaborate today as to exactly what the status of the Springhill plant is, will that plant operate in 1990 or are we faced with a complete shutdown of the Springhill plant before the end of this year?

**Hon. Glen Findlay (Minister of Agriculture):** What will happen to Springhill is going to be a decision by the shareholders of the Springhill plant, which are the Hutterite Colonies of the Province of Manitoba.

My department and industry, Trade and Tourism have staff assisting them where and when possible in the process of trying to find some capital to invest in a partnership or in an outright purchase. It is my understanding that they have a person who is acting as a negotiator on their behalf to identify somebody with capital to come in and support the plant. That process is ongoing and I could not answer whether they will be open next year or not. It is our desire to find a mechanism to be able to keep them open to the best of our ability.

### Land Development Legislation

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, my question is to the Minister of Urban Affairs (Mr. Ducharme). Last night in elections in this civic centre of Winnipeg, what has been characterized as a major defeat of many Members of the Gang of 18 or 19, the Liberal-Conservative coalition took place, and there was a vote to return councillors to our Chamber who were anti-development for development's sake going to stand up on behalf of the people of Winnipeg in terms of a balance between development and human priorities in our city rather than just following the developer's bulldozer as has been the practice in the past.

\* (1340)

My question is to the Minister of Urban Affairs (Mr. Ducharme). Given the fact that citizens need rights under the Act, and given the fact that the Minister has tabled two Bills in the House dealing with some needed reforms that were consistent with our White Paper that we produced in 1987, why has not the Minister come forward with proposals and legislation dealing with land use and development, dealing with suburban sprawl and the whole issue of Plan Winnipeg and its implications in the future?

**Hon. Gerald Ducharme (Minister of Urban Affairs):** First of all, Mr. Speaker, I guess the first question to the Member, the previous Urban Affairs Minister, is: why did he not?

However, we have proposed very strong legislation. This particular Government has been very consistent in its requests to the City of Winnipeg in regard to the urban limit line. We have stayed very close to policy on that. We have also instructed the City of Winnipeg just recently in a letter that we would like the urban limit line to be looked at, and also the whole Plan Winnipeg with the regional areas to be dealt with. The Member should be quite aware that he knows the work that has gone into the legislation that has been put forward in this House in this Session, and he also has the schedule that we are dealing with, the planning and the requests and the dialogue that is necessary to deal with all planning throughout the City of Winnipeg and the outlying areas in the near future.

### Suburban Sprawl Legislation

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, we did have a White Paper and legislation drafted, some of which the Minister has tabled in this Chamber, dealing with the appointments by the mayor to EPC and dealing with the Ombudsman and some other electoral reforms.

My question to the Minister is: a year ago when we asked you the same questions about suburban sprawl and the need for change of The City of Winnipeg Act to deal with the social and operational costs of suburban sprawl in the City of Winnipeg, you stated that I would

bring the changes to the Session and legislature in the next Session. That was November 1, 1988, Mr. Speaker. Is the Minister not willing to put more controls and provide more rights to citizens in terms of the planning of their own city in terms of legislation?

**Hon. Gerald Ducharme (Minister of Urban Affairs):** Mr. Speaker, the results of the additional zones not working, the results of the planning not working, was not due because of this administration. It was because the legislations they put in place did not work for the City of Winnipeg.

**Mr. Doer:** I would agree with the Minister. In the White Paper it clearly states that we need new laws. We need new laws to deal with the problem of suburban sprawl outside of the City of Winnipeg and new laws to give the citizens rights within the City of Winnipeg. Those laws were drafted, Mr. Speaker. Why has the Minister not brought forward those laws to deal with suburban sprawl? Why will he not take on the developers in the City of Winnipeg, as the public has suggested last night in their electoral results?

**Mr. Ducharme:** Exactly what the Member has suggested. The regional committee that has been set up by this administration right after these elections are finished to deal with the outlying areas, the same regional people that we are dealing with said to us just this spring, we were not consulted by the previous Government. We said we will consult and will bring in proper planning to deal with the City of Winnipeg and the outlying areas.

### Urban Planning Legislation

**Mr. Gary Doer (Leader of the Second Opposition):** The Minister knows full well there was full consultation. The Minister knows full well there was a public document dealing with all aspects of urban planning, not just cherry-picking one item and cherry-picking another item. My question to the Minister is: why has he not brought in any planning legislation as he promised a year ago, and why has he not brought in any legislation to deal with the waterways of Winnipeg and any authority that is necessary in that regard?

**Hon. Gerald Ducharme (Minister of Urban Affairs):** Mr. Speaker, I just answered the question to the Member who was the previous Minister. I met with the regional people who are surrounding the City of Winnipeg. If you do not deal with the surrounding regional committee and you do not consult with them, which that particular Government did not do, that was the message that we got from the regional people surrounding it. This particular Minister on the other side, when he was Minister, did not deal with it.

### Family Services Agency Relations

**Ms. Avis Gray (Ellice):** Mr. Speaker, my question is for the Minister of Family Services (Mrs. Oleson): The

Minister indicated in a news release yesterday that she had been planning adjustments in her department for six months. I am pleased to hear that such intensive work has gone on in that department, and I look forward to some comprehensive answers about the revised structure.

An Agency Relations section did exist a number of years ago. That section was amalgamated with Programs Branch, because to have two separate sections—

**Mr. Speaker:** Would the Honourable Member kindly put her question now, please?

\* (1345)

**Ms. Gray:** Can the Minister tell us why a decision was made to step back in time and recreate a separate Agency Relations when it has already been proven that was very inefficient and confusing for the community agencies and groups?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, among others, there are two reasons why that Agency Relations Branch is being put into my department. One was the review that was done of the department by an outside consulting firm which indicated that was essential for the department in its dealings with the agencies, because our department deals with so many agencies. Another reason was that many agencies have indicated to me that they would really like to see that part of the department again, perhaps not exactly the same as it was before, but they need an agency to deal with to help them with their budgeting problems.

### Community Service Organizations Division Negotiations

**Ms. Avis Gray (Ellice):** Mr. Speaker, I have a supplementary question to the same Minister. That particular review that was done was simply a financial audit, as the Minister of Finance (Mr. Manness) admitted. It did not deal with the programs and services to the people.

My question to the Minister is: will the community agencies, such as Skills and the child and family services agencies and others serving the people, have to negotiate with the social services division for their program support, and the other financial division for their financial support? Will they have to negotiate with two separate divisions?

**Hon. Charlotte Oleson (Minister of Family Services):** This agency is set up to work in all aspects with the agencies to help them manage better financially and manage their programs better, and if there is better management in place to manage financially, what follows, and should follow, is better service to people.

## Mentally Handicapped Day Program Spaces

**Ms. Avis Gray (Ellice):** Mr. Speaker, I have a supplementary to the same Minister. The news release also speaks to an increased emphasis on support for integrating the disabled into the community.

My question to the Minister is: will the Minister be specific, will this increased emphasis result in more day programs for the mentally handicapped who are now sitting at home and are not being integrated into the community?

**Hon. Charlotte Oleson (Minister of Family Services):** As the name of the section of the department implies, it will work with the handicapped in Manitoba and work with them in the community to make their lives better, to enhance all the programs that we have.

## Family Services Associate Deputy Minister

**Mr. Speaker:** The Honourable Member for Ellice, with a new question.

**Ms. Avis Gray (Ellice):** I have a new question to the same Minister. That previous answer "work with" is lip-service, but we do not get results. It is highly unusual for a department to have an Associate Deputy Minister, not an Assistant Deputy Minister, head up a division. This Associate Deputy Minister gets paid \$80,000 a year, and an Assistant Deputy Minister gets paid approximately \$68,000 a year. Now, the other three divisions in this department are head—

**Mr. Speaker:** Order. Would the Honourable Member kindly put her question now, please?

**Ms. Gray:** Mr. Speaker, can the Minister of Family Services tell us the rationale for having an Associate Deputy Minister head up one of her divisions?

**An Honourable Member:** Have you not read the auditor's reports of the last couple of years?

**Ms. Gray:** Lousy audit, by the way.

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**Mr. Speaker:** The Honourable Acting Government House Leader, on a point of order.

**Hon. Clayton Manness (Minister of Finance):** On a point of order, I ask you to give the House some direction here, because an Honourable Member of this House has been very critical of a servant of this Legislature, namely the Auditor, when I think I heard the Member call something a lousy audit when we were referring to the Provincial Auditor. I seek your direction, Mr. Speaker.

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

**Mr. Speaker:** Order, please. Order. The Honourable Opposition House Leader, on the same point of order.

**Mr. Reg Alcock (Opposition House Leader):** On the same point of order, Mr. Speaker, the Member was referring to that Minister's untendered contract to an external auditor, and it was not worth what he paid for it.

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

**Mr. Speaker:** Order, order. The Honourable Acting Government House Leader, on that same point of order.

**Mr. Manness:** This is a very serious matter. Certainly Members on this side did not take that interpretation from the Member for Ellice (Ms. Gray), and I would ask that she stand and clarify it and certainly withdraw any criticism of the Provincial Auditor.

\* (1350)

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

**Mr. Speaker:** Order. The Honourable Member for Ellice.

**Ms. Gray:** On the same point of order, Mr. Speaker, I believe my House Leader said exactly what the facts were—

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

**Mr. Speaker:** Order, please. On the point of order raised by the Acting Honourable Government House Leader, we would like to indicate that the Honourable Member for Ellice was not making a personal charge against a high ranking official, it was against the audit itself. Therefore, there is no point of order.

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**Mr. Speaker:** The Honourable Minister of Family Services, to finish her answer.

**Hon. Charlotte Oleson (Minister of Family Services):** Thank you, Mr. Speaker. No matter which audit the Member is discussing, the independent audit from an outside consulting firm or the Provincial Auditor consistently said that the Community Services section of my department had problems in accountability and in procedures, and for that very good reason we have put in place some more controls, more accountability, so that the funds that were being allocated for services to people can be better used in giving services to people.

## Mary Humphrey Removal

**Ms. Avis Gray (Ellice):** Mr. Speaker, can the Minister tell us if Mary Humphrey will continue to be the director of Child Day Care?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, no, Mary Humphrey will not be the director of the child care part of the department.

## Family Services Day Care Director Replacement

**Ms. Avis Gray (Ellice):** Mr. Speaker, with a final supplementary to the same Minister, I know of at least one individual who was offered Mary's job earlier this year. Will the Minister indicate to us how many other individuals outside the Civil Service is she currently looking at to replace Mary Humphrey?

**Hon. Charlotte Oleson (Minister of Family Services):** Mr. Speaker, I do not make a practice of discussing every personnel matter in the House, and I think that is poor taste on the part of the Member for trying to do so.

## Churchill Rocket Range Repair Funding

**Mr. Elijah Harper (Rupertsland):** My question is to the Minister of Industry, Trade and Technology. My question is regarding the Churchill rocket range. Many Manitobans were excited today with the report that a joint Soviet and U.S. venture is considering using the Churchill rocket range in 1991 to launch civilian satellites on the civilian version of the SS-20. The Churchill range is slated for bulldozing by the federal Government in 1992 at a cost of some \$50 million. Has the Minister obtained a commitment from his Cabinet colleagues to fund repairs to the facility this year?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Speaker, first let me say that the Government of Manitoba is committed to the community of Churchill. We are committed to that community and for that very reason employed Mr. Spiece to produce a report on the community of Churchill and on the potential for use of the Churchill rocket range. The Government has adopted that report. It is working very diligently at this time to attempt to find users and to attempt to find a partner in the Canadian Space Agency.

## Marketing Plans

**Mr. Elijah Harper (Rupertsland):** Mr. Speaker, what marketing plans has the Government started to take advantage of the projected massive growth in the aerospace industry over the next 5 years, since rockets launched from there could be used to study communications, meteorology, navigation, earth monitoring and surveillance, micro-gravity processing and atmosphere research. Will the Government demand that dismantling of the base be halted immediately?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Speaker, the Government took that action six months ago.

\* (1355)

## Western Diversification Funding

**Mr. Elijah Harper (Rupertsland):** Mr. Speaker, a supplementary question: has the Government made a formal request for the range to be considered for funding under the Western Diversification Program, so that the firm such as Hughes Aircraft, countries like Japan, West Germany and many others will take advantage of the best satellite launching site in the Western World?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Unfortunately I did not hear the Honourable Member because of certain noise in the Chamber and perhaps the Honourable Member could repeat his question.

**Mr. Harper:** Has the Government made a formal request for the Western Diversification Program to be funding the rocket range so that the firms at Hughes Aircraft, countries like Japan, West Germany and many others will take advantage of the best satellite launching site in the Western World?

**Mr. Ernst:** Mr. Speaker, any rejuvenation of the Churchill rocket range requires as a partner, the Canadian Space Agency. We are having discussions with that agency at the present time to determine (a) their level of participation and (b) how they can assist us through the Manitoba Aerospace Technology Program in bringing work and rocket launches to that particular location. We are working very diligently with them. We are also out on our own, as identified by the Member, attempting to find and solicit customers for use of the Churchill rocket range.

## Infill Housing Program Statistics

**Mr. Kevin Lamoureux (Inkster):** My question is for the Minister of Housing (Mr. Ducharme). Tories are Tories, whether it is this Government or the Government in Ottawa. They both have no commitment to low-income housing. Given, Mr. Speaker, the Co-op HomeStart Program has been cut, the Co-op Index Link Mortgage Program has been cut, the RRAP Program for landlords has been cut, the Residential Rehab Program has backlogged, the Critical Home Repair Program has been replaced, the Shelter Allowance for Seniors has been (interjection)-

**Mr. Speaker:** Order. Is there a question here?

**Mr. Lamoureux:** Yes, Mr. Speaker, it does not end there, among other things.

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

**Mr. Speaker:** Order, order.

**Mr. Lamoureux:** Tell us today, how many infill houses have been built since this Government has taken office?

**Hon. Gerald Ducharme (Minister of Housing):** Mr. Speaker, to the Member, I repeat again. He has asked

three or four or five or six different questions. I would suggest to the Member that when we sit down at the Estimates in Housing, we will deal with the \$55 million spent this year to accommodate 800 units of non-profit housing, and I will answer his questions on every other article he has at the Estimates level. That is the idea of the Estimates. I wish the Member would learn what the procedures are in this House.

**Mr. Lamoureux:** Mr. Speaker, this Minister never ceases to amaze me. I am beginning to believe he does not have the answers with him. I would like to tell him about a constituent of mine regarding infill housing. He has been renting and waiting for the past two years with the hope of being able to move in—

**Mr. Speaker:** And the question is?

**Mr. Lamoureux:** Mr. Speaker, my question is: can he expect to be given an opportunity to move in, and how many others are in the same type of situation as this particular constituent of mine?

**Mr. Ducharme:** Mr. Speaker, it is unfortunate that the Member for Inkster was not at the Weston group meeting a couple of months ago when I sat down with them and went over the plan with the infill housing. At the time of Estimates, I will explain to him what we discussed at that particular meeting.

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

**Mr. Speaker:** Order, order.

**Mr. Lamoureux:** Both questions have not been answered. Maybe I will answer them. Zero infill houses have been built. There are over 500 people on a waiting list.

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

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

### Federal Minister's Involvement

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, will the Minister of Housing (Mr. Ducharme) meet with his federal counterpart, sit down with his Cabinet colleagues and start standing up for low-income housing in the Province of Manitoba?

**Hon. Gerald Ducharme (Minister of Housing):** Mr. Speaker, there is almost 55 million in new units, \$80 million in the total budget, but I would advise the Member that I will explain to him the co-operation between his area, Weston—and the City of Winnipeg is gathering those lots for the infill housing. If he wants to go back and ask his people—and maybe he should go back and do his homework in his own area of Weston where this infill housing is being done.

\* (1400)

### Lynn Lake, Manitoba Minister's Meeting

**Mr. Jay Cowan (Churchill):** Mr. Speaker, yesterday I asked the Minister to comment on the status of negotiations between the Government, Lynngold and other affected parties with respect to the closure of the Lynn Lake mining and milling operations owned by Lynngold. At that time he indicated that there was no new news. Subsequent to that, I understand he has arranged for meetings to be held between himself and several other Ministers tomorrow afternoon in Lynn Lake. I would ask the Minister what the purpose of those meetings will be.

**Hon. Harold Neufeld (Minister of Energy and Mines):** Mr. Speaker, we are going to Lynn Lake tomorrow to update the community on the status of the mine operations.

**Mr. Cowan:** Mr. Speaker, I would ask the Minister, does he have new information that he is not making available to this House with respect to those negotiations before he goes to the community, which I think would be a violation of our privileges as Members, or is he going up there, as was indicated by some individuals, to advise the community how the community will be shut down in an orderly fashion if the negotiations fall through?

**Mr. Neufeld:** I will stand by my first answer, Mr. Speaker. We are going up there to update the community on the operations at Lynn Lake.

**Mr. Cowan:** Mr. Speaker, I will ask the question point blank because the Minister has been notorious for not providing direct answers. I would hope that he would provide a direct answer to this question because I can tell you the community is quite concerned, given recent events. The morale is very, very low in the community and his silence, his reluctance and his hesitance to provide answers is contributing to a disastrous situation.

The First Minister (Mr. Filmon) says something about second-hand information. What I am trying to get, Mr. Speaker, is first-hand information from the Government.

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

**Mr. Speaker:** Order, please; order, please. The Honourable Member for Churchill, kindly put his question now, please.

**Mr. Cowan:** My direct question to the Minister is: is the Minister going to be advising the community, as has been indicated by some, on the procedures that will be put in place to assure an orderly closure of the community if in fact the negotiations fail?

**Mr. Neufeld:** Mr. Speaker, I have been more than forthright, I have been more than open with the community and I believe with the Member for Churchill. I cannot answer a hypothetical question on what I would do if the mine were to close. The question was what would I do if the mine closed? That is very hypothetical and I cannot answer that question.

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

**Mr. Speaker:** Order, please; order, please. The Honourable Minister of Health (Mr. Orchard) and the Honourable Member for Churchill (Mr. Cowan), if you wish to carry on this conversation, you can do so outside the Chamber, please.

### Northern Training Office Job Protection

**Mr. Bob Rose (St. Vital):** Mr. Speaker, my question is to the Minister of Education and Training (Mr. Derkach). At the time of the Northern Training Employment Agency takeover there were approximately 106 staff at the Keewatin Community College and only six of these were aboriginal. Moreover, Tony Lucier, the president, was the only one in administration in that organization, yet according to the Thompson employees there have been no jobs offered in The Pas to people who are on the Northern Training management staff who were indeed Native. Tony Lucier has stated that he is not able to do so because NTA was a Crown corporation and therefore its employees are not civil servants.

Mr. Speaker, I ask the Minister, why did Keewatin Community College offer Northern Training Employment Agency people positions that were only demotions?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, once again we enter into the same topic that the Member brought forth yesterday, and once again his information is incorrect and his allegations are false.

First of all, Mr. Speaker, the people from the Northern Training Employment Agency have all been offered positions or their term positions have been extended beyond the time when they were supposed to be terminated. In addition, we in the Department of Education and the Northern Training Employment Agency under KCC have indicated that we will do everything we can to ensure that these people are going to be given permanent positions in the future.

Now it is perhaps premature to say whether all of them can be accommodated, but certainly we will attempt to do whatever it is we can to ensure that those people can be put on full-time employment rather than term employment as they have in the past few years.

### Staffing

**Mr. Bob Rose (St. Vital):** Mr. Speaker, this is to the same Minister. Will the Minister then explain why, for the very first time, a non-Native just recently has been awarded a job as a security worker in the Polaris Buildings at the Northern Training Agency in Thompson?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I have to indicate to the Member opposite that we are committed to affirmative action, but I do not interfere in the selection of staff when that selection process takes place. There is an appropriate way to deal with that and we acknowledge and respect the hiring process and the selection process

that is in place, but the affirmative action plan is in place and we are proceeding along those lines.

**Mr. Rose:** To the same Minister, it was a job filled with no competition even though over 20 Natives, qualified for the job and trained up there, were available.

Will the Minister guarantee jobs for managers of Native ancestry at the Northern Training Agency as he has already said in this House he will do for the instructors of Native descent.

**Mr. Derkach:** Mr. Speaker, I have to tell the Member opposite that in fact this Government is not going to interfere in any hiring process when it comes to positions such as the Member has just brought forth. In fact, there is a proper procedure to follow and we will follow it.

We are committed to affirmative action. Mr. Speaker, I can tell you that the Member's information is incorrect in many ways. We have many individuals who are of Native ancestry who are in fact teaching or are in administrative roles in the North. I can get the specific numbers for that Member but I cannot do it right at this moment.

### Manitoba Public Insurance Corp. General Insurance Division

**Mr. Leonard Evans (Brandon East):** I have a question for the Minister responsible for The Manitoba Public Insurance Corporation. On November 1, 1988, the committee on Public Utilities passed a motion requesting the provincial Government to study available options besides selling the General Insurance Division of MPIC with particular attention to the interests of Manitobans who may not otherwise be able to obtain this kind of insurance.

Has the study been completed and when will the Minister be prepared to table a copy of the report for Members of this House?

**Hon. Glen Cummings (Minister responsible for The Manitoba Public Insurance Corporation Act):** Mr. Speaker, that report will be made available when we appear in committee.

**Mr. Leonard Evans:** Yes, thank you, Mr. Speaker. We look forward to seeing the report in the committee although it would be useful to have it prior to the committee meeting.

In view of the significant improvement in the General Insurance Division, including the personal and commercial lines, for the nine months ending July 31, 1989, where all lines are showing a profit, is the Minister now prepared to reverse the Government's policy determination to sell the General Insurance Division of MPIC?

**Mr. Cummings:** Mr. Speaker, I am sure that the Member for Brandon would not want to be accused of blending all of the figures on the General Insurance Branch to come up with the fact that arm of the

insurance company has been showing better returns of late. The personal and commercial lines need to be separated to indicate the true performance of the operation. You know that, Len.

**Mr. Leonard Evans:** Mr. Speaker, what we know is the information that has been given to us and it shows both the personal and commercial lines in a profitable position from the information we have.

I would like to ask the Minister, is the Government in the process now of discussing or negotiating the sale of the General Insurance Division of MPIC with the private sector, whether it be Canadian Northern Shield, Laurentian Pacific, Sovereign General or a company in Saskatchewan or whoever. Can he come clean and tell us whether or not they are now discussing or negotiating the sale?

**Mr. Cummings:** Mr. Speaker, it is obvious that the Member for Brandon is on a fishing expedition. In this particular case he did not catch anything.

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

**Mr. Speaker:** Order, order.

\* (1410)

### Labour Skills Training Initiatives

**Mr. Herold Driedger (Niakwa):** I have a question for the Minister of Education and Training (Mr. Derkach). Statistics Canada states that manufacturing activity in the country is being impeded by the lack of a skilled labour force. There are already predictions that we will have a skilled labour shortage by the 1990s. Now this will impact negatively on northern Manitoba where there is already a lack of a skilled labour pool.

Given that there will be major hydro-electric construction projects in other parts of the country which will drive up the cost and the availability of skilled labour, what is his department doing to prepare our own labour force so that it will be able to participate in Manitoba Hydro's next big project when it is announced.

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, I do not have any knowledge at this particular time of a new Hydro development project that has been announced or is going to be announced imminently, but I can tell you that we have done several things to be ready for anything that should occur in terms of new industry coming into Manitoba, because this is a Government that is open for business. We have to ensure that we have a skilled labour force in this province. We have changed the structure of the Northern Training Employment Agency so that in fact the agency can respond better to the needs in northern Manitoba. We have implemented a skills advisory board which is going to advise the Minister and this Government in terms of what the needs are out there in providing programming for people who may need to have that training delivered to them.

In fact, Mr. Speaker, there are many initiatives that are now in place to ensure that we are ready to respond. We are looking at college governance as another example to ensure that our community colleges are going to be more flexible and able to respond to the needs when they arise.

### Northern Training Office Cutbacks

**Mr. Herold Driedger (Niakwa):** A further question for the Minister of Education and Training, what assurances, given that answer, can the Minister provide this House that the Northern Training Employment Agency program that is now under the guise of Keewatin Community College will not be cut back now when it is particularly important to develop a skilled labour force in northern Manitoba for northern Native Manitobans?

**Hon. Leonard Derkach (Minister of Education and Training):** In fact we want to ensure that we can provide more and proper training for Northerners by restructuring the Northern Training Employment Agency. Previously, Mr. Speaker, the Northern Training Employment Agency was administered out of the city and consequently there were many administrative costs associated with that. We have moved that administration to northern Manitoba and we are going to rechannel those dollars that were spent on administration into programming where in fact northern Manitobans can take advantage of the programming and then put it to work for themselves.

### Mandate

**Mr. Herold Driedger (Niakwa):** How can Keewatin Community College fulfill the mandate of the Northern Training Employment Agency since it has not been able to turn out graduates at the journeyman level in the 25 years it has been in existence?

**Hon. Leonard Derkach (Minister of Education and Training):** Mr. Speaker, the Member is now being critical of what Keewatin Community College has done in northern Manitoba. I should ask the Member perhaps to check with some of the industries that use graduates from Keewatin Community College and the Northern Training Employment Agency in northern Manitoba, and he will find that in fact the Keewatin Community College and the Northern Training Employment Agency are respected very highly in northern Manitoba and the quality of people that they put out to fill the many jobs that are available in northern Manitoba.

**Mr. Speaker:** Time for Oral Questions has expired.

### NON-POLITICAL STATEMENTS

**Mr. Speaker:** Does the Honourable Member for The Pas have leave to make a non-political statement? (Agreed) The Honourable Member for The Pas.

**Mr. Harry Harapiak (The Pas):** Mr. Speaker, because of my involvement with the disabled community because



of my autistic son, I would like to acknowledge an award the Manitoba Society of Occupational Therapists gives on an annual basis.

This award is in recognition of individuals making a significant contribution to Members of the disabled community. The Citation Award is given during National Occupational Therapy Week, and this year's Citation Award winners will be honoured tonight over the course of an evening's festivities at St. Boniface Hospital Research Centre. This year's award winners are Mr. Henry Enns who is well known for his work in the disabled community, and the other is you, Sir, our Speaker. You have distinguished yourself with the sponsoring of the Speaker's Forum for this community.

**Ms. Avis Gray (Ellice):** May I have leave to make a non-political statement?

**Mr. Speaker:** Does the Honourable Member for Ellice have leave? The Honourable Member for Ellice.

**Ms. Gray:** Mr. Speaker, we on this side of the House certainly join with the Member from The Pas (Mr. Harapiak) in honouring you, Sir, and Mr. Henry Enns who will be the recipients of the Citation Awards this evening. I have had the opportunity of being at the Citation Awards last year, and I will have the opportunity of attending again this year.

I think it is very, very important that we make it known, and certainly the Society for Manitobans with Disabilities has done an excellent job, and also the occupational therapists do an excellent job in promoting and making aware to the people of Manitoba the needs of the disabled. It is individuals such as yourself, Mr. Speaker, and Mr. Enns who also contribute very much to that and we certainly congratulate you on behalf of this side of the House.

**Hon. Charlotte Oleson (Minister of Family Services):** May I have leave also to make a non-political statement?

**Mr. Speaker:** Does the Honourable Minister have leave? The Honourable Minister of Family Services.

**Mrs. Oleson:** Thank you, Mr. Speaker, and thank you to the Members of the House. I would like to associate myself with the Member for The Pas (Mr. Harapiak) and the Member for Ellice (Ms. Gray) with their remarks on these awards, and to congratulate you, Mr. Speaker.

I understand that part of the reason for the award to you was the very successful conference which you hosted giving a vehicle for disabled persons to come forward and state some of the problems that they encounter in everyday life in this province, and to better help people who provide service for those people to understand their needs and their aspirations for the future. I also of course would congratulate Mr. Enns whom I have met at a meeting with him in my office to discuss some very pertinent topics to do with his work. I enjoyed meeting him and I do congratulate him also.

**Ms. Judy Wasylycia-Leis (St. Johns):** Could I have leave as well to make a non-political statement?

**Mr. Speaker:** Does the Honourable Member have leave? The Honourable Member for St. Johns.

**Ms. Wasylycia-Leis:** Mr. Speaker, it is with a great deal of pride and humility that I rise in the House today to congratulate a constituent of mine, Winnipeg violinist Victor Schultz who, as many will know in this House, is one of Canada's leading soloists and recitalists. He was awarded second prize at the 1989 Carnegie Hall International American Music Competition for violinists on Sunday, September 24, 1989, in New York City.

Mr. Schultz was one of over 40 violinists representing 13 United States and six foreign countries who accepted to participate in the preliminary auditions from an initial field of over 70 applicants.

Following the semi-final auditions in Weill Recital Hall, the seven-member international jury selected Victor Schultz. A number of commentaries and local critics in New York City gave Mr. Schultz very high marks and very warm praise for his performance. I quote from two very briefly. Newsday said, "Schultz, tall and angular, offered a brilliant, riveting performance of Rochberg's highly dramatic Violin Concerto (1974)—a piece that certainly deserves a place in the concert repertory. Schultz, his tone bright and aggressive, played with intensity and conviction, revealing the deep vein of lyricism in the music," and finally from the Daily News, ". . . it was no secret that the audience favourite was the second prize winner, 30-year-old Victor Schultz, whose total technical and structural mastery of the elephantine George Rochberg Concerto was hardly short of stunning. All three violin-orchestra works were originally premiered by Carnegie Hall President Isaac Stern. Perhaps if he had been on the jury, Sunday, the outcome might have been different."

So, on behalf of all Members in the House, who I am sure will rise with me today and send our warmest congratulations to Winnipegger Victor Schultz, I wish him the very best in all of his future performances.

**Mr. Speaker:** I would like to take this opportunity to thank all Honourable Members for your very kind words—excuse me, I have a major infection today, but I would like to take this opportunity to say to you all that I acted on your behalf in putting the forum together, because as your Speaker I represent each and every one of you. Excuse me for the tone that I have here, but I will get better. Thanks anyway.

\* (1420)

### MATTER OF URGENT PUBLIC IMPORTANCE

**Mr. Jay Cowan (Churchill):** Mr. Speaker, under our Rule 27(1) I would like to move a motion requesting a debate on a matter of urgent public importance.

Mr. Speaker, I move, seconded by the Member for Rupertsland (Mr. Harper), that under Rule 27 that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, the need for active intervention by the provincial Government to prevent the closure of LynnGold.

**Mr. Speaker:** Before determining whether the motion meets the requirements of our Rule 27, the Honourable Member for Churchill 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. Cowan:** Mr. Speaker, this is indeed a difficult issue for you because I realize that you have to make a determination as to what really is urgent and what is not urgent in order to make a decision respecting this request. I guess the question then becomes: when does a matter, or situation, or potential crisis become a crisis and for that reason become urgent?

I would suggest that we are at a point in time where the timing is extremely critical with respect to the necessary intervention by the provincial Government to save the community of Lynn Lake. We cannot wait for the closure to actually take place because to do so would be to abrogate our responsibility here to try to prevent that closure using every opportunity possible.

We know that final decisions are being taken now. The notice for the closure is November 6. It has been twelve and a half weeks since that notice has been given and the issue is still unresolved. I would suggest, Mr. Speaker, that that alone makes it an urgent situation when you are less than two weeks away from a closure and you have had twelve and a half weeks to resolve the issue and you cannot.

We do not know when that die will be cast. We do not know whether it will be today, this afternoon, or tomorrow, when that final decision will be taken. We know that meetings are being held, we know that the company is going through its check list for closing the community, that they are trying to locate locks and padlocks and chains and hasps. We know that there is a meeting tomorrow in Lynn Lake on the part of the Ministers. We found that out today in Question Period and I was told that the reason the Ministers are going to Lynn Lake tomorrow is to discuss with the Citizen's Committee what will take place in an orderly shutdown if a closure does happen.

They told us today that there is no agreement. So we have to assume that they, as the company is going through their check list, must now be going through their own check list. So in fact it is an extremely urgent matter. The actions of the Government itself, in arranging a meeting on 24-hours short notice, because the community just found out about it around noon this afternoon, and the meeting is to be held at one o'clock tomorrow, betrays the fact that they believe it is extremely urgent as well. So I would say that the Government has reinforced the fact that this is an urgent matter.

Second, in order for the debate to flow, it must be that no other reasonable opportunity exists to bring forward this matter and to have it resolved. Well, Mr. Speaker, I have tried every other opportunity. I have discussed this in three committee meetings. I have put motions forward for papers. I have asked questions that were unanswered. I and my Leader have asked

the Premier to travel to the community to talk to people. I have asked questions in Question Period. I have mentioned this in my debates. I have mentioned it in my budget debate. I mentioned it in my debate on the throne speech. I have written letters. I have put out press releases. I have held press conferences. I have had private conversations with Ministers who would listen to me. I have applied for information under The Freedom of Information Act. I have even been silent for the last two weeks, as I told the Minister I would be in committee. It is a matter of record, because I felt that they needed two weeks without pressure to try to resolve this issue, but when the company starts to locate the padlocks that silence has to end, and not only does my silence have to end, but all those in this room who care about Lynn Lake and the future of the North, their silence has to end as well. This debate, if requested, will be the only opportunity for us to make that collective presentation to the Government and to the public, and also to allow the Government to set the record straight because there has not been enough information.

This is a headline from the Northern Breeze, which is the newspaper for Lynn Lake, and it says: Not Enough Information from Premier. That is after the Premier (Mr. Filmon) visited the community. That headline is from one month ago, September 27.

I can tell you that nothing has changed in the past month. So not only is this a debate for us to speak out on the Opposition benches, but it is an opportunity, and there is no other reasonable opportunity for it to be conducted in this way, for the Government to provide the information that they have not yet been able to provide, rather than rushing up to have meetings in Lynn Lake on such short notice and thereby betraying their own sense of urgency.

Mr. Speaker, perhaps you may not be able to make that decision. I do not know, but I suggest to you that if you are having difficulty trying to determine when the critical mass has been reached, when the critical stage has been passed, and when we have to have this debate when there will be no other opportunity to do so, you do have an opportunity available to you, and that is to leave the question open to the Members of this House. I for one would be interested in seeing how the Members of this House would vote with respect to whether or not this debate should proceed. That is a resolution of difficulties like this that has been exercised I think effectively by previous Ministers, and I hope you would consider it.

**Mr. Reg Alcock (Opposition House Leader):** Mr. Speaker, 250 jobs out of a town of 1,500. For a Government that speaks bravely about decentralization, and the support of small and remote communities, this Government has taken remarkably little action on this and several other matters when we have seen the shut down of plants.

I think that we had an opportunity today to avoid this debate. We had an opportunity in this House for the Minister to stand up and give us some further information that would satisfy the concerns that Members of this side of the House feel about what is

occurring in Lynn Lake. The Minister did not take advantage of that opportunity.

We have no further information than we had when we came into this Chamber, and I think the time is long past due that we express to this Government and to the province our feelings about what is happening not just in Lynn Lake, although Lynn Lake is the issue today, but right throughout the North. So we would like to have this debate proceed today.

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, addressing the urgency of this matter and whether or not this is the last opportunity for Members of the House to debate an important issue before actions may or may not be taken, let me say that having watched issues come forward under Rule No. 27 for emergency debate, that in my view this is one of the more legitimate issues than has been considered and brought forward by Members in Opposition during this Session.

I thank the Member for Churchill (Mr. Cowan) for advance notice. It certainly is a better approach to giving indeed all Members of this House some opportunity to prepare their thinking for matters such as this.

Mr. Speaker, there is a major story to tell, whether it is with respect to the urgency, or whether it is with respect to many of the negotiations that have taken place up to this point in time. Let me say that the Member for Rossmere, the Minister of Energy and Mines (Mr. Neufeld), welcomes an opportunity to lay before the people of Manitoba and all Members of this House, a fuller story as to the Government's involvement in its attempts to see the continuance of activities at that location.

\* (1430)

This Government has been open in this matter. The Minister has been very forthright. The Government has gone some distance in trying again to see the activities at LynnGold continue. We welcome the debate, and we look forward to engaging in it immediately.

**Mr. Speaker:** The Honourable Member for Churchill (Mr. Cowan) did provide me with notice of this matter, as required by our rules. I have listened with care to the advice of Honourable Members respecting the urgency of debating this matter today and thank them for their assistance to the Chair.

The other opportunities to debate this matter are limited. The Estimates of the Department of Energy and Mines are not likely to be considered for some time as they are eighth on the list for the Chamber. There do not appear to be any other immediate opportunities to raise the matter. However, I do note that the Honourable Member for Churchill (Mr. Cowan) has not yet used his grievance. As I have previously informed the House, the matter to be considered according to Beauchesne's Citation 389 "must be so pressing that the public interest will suffer if it is not given immediate attention." Additionally, Beauchesne's Citation 390 states in part that "the ordinary

opportunities provided by the rules of the House do not permit the subject to be brought on early enough and that public interest demands that discussion take place immediately."

Because of the seriousness of this matter and its potential effect on the community of Lynn Lake and the surrounding communities, I am satisfied that the essential conditions stated in Beauchesne's and reflected in the practices of the House have been met. I have noted and am taking into account in making my ruling the apparent general wish of the House to debate the matter. Therefore, the question before the House is shall the debate proceed? Those in favour? Agreed. The Honourable Member for Concordia.

**Mr. Gary Doer (Leader of the Second Opposition):** Thank you for the ruling and the concurrence of the Members of the Chamber on this very, very serious situation. As the Member from Churchill (Mr. Cowan) has indicated, it is very difficult to know exactly when a situation like this will develop and when the Speaker shall make such a ruling. We really appreciate, Mr. Speaker, the fairness that you have developed and worked with all Members of this Chamber over the years, and we really on behalf of the people of Lynn Lake and the surrounding community appreciate the decision today.

We would not be offended, Sir, if you want, there are a lot of people away in this House sick today, Mr. Speaker, and if you feel obligated to leave the Chair we would not be offended by that, Sir, right now.

We have visited the community, the Members in Government and the Government Ministers have visited the community and are fully aware of the very, very serious situation. We know the negotiations have gone back and forth in a very sensitive way. We know that there is a lot at stake in terms of those negotiations with the private sector, but this is a community that has had a long tradition in our province and the mining industry. It is virtually at death's doors, Mr. Speaker, in terms of the viability of the community, and the viability of the economy of of Lynn Lake.

We have met with teachers, social workers, community leaders, miners, management of mines, Government officials, conservation officers, Native people, everybody from the community. They believe that there is a necessity for a bridge to maintain the LynnGold Mine in its short-term difficulty with the commodity prices, particularly gold. There have been precedents in this province, Mr. Speaker, where bridging finances have been arranged to ensure the communities that can be devastated by short-term commodity prices can be maintained, and therefore in the medium term, and in the long term we are not left with ghost communities.

Mr. Speaker, the mining industry and mining communities are somewhat similar to agricultural communities because sometimes agricultural communities in our province can be subjected to the subsidies or weather or a combination of commodity prices that are artificial or unfair and communities and families are in a potential of being destroyed in a short-

term basis by the vagaries of the commodity market in the agricultural sector.

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

That is why, Mr. Acting Speaker, we put in place sometimes long-term programs, sometimes short-term programs of Government support to help and bridge the vagaries and the deficiencies of a short-term marketplace situation so that we are able to maintain the communities and the quality of life over the medium term.

Mr. Acting Speaker, two or three years ago, when the subsidy issue developed in such a way, we all in this Chamber supported subsidy payments to farmers and other components of the agricultural sector to ensure that our farmers were not driven off the land because of world and international prices that they could not control.

Two years ago, everybody in this Chamber supported drought payments. We would argue about the application, we would argue about the implementation, we would argue about the amount, but we did not argue at all about the absolute need to bridge, through public sector spending, the absolute crisis situation on the farms of western Canada because of the devastating drought that took place.

So, Mr. Acting Speaker, the principle of public sector support for a commodity crisis is well established in western Canada and I believe in northern Canada. In the short run there will be negative commodity prices; in the short run some companies will try to exercise some pressure on the public purse and communities to take advantage of those short-term commodity markets.

But, Mr. Acting Speaker, we believe that with the buoyant mining sector we have in northern Manitoba in the last couple of years, well above what was originally projected in the budget of '88, much to the great benefit of Members opposite, and well above what was even predicted for the budget situation in 1989—we have received upwards of \$300 million extra in revenue in the mining sector because of the buoyant world economic situation primarily with nickel. Yes, the commodity prices of gold have gone down, but I do not know any industry analysts that are not projecting, over a period of time, that gold will indeed go up, and I do not know any analysts that do not tell us that the gold will not in the long run continue to be a very precious commodity. The Members opposite say that is not right. Well, I will read their opinions.

That is why we want to listen to this debate and hear the position of the Government, but surely when we have a situation where there is \$300 million in revenue, primarily from northern Manitoba, of mining revenues, when some of that money has found its place into a rainy-day fund, surely we can bridge the short-term commodity situation in Lynn Lake and keep the 250 jobs in that community, keep that town and community going. It is absolutely vital that we do everything possible for northern Manitoba communities and the quality of life in northern Manitoba.

There is no question, Mr. Acting Speaker, that there always can be other things placed in northern

communities. There is no question we can look at other opportunities. I know the previous Government and I know the present Government is looking at other possible opportunities for Lynn Lake, but let there be no mistake, if the mine goes down and 250 workers and their families, with the kind of salaries and quality of salaries and benefits that are a part and component part of a mining industry, are lost to that community, we are in a severe financial situation and the community itself will become a potential ghost town, according to the citizens we met with.

Now, that did not come from just our opinions and our research, Mr. Acting Speaker, it came from the gas station operator who has just put in capital investment into his community.

**An Honourable Member:** Now the mayor.

**Mr. Doer:** Is he the mayor? Well, I would congratulate the owner of the gas station in his election last evening as mayor because I was very impressed with his presentation and his advice to have short-term bridging of this commodity sector in Lynn Lake.

Whether it was the mayor, the principal of the school, the teachers, the mine workers, the company president, the social workers or the health care workers that would be left with a skeleton hospital if this situation developed. If all people just ask this Government to put in place a short-term plan just as the former Government did in 1985, just as the former Government did in 1983 in Leaf Rapids, put in some kind of plan to get us past this short-term crisis, so that we can maintain the jobs in our community.

\* (1440)

So in conclusion, Mr. Acting Speaker, through you, I would like to thank the Speaker of this Chamber for his decision today. I agree with the Member for Churchill (Mr. Cowan), we cannot wait for tomorrow afternoon and we do not need another Schefferville in northern Manitoba. We need the jobs and the mine in the community of Lynn Lake and we implore and would encourage the Government to do everything in their power to bridge this crisis. Thank you very much.

**Mr. Paul Edwards (St. James):** Mr. Acting Speaker, it is with pleasure that I stand today as the first speaker for our Party on this very important matter which is before the House this afternoon and, properly so, as a matter of urgent public importance.

Mr. Acting Speaker, I am going to concentrate my brief comments because we have a very limited time to speak, each of us, on the labour adjustment aspect and the problems that the North is facing in our economy in this province and I am convinced under the present regimes, both in Ottawa and in this province, will continue to face, unfortunately. We know that many, many Manitobans have lost their jobs in the last year and a half. I have said before and I will say again that I believe free trade is a mistake, and free trade will add to the burden on Manitoba workers through the process of rationalization and the so-called level playing field.

I think we are going to increasingly see good jobs drained south and indeed, Mr. Acting Speaker, we have also seen jobs drained east and west within our own nation.

I raised in this House a number of days ago the shutdown of the mine in Flin Flon and the 87 jobs which were lost in that community and I want to reference that, in particular, as we talk about the North. The mining industry, of course, is a very volatile industry and an industry that can go through good times and bad times in a very short span because of course the international markets are really not controllable on the part of any Government and are as volatile as any market in the world. Mr. Acting Speaker, we see the ramifications of that on communities that tie their economies to the metals trade, and of course Lynn Lake and communities like Flin Flon and Thompson are communities that are particularly vulnerable to those swings.

The price of nickel is fairly high, meaning that Inco and the City of Thompson are not doing so poorly right now. However, the other metals that are mined are not so well off and in particular we are talking about gold in this case, Mr. Acting Speaker. As the Minister has correctly stated, he cannot be expected to prop up the price of gold in the world. We do not expect him to do that. What we do expect him to do is to take the initiative to preserve the jobs and the population in the smaller communities in northern Manitoba that are tied directly to the mining industry.

One of the ways you can do that is through long-term diversification of the economies in these smaller communities. The Government can and should take the lead in terms of incentives for diversification of the economy in these northern communities. A perfect example of a way in which Government can do that and show leadership in that area is through the decentralization of its own operations. Mr. Acting Speaker, we have seen this Government commit time and again to decentralization. We have yet to see a cogent plan put forward by this Government to actually achieve that.

What the present Government seems to be hanging its hat on is setting up a Cabinet office in Brandon which operates basically as a referral service to Winnipeg. Decentralization means more than that. Decentralization means jobs, good jobs, going out to the communities outside of the Perimeter Highway. For a Government which comes primarily from outside of Winnipeg, I think I, as well as most Manitobans, am deeply shocked at the level of perimeteritis that seems to be pervading this Government. That will, I am sure, wreak its effects in the months to come as it has already done, Mr. Acting Speaker, but probably worse than the loss of not being pro-active is the loss of jobs that are tied to the private sector and, in this case, the metals market.

The Government has no response, because the Government has no ability and has done no legwork to provide for the people in those communities when these things happen.

I have spoken before on what I consider to be an abysmal lack of sophistication, of forethought, and of

pro-active measures in the area of labour adjustment. This is another example of where that type of labour adjustment is essential, and it is essential that it must work for the continuation of this community in its present form as a viable, thriving, northern community.

We have seen this Government speak highly of its plans in this area. We know that they are aware of the de Grandpre Report, which spoke at length about the need to get sophisticated and get serious about labour adjustment in our society, yet the budget reveals a total commitment in new dollars of somewhere less than 10 cents per Manitoba worker. That is not going to do a heck of a lot, Mr. Acting Speaker, for the people in Lynn Lake. It is not going to do a heck of a lot for the people in Flin Flon. There just is not the ability on the part of this Government to come to grips in any serious way with the downturns that those communities are going to face.

One of the things that shocked me, specific to the mine shutdown near Flin Flon, was that the Minister, and I can only assume that it was a flippant remark at the time when I asked the question, said that mine, the Tartan mine, is in fact outside of Flin Flon anyways, so it is not really a community. The 87 people who were laid off in that case I am sure would take issue with this Minister. They are members of a community, most of them are members of the Flin Flon community, and that community is going to be reeling when those very well-paid jobs, relative to other jobs, Mr. Acting Speaker, jobs that support families, jobs that support economies and jobs that keep a community thriving and active.

I think we are increasingly facing a situation where we will not be able to keep those people in Manitoba. We are going to continue I think to see drains of highly skilled people to other provinces, to the United States, and that is a great shame.

I believe that we need to get with it, in keeping with the report of the federal Government who themselves promoted free trade and recognize what they said. In their opinion they felt that free trade would be good for the country. I disagree with that, but even after that disagreement they did say even if free trade is good for us we are going to have to have a sophisticated approach to labour adjustment.

This what I might call tragedy for this northern community concerns this caucus greatly. We look forward to the ensuing debate. We look forward to hearing from the Minister as to his solutions and his ideas for this community.

It is a community in need of leadership, leadership from the provincial Government, and we look to this Minister to come forward with a plan of action in the wake of the many pitfalls which appear to be facing this community in northern Manitoba, and indeed all of northern Manitoba, Mr. Acting Speaker. I want to thank you for this time. I understand that my time is finished. I have one more minute. Thank you.

I might add then in conclusion, it is our feeling that northern Manitoba does need a sophisticated approach to diversification in the local economies throughout

northern Manitoba. We believe that the Government can take a leadership role in that area through incentives and also through decentralization of its own Civil Service.

We look forward again to this Government making good on its commitment to decentralization and making good on its commitment to making the North a viable place to live and to raise families. You have to have jobs to keep people in the North. They need to provide for themselves and their families and that is what this Government is called upon to do. Thank you, Mr. Acting Speaker.

\* (1450)

**The Acting Speaker (Mr. Minenko):** Order, please. The Honourable Member for Interlake.

**Mr. Bill Uruski (Interlake):** Mr. Acting Speaker, I am very pleased to take part in this debate this afternoon on the crisis facing Lynn Lake in northern Manitoba. I think that the Government really has to be more forthright with the citizens not only of Manitoba, but particularly with those in the community of Lynn Lake.

Can you imagine in a community where a closure of the mine of this magnitude will in fact directly impact approximately 25 to 30 percent of the work force right in that community, what a devastating impact that would be?

Can you imagine going on over the last number of months with the kind of uncertainty that hangs over many of those directly and indirectly benefitting from the employment within this mine? The uncertainty of wondering whether we are going to have to pack up and move knowing that the homes in our community will be devalued because of such a magnitude this displacement may have, yet not having the kind of, what I would say, assurances from the Government that they will in fact examine and do what is necessary to maintain an entire community.

Mr. Acting Speaker, we have in Manitoba experienced what I would consider a boom in the mining industry, and the Government has in fact been the recipient of major tax benefits as a result of the royalties charged on minerals, recognizing although that gold prices at the present time have dropped dramatically, but other minerals in, I guess what I would call, the income basket of mining communities are staying up there.

So really the Government should be playing a role in this whole process by doing what has been recognized in agriculture over the last number of decades of providing that kind of income stability. In this case it would be job maintenance stability to communities dependent on natural resources or the mining communities. In the grains sector the federal Government over the last, what is it now, 15 years, it is at least 15 years, recognized that in the grains industry there had to be some long-term stability put into place in the grains sector recognizing the—

**An Honourable Member:** It has only been in the last four years under the Mulroney Government.

**Mr. Uruski:** Oh, no. In the last four years the payouts have been made, but the stability was long recognized by all Parties. The Minister of Natural Resources (Mr. Enns) will have an opportunity if he so desires to speak to this resolution.

The Parliament of Canada recognized at least 15 years ago that income stability and income protection for western Canadian grain farmers dependent primarily on world export markets was a prerequisite to provide the underpinnings of rural western Canada. So a fund called the Western Grain Stabilization Fund was put into place with contributions from the federal Government and from the farm community to provide for the long-term stabilization plan in the event that grain prices tumbled to disastrous levels.

Now I want to tell the Minister of Natural Resources (Mr. Enns) this has occurred across the farm community over the last four to five years, and massive payouts have been triggered out of the plan.

In fact, Mr. Acting Speaker, one might say that the plan is in such a deficit that the federal Government has had to take the action to in fact write off some of the payouts because it is not likely to be paid back. Yet the same situation exists in the mining communities. The Province of Manitoba over the last number of years has taken hundreds of millions of dollars in royalties, royalties that belong to all the citizens of this province, in fact could have and should have I think have the intuition and the foresightedness to put into place a fund that will deal with the kind of situations that Lynn Lake faces today.

The Government of the Day really should be coming out and saying, yes, we will not allow the kind of actions that are being proposed for Lynn Lake to take place. That may make negotiations a bit more difficult and the private sector may then take an attitude of saying, well, if the Government is there it will bail them out. I believe that the Government should be taking a much more aggressive stand if that kind of attitude persists by any of the mining communities. I am not certain that is the case, but clearly, to have heard the Minister of Mines (Mr. Neufeld) a number of weeks ago saying, oh well, there is really not that much we can do and it may be the end of the community, that is unacceptable. It is unacceptable to the people of Lynn Lake; it is unacceptable to Manitobans; it is definitely unacceptable to Members in this House, and so to hear that the Minister is going up to Lynn Lake tomorrow to have an announcement and is not prepared to share some of that information with Members in the Chamber, I find that bordering on total disrespect for this House.

If the Minister has information that he is prepared to share with the citizens of Lynn Lake, surely he has not only the authority but really requires the confidence of Members in this House to share with the Members of this House that information. So, Mr. Acting Speaker, I am pleased that this debate is being held today. It is not only crucial, it is critical for the people of Lynn Lake and of Manitoba to know what the future of their community will be.

**Mr. Manness:** It is my privilege to enter into this most important debate. Mr. Acting Speaker, I know our

Minister in due course will lay out for the record some of the involvement in the Government in trying to maintain the activities at Lynn Lake.

\* (1500)

There are a lot of questions that one has to ask. I have had the opportunity to have listened to the Leader of the NDP (Mr. Doer), I have had an opportunity to have carefully to certain remarks put on the record by the MLA for St. James (Mr. Edwards). I think the basic question here is, how far does Government go in propping up a non-viable corporation?

Of course, that question in itself begs a lot of questions. The Member for Dauphin (Mr. Plohman) says, well, not necessarily non-viable. He is right, not necessarily non-viable. That brings into question, timing.

The Leader of the NDP beseeches Government to direct funds, to use his words, "to help move through the short-term crisis." This then becomes in some respects a philosophical argument. It becomes such because it is almost impossible to define the term "short-term."

Mr. Acting Speaker, it is never easy for any of us to definite what a short-term difficulty is, but I can tell you as I stand here the NDP could never define the term "short."

Mr. Acting Speaker, what has happened, and as the Minister has said on many, many occasions, never was it envisaged that the price of gold would fall below \$400 an ounce, \$400 U.S. an ounce for such a long period of time. The Leader of the NDP (Mr. Doer) says the price of gold is about to go up. He claims as a source analysts from the investment industry.

You know, Mr. Acting Speaker, we all receive the analysis sheets from Richardson Greenshields, from Nesbitt Thomson, from Midland Doherty and on and on and on, and they tell us, they try to give us some insight into the forecast as to what is going to happen in various sectors, and within those sectors what companies are going to do the best.

The Leader of the NDP (Mr. Doer) says and I quote, "that the industry claims that the price of gold is going to rise above \$400 U.S." Mr. Acting Speaker, two points, No. 1, it will happen. No. 2, when will it happen? The NDP would lead you to believe that it is soon, short term. I could speak volumes as to the definition and how the definition of short term to the NDP has cost the taxpayers of this province hundreds of millions of dollars over 10 years because of their definition, short term.

I say that only as a philosophical debating point. What we are talking about here is the future of a community, hundreds of people living in the community, I understand 1,250 people, 250 jobs. These people are expecting more than a philosophical debate today. I understand that.

Mr. Acting Speaker, also the taxpayers of this province are interested in this debate because they want to know how far this Government should go in propping up a non-viable, in today's terms, industry, not meaning the

mining industry per se, but the industry with respect to producing gold at a time when the break-even cost must be by necessity below \$360 U.S. an ounce.

So, Mr. Acting Speaker, those are the two areas that we must debate here today. This Government and the Minister of Energy and Mines (Mr. Neufeld) for the record will lay out some, at least, of the considerations that we are prepared to put forward, to bridge the short term, significant of themselves, risk associated with them and themselves, incredible risk, to show not only the people of Lynn Lake but to show all Manitobans that we were prepared to go the extra mile in support of a community, still are as we stand here today, if there can be a meeting of the minds.

Mr. Acting Speaker, how far should we be expected to go, and how far should the taxpayers of the Province of Manitoba be expected to go? We know that the former Government had made some provision. They went some distance. Again, our Minister of Energy and Mines for the record will say how far our former Government went in support at Leaf Rapids. That is right, and he will lay that on the record and Members opposite may take some satisfaction from that, they may put a different interpretation on the success or the lack thereof with respect to that bridging through the short term.

Mr. Acting Speaker, Governments are put into place to make decisions. They are put in place to make executive decisions as to how far they should go, and that is a subjective value judgment. I disagree so heartily with the Leader of the NDP (Mr. Doer) when he would make it sound like the short term were something in terms of weeks, or something in the terms of months.

One knows when you are talking about a situation such as this that months may not be long enough, that indeed maybe we are talking about a year. Maybe we are talking about two years. Somebody then has to do the cold, hard analysis, the very difficult analysis coldhearted in support of the taxpayers of this province.

Mr. Acting Speaker, we have done that. We have done that, and as I stand here, I want to indicate that we have gone far beyond the call of responsibility to try and bridge the short term.

-(interjection)- Now the Member for Dauphin (Mr. Plohman) says, you did not get results. That begs the question: how much money do you throw at it before you get the results? Do you throw in \$35 million a year like the Members opposite did in support of Manfor, for a two-year -(interjection)- no, the Member says, who started it? I do not want to go back to who started it. The reason for starting it I am sure was as good then as it is today, but the point is when do you make the hard decision?

This is what former Premier Pawley had to say on April 13, 1983, when Sherritt-Gordon was the issue. This is from page 1699, and I quote: "I want it to be made very, very clear again, Mr. Speaker, that Government is not there just to hand out funds to those that make applications. Otherwise there is no end to the demands that might be made upon Government."

Mr. Acting Speaker, that is why we have been put in place today, because of the legacy of many years

of the former Government making decisions that based on their definition of short term caused a hemorrhaging of public funds that lasted for years.

Mr. Acting Speaker, the Member for St. James (Mr. Edwards) challenges our perimeteritis. That makes me sick. There has not been a Government in this province for years that has shown a genuine commitment to northern Manitoba indeed as this Government has, either through the Minister of Energy and Mines (Mr. Neufeld) or the Minister of Northern Affairs (Mr. Downey), genuine in every respect.

Let me close by saying I look forward to other contributions into this debate, and I look forward to the contributions, particularly of our Minister of Energy and Mines. Thank you.

\* (1510)

**Mr. Herold Driedger (Niakwa):** Mr. Acting Speaker, the issue at heart here, as we have had already described, is a community that is suffering a loss of its primary source of income, its economic mainstay, the economic generator which fuels all the other activity that takes place in a town.

I do not think that I need to reiterate for the Members here assembled that in any kind of primary economic activity, it is the primary economic activity that builds the opportunities for people to get into other aspects of economic activity. The forestry industry leads to all kinds of lumbering, furniture, and so on.

The same thing happens with the mining industry. The mining industry provides the base metals out of which much of what fuels our standard of life, our quality of life, comes from, but as in all primary industries that are based upon a non-renewable resource, we do have a problem.

The Minister of Finance (Mr. Manness) did touch on it in his remarks just before mine. The problem at Lynn Lake is the one that, at this point in time, the gold prices are such that the operation of the mine is not profitable.

Other towns, other mines have suffered similar fates for different reasons. Either the quality of the ore is now so poor that it cannot sustain any kind of profitable venture, or the market drops out from what was to be an economic flyer, but turned out instead to be empty dreams. I think to put this into perspective, we need only to do a bit of a roll call. I think it has already been mentioned Schefferville, and I will add to that Faro, Gagnon, Buchanan, Shebandowan, Canmore, Stewart, Alice Arm, the list goes on. With a bit of research we can find many, many towns, and many, many mines that have had to close for one reason or another.

Sometimes we have a situation where a mine closes and is reopened, closes and is reopened, as the economic indicators change. Sometimes, as in Uranium City, in Saskatchewan, what looked to be a glorious opportunity became instead a total error in judgment, a completely new town built, now vacant because nobody can make a living there anymore. Houses, empty. New homes that were built, empty. Infrastructure

built for the town, no longer useable. There is no tax base. There is no economic activity. The only people who live there apparently are people who just would not leave, have nothing to sustain their livelihood now, and they walk through this town, because as in any town where you end up having vacant houses, and there are a few people around, maybe vagrants who have gone through, broken windows, broken doors people just walking into these homes. Where do you want to sleep tonight? Well, I do not know. This house is empty. I will move into there. I think that it is this last aspect about what happens when towns close that we need to focus our attention on here this afternoon.

Rather than looking at the company and the company's bottom line, maybe even rather than looking at the Government, and the Government's bottom line, because I think it is fair, the Minister of Finance (Mr. Manness) does ask fair questions when he says, how far should the Government go? How far should the taxpayers be prepared to go in supporting a company or an industry that is having difficulty?

I think good economic theory would probably suggest that it is better economically and for the bottom line to permit a company to either fail, restructure itself through other kinds of investing and start again, more lean and better able to handle what has to be done. This is fine when you talk companies. This is fine when you talk an industry, but once again here we are faced with something that is not necessarily southern Manitoba where when we do have in a situation like this, much effort is made to try and save communities but this is northern Manitoba, an area of our province that already has several strikes set against it simply in survival. Energy costs are higher, living costs are higher, a sense of isolation and alienation is high because somehow the bottom line, which here looks so easy in black and white, up north when you start looking at what that bottom line means to a community, causes dread and fear and anguish. I think it is incumbent upon the Government to clearly clear the air and state what they intend or it intends to do in this situation.

We have a community that is losing its economic base; it is a one-industry town. We have heard the statistics: 1,250 people, 250 jobs, and if you take a look at those statistics geographically and economically, every single mining job translates into other jobs in the town. The fact that the mine is active and the fact that the concentrator is active and that the refinery is active leads to jobs which produce jobs for people who sell goods, merchandise, leads to jobs for the teachers who teach the school children, leads to jobs in the transportation industry for people to supply goods and services to this community, and it is this that we need to focus on. The mistake here, to my mind, because of the shortness of time, is not necessarily the sense of immediacy but if a mistake can really be allocated with respect to Lynn Lake, is the fact that we knew when Lynn Lake started that the ore would some day run out. That is when the contingencies should have been put into place, particularly for northern Manitoba which requires more population, which requires more activity, to provide a more healthy balance to the disproportionate strength of southern Manitoba and the strength of the urban centres.



I see that—is that one or three? I see that my light is flashing and telling me that it is time to bring my remarks to a close, but I would like to stress once again, the real issue is the community. We talk long-term planning many times, but right now we are too late in long-term planning, as I referenced earlier. The plans should have been made 25 years ago, 30 years ago. Perhaps the new towns of the present, which are also based on mining activity, will see that the planning for 25 years from now needs to be made today so that when this eventuality or problems occur they are ready with alternate activities because it is the North that we need to support.

We must not look at Lynn Lake and the situation as being just one town. It is the North, it is northern Manitoba, and that is what we have to keep uppermost in our mind. Thank you, Mr. Acting Speaker.

**Mr. John Plohman (Dauphin):** Mr. Acting Speaker, it is a sad day today that we may be standing at the edge of a precipice with Lynn Lake ready to fall over the edge, doomed to oblivion insofar as a community in Manitoba because of a lack of commitment by this Conservative Government in this province, and a lack of commitment to the community and employees by this company, LynnGold, that they can pick up and leave when things get tough or make excessive demands on Government, whichever they may be.

\* (1520)

We do not know whether they have made excessive demands on Government because this Minister will not share that information with this House. The Government side said that they are prepared to debate this, they want to debate this issue, they believe it is important if the Minister responsible will not get up in this debate, early on in the debate and provide the information to this House as to what he has done, what he intends to do and whether in fact that company has indeed made excessive demands on Government, or whether in fact they have been reasonable and they have lived up to their responsibilities. If they have not, if they have abandoned their employees, if they have abandoned the communities, then this Minister has every right to say: We could not deal with them, they were unreasonable, they made excessive demands on the taxpayers of this province. But he has not provided that information so that we will be able to make a decision, collectively, as Members of this Legislature as to how this Government has acted.

It is scandalous that the Minister and the Government will allow this to happen if, indeed, this closure takes place as it seems now. I say it is equally as scandalous that this company should not negotiate sincerely if in fact that is what is behind what the Minister of Finance (Mr. Manness) said and what others have said insofar as the intransigence and the impasse that has developed here if they have not negotiated with good faith.

It underlines the need for development agreements to be put in place to force corporations to meet obligations to communities when they establish plants, if they are going to receive Government money in so

doing, not that they can abandon their responsibilities and walk away when things get tough.

The Minister of Finance says, how far can the Government go? He asks that question in this House, in propping up a non-viable company. Well, first of all, it is not clear that this is long-term non-viability. Metal fluctuations take place from time to time, we all know that. They did that with nickel and copper and zinc, all of the prices have gone down over a period of time and have come back up as the cycle continues and as it has through generations. Sometimes cross-subsidization has to take place within a company from profitable sections to unprofitable sections.

The Government knows that gold prices will pick up, the Minister of Finance talks about throwing away money. Well, the people of Lynn Lake and the people of our north are waiting for some word as to whether they have a future and the Member who spoke just before me mentioned that we are really talking about the North here. It is at least symbolic and lots more in terms of meaningful action that is required by this Government to demonstrate their commitment to the North. The people of the North are watching. The Government's commitment to the North is at stake here.

While Tories say the NDP threw money away on ventures such as this, let this Minister of Finance (Mr. Manness) look at the excerpt that he read from Hansard from the previous Premier, Howard Pawley, when he made a statement that it is not up to the Government to prop losing corporations. Let him show how that justifies what he said, that that was the NDP Government throwing money away. As a matter of fact, if he looks at Leaf Rapids, if he looks at Thompson, if he looks at Lynn Lake, he would know, Mr. Acting Speaker, that the previous Government made some very wise decisions to work with those companies to ensure that they continue to operate.

I would ask him, and I would ask the Minister of Energy and Mines (Mr. Neufeld) if in fact they believe that the undertakings that were made by the previous Government in those communities were bad investments for the taxpayers of this province. Were they bad? Judge each one of them on their merits, each individual one and say that was a bad decision by the previous Government, or tell this House, tell the people of Manitoba whether each one of those was a good decision for the taxpayers of Manitoba. In many cases, that Minister, both of those Ministers, all those Ministers will have to acknowledge that those decisions that were made were good decisions for the taxpayers of Manitoba.

There was not a huge hemorrhaging of taxpayers' money. Think of the benefits to the economy if they judge it on that basis. Think of all of the spinoff benefits, the direct and indirect jobs that accrue with the taxes that are collected as a result of those jobs being maintained, the businesses that continue to operate, the support jobs that are in place in those communities, the potential for tourism spending that comes from outside of the province, all of that lost when these communities shut down. Think of all of those individual concerns, add them up and then determine, after you

have a made a proper economic analysis, a cost-benefit analysis of that money, whether in fact that was a bad investment.

I challenge the Government Ministers to, in fact, stand before this House and the people of Manitoba and say that each of those incentives that were put in place, supports and agreements that were drawn up with those companies to keep those mining towns alive, were bad investments for the taxpayers of this province. I do not think that those Ministers can do that straight-faced to this House. I visited the communities in the North that are affected; I visited the people there. I know that they are proud to be northerners. They are proud of their communities. They are proud to be Manitobans, and they want a future in this province just as much as each small community in rural Manitoba wants a future.

I can draw a parallel with what we see here to what the federal Government is doing in abandoning a number of their responsibilities to our rural communities. We see that in the abandonment of the railway lines at CN, the abandonment of VIA passenger services, the abandonment of their post offices. They are abandoning our rural communities, in many cases closing post offices and amalgamating them. Yes, and people are losing their jobs, the Minister of Community and Family Services (Mrs. Oleson) knows that, if she would just do some research on the topic. That is what I am saying is happening in our rural areas. It is hurting our rural communities, and in this one we have a parallel where this Government is doing the same thing because they say, well, the taxpayers are watching and we might be throwing away too much money and we want to prove a point here, that we are good managers.

The fact is, if they weigh all of the socioeconomic benefits of an investment, they will find—and they will tie it to certain requirements for the company, of performance standards and performance guarantees. If they have to take equity or shares, they can do that for a short period of time and sell that back at a time when the prices go up and there is a better opportunity. There are many ways to do this through development agreements, but they have to try all of those innovative ways.

They cannot write this off by saying this is a throwing away, this is a waste of taxpayers' money because there is so much at stake here. These people are looking to this Government for their future. They want to be assured that this Government has indeed a commitment to the North, not withstanding the fact that we have a Minister of Northern Affairs (Mr. Downey) who claims he is doing everything for the people of the North. They judge by actions, not by hollow rhetoric from the wind tunnel, Mr. Acting Speaker. They must have action, and they will judge this Government, not by what the Minister of Northern Affairs said, but by the action of this Government, and it is symbolically indicated in this particular decision that must be made by this Government.

We will watch with a great deal of interest, Mr. Acting Speaker, and we will pray for the people of the North and the people of Lynn Lake in the days ahead as their future is being deliberated by this Minister and this

Government and that company which I say must treat those people with sincerity, with the kind of responsibility that they have when these people worked for them all of those years to provide the fruits of their labour so that they can make a profit is now their turn to come back and give something back to those employees.

They have a responsibility to negotiate in good faith with this Government. We have not been shown, Mr. Acting Speaker, that in fact they have not done that, but we have been given a hint by several Ministers that this company has not negotiated in good faith. We want to hear those facts, we want to hear the Minister put them on the record here. Thank you, Mr. Acting Speaker.

\* (1530)

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Acting Speaker, I simply could not resist the opportunity for entering the debate, the consummate gall, the nerve, of being lectured by a former Minister of the New Democratic Party Government about making wise economic decisions.

The landscape of Manitoba is littered with economic disasters in the North, in the South, in the West, in the East, wherever you go. It is worthwhile to put on the record for some of our newer Members just to remind them of this. This Government thought they knew how to make Chinese food and we invested money in that. This money thought they could build doors and windows and we invested in doors and window factories. This Government that I am pointing to, or this former Government, thought they could build airplanes and \$48 to \$50 million came to a slithering halt somewhere in Gimli, of which none of the taxpayers of Manitoba have seen any return. This Government of Manitoba, Mr. Acting Speaker, thought they could build buses and for year after year after year the taxpayers of my constituency in Lakeside, the taxpayers of Reston, the taxpayers of Arthur, the taxpayers of La Verendrye and Lac du Bonnet had to buttress up those jobs as we tried to prove to the world that we could build buses.

(Mr. Neil Gaudry, Acting Speaker, in the Chair)

Finally, it even dawned on them, and it was a New Democratic Party Government, it was a New Democratic Party Minister that finally sold that bus company to the private sector, and thank goodness he did, because that bus company is doing well, employing hundreds of people and selling buses all over the world, all over the North American continent not at the cost of the taxpayers. But by far the worst condemnation of that Government that the Honourable for Dauphin (Mr. Plohman) who just spoke has the nerve to lecture us on is the legacy they left my colleague, the Minister of Finance (Mr. Manness), Mr. Acting Speaker, who daily has to write out a cheque because of their six years of mismanagement. Their six years of mismanagement, my colleague has to write out a cheque for over a million dollars every day to cover the borrowing that the Pawley administration undertook.

Mr. Acting Speaker, it is mind boggling when you think of the fact that in six short years the last New Democratic Party Government borrowed more money

than all 18 Premiers that preceded them. They borrowed more money than a hundred years of Manitoba history and what have we got to show for it?

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

**The Acting Speaker (Mr. Gaudry):** Order, please; order, please.

**Mr. Enns:** Yes, Mr. Duff Roblin borrowed money, but we have public works to show for it.

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**Mr. Plohman:** Mr. Speaker, on a point of order. Why does not this Minister of Natural Resources (Mr. Enns) talk about Mulroney's borrowing? He has borrowed more money than all Governments of Canada have borrowed in the last four years. Why does he not talk about the borrowing of Devine in Saskatchewan? Why does he not talk about the borrowing of Getty in Alberta? Why does he not talk about all that borrowing by Tory Governments?

**The Acting Speaker (Mr. Gaudry):** A dispute over the facts is not a point of order. The Honourable Minister.

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**Mr. Enns:** My colleague, the Minister of Labour (Mrs. Hammond) is quite correct when she says, look, this is Manitoba we were talking about. But, given the invitation, I will tell him about Mr. Mulroney's problems and Mr. Wilson's problems.

In 1968, in 1969, Canada had virtually a balanced budget. It took 17 years of Mr. Trudeau supported by Mr. Lewis in the NDP that drove us into the unconscionable deficit that Canada now has, and Mr. Wilson has the same problems that you left Mr. Manness in paying for the servicing charge of that debt. Thanks to the Mulroney Government, the taxpayers of Canada are not paying out upwards to a billion dollars to carry on the operation of Canadair. Canadair is now a world leader in the aerospace industry and making money and employing people.

I just wanted to simply indicate that we need not stand for any lectures from the Honourable Members in that corner of the House with respect to making wise fiscal judgments. The question before the House and surely the question that we have to be responsible to the people in Lynn Lake and in northern Manitoba is, has this Government done everything they can in securing those jobs?

I am confident that when we hear from our Minister of Energy and Mines (Mr. Neufeld), most reasonable thinking Manitobans, and that surely ought to include some Members opposite, will think that an offer of upwards to \$24 million, an offer of all kinds of different combinations of programs is a reasonable offer.

I am sure, Mr. Acting Speaker, that if Honourable Members hear from my colleague the Minister of Labour (Mrs. Hammond), who has not been sitting idly by but

who has been prepared and has her department prepared to be of assistance with those kinds of safety measures that we have built in legislation under The Mining Reserves Act and other measures that you would expect a progressive Department of Labour to be cognizant of.

Those are the things that you would expect a responsible Government to be in a position to, and to be ready to respond with. That is the criticism, that is the watchdog role of Members opposite that they ought to be performing. They ought to ensure that those measures are in place and I invite them to ask respective Ministers if we are in fact ready to respond to this kind of an emergency situation, but the fact of the matter is, important decisions have to be made. They are not easy decisions that have to be made and if the Honourable Members want to gamble and risk and speculate Manitoba taxpayers money on a volatile commodity like gold when most of the world's gold today mined is being mined at a cost of below \$200 and we need in excess of \$400 to break even at Lynn Lake, then we have a problem. I do not for one moment underestimate the problem that is for the 200 miners involved.- (interjection)-

Well do I have to remind this Honourable Member that he should even talk about bridges? Do we remember that bridge that led to nowhere? I mean this Honourable former Minister of Highways, he must have been watching The Bridge Over The River Kwai too often, the prisoners of war who laboured on that bridge only then to blow it up because it was as worthwhile as the \$20 million that the Honourable former Minister of Highways invested in a venture here in Manitoba.

Mr. Acting Speaker, I appreciate that my time is limited. I want Honourable Members to at least recognize the fact that this Government, as you would expect any Government, is as concerned as anybody else about the welfare of the miners in Lynn Lake. This Government is prepared to do everything within our power to aid, to first of all assist in helping to keep that mine open. I believe comments that will shortly be put on the record by the Minister of Mines and Energy (Mr. Neufeld) will demonstrate that beyond any question of doubt.

Further to that, this Government will assist in any transition problems that individuals face in that community and that will be demonstrated by the actions of this Government, and as somebody said, not by the rhetoric. Thank you.

**Hon. Gerrie Hammond (Minister of Labour):** I am pleased to be able to say a few words today on this important issue. One of the areas that we have been working on in this Government has been said time and time again, is the fact that we have been trying desperately to make sure that this mine would be able to stay open, that a committee of Cabinet was struck to make sure that all areas were covered and that we were able to work within Government with one another so that we would be able to help the people in Lynn Lake.

Only July 31 the Department of Labour was notified from the Board of Directors of LynnGold Resources

that they had decided to close MacLellan operations in Lynn Lake. They gave 14 weeks notice. Immediately the labour adjustment unit in the Department of Labour contacted the company to make sure that there would be a labour adjustment committee started in Lynn Lake should the mine close.

All the time, and I want to reiterate, we have been working to keep the mine open. We understand as well as anyone how hard it is for a community to face what might be the end of a way of life. We wanted to make sure that they would be able to continue in Lynn Lake. We wanted to make sure that this mine could stay open and we have done everything possible to make that a reality. But in the event that did not happen, the Department of Labour which handles the relocation, which handles the labour adjustment units, had to make sure that these were in place and that is what happened.

There were two industrial adjustment committees started, one with the mining company employees and one with the Lynn Lake community, so that everyone would be covered who would be affected should there be a close down of the LynnGold operation.

\* (1540)

The adjustment committee deals with 250 employees. They deal with members of the LynnGold staff, both the steelworkers, the EIC, Employment and Immigration Canada, Manitoba Labour, and they work together to make sure that there is a committee in place to help the employees. The same thing happens with the Lynn Lake community, and it is most important for everyone to understand that this is going on at the same time that we are working as a Government to try and keep this operation open. It is important that the employees as well know that there is some help at hand. This is the type of work that my department, the Department of Labour, does in that community.

There was a committee struck in both areas. The first thing they do is there is money supplied to the adjustment committee so they are able to hire a Chair of their choosing. The Government does not have any input into that. This is between the company and the workers to make their own decision on who they have to chair it and they have both chosen very competent Chairs that they are pleased with. This is how it works because it really is what we are working to do in Manitoba Labour is to work with the people who will be unemployed with the people who may be dislocated from their areas of work.

It is important to understand that one of the first areas that they go into, the first thing they do, is they survey the workers because they have to know exactly what type of employment these people are looking at. We are not just talking about miners, we are talking about support staff within the mine, we are talking about people in the community. There is a lot of groundwork that is done and it started almost immediately.

Another thing that is done immediately is they get someone in who is a financial planner to help people because immediately when something like this may happen people are in all kinds of financial, not maybe all of them in trouble, because some of them may have

investments that they have to consider, they have pension plans that they have to consider, there are numerous things that they have to look at. That is one of the areas that the adjustment committee deals with. They make sure there is somebody there.

The other person that they get almost immediately once they have done the survey is they get an employment counsellor. There are some very good people who work in that area and have been used in other areas. It is not hit and miss by any means. There is a very structured way of doing it but at the same time it is very flexible and it is not short-term.

Sometime you will find employees that have made a decision that they would prefer to get their own employment. So they go out and they do so. They do not work with the adjustment unit or the adjustment committee. It possibly does not work out. Even if it is a year's time, they can go back and they will get help. These committees are not set up for short time, they work as a flexible unit to help the employees, because one of the things that they assist them in is in job search, in resume writing, in interview skills, information on retraining opportunities, job placement assistance, and I had mentioned before financial planning, individual counselling, workshops, anything that the committee decides that they would feel that they think is useful. This committee gets together, the job counselling person, they all have a lot of experience in this area, and they work very well with the employees and it is a wonderful area.

Another area that we have been in touch with certainly is with Family Services. The person that is in the employment centre is from Family Services, and this is on secondment. That is a help too because when they need emergency assistance it will be there for them. There is somebody there that can help them out. It is most important that the people in that community know that we are there to help them.

Our greatest hope is that they will not have to really use this service, that they will be able to stay in their own community. That is one of the things that this Government has been working to make sure.

I see my time is almost up, one minute. I would just like to say that the services are customized and they are flexible. You work on a one-to-one or if there is a group of employees that would like a certain course, they make that happen. They bring in people from other companies and they make sure that the recruitment people get in touch with the employees. They do all this kind of work. I want to assure the House, and I want to assure the people of Manitoba that we are doing everything possible to make sure that should this closure happen that they have the assistance. We are doing everything in our power to make sure that that does not happen.

**Mrs. Gwen Charles (Selkirk):** In order to relieve the tension that sometimes this business that we are in builds up, I have just finished reading the Hitchhikers Guide to the Galaxy, the first section. In this book, it starts off by this gentleman worried that his house is going to be plowed down because they are going to

put a highway through, and he wakes up one morning and finds bulldozers in his back yard. He goes out and they say, well how can you object to this because after all we told you all about it, it was down in City Hall, in the fourth basement, the fifth row of the sixth book. You will notice that this is where the declaration that we are going to take your house down was made.

It goes on further in the book and it turns out that this alien creature comes by and blows up the world, because after all they are putting through a galaxywide thoroughfare, and the world happens to be in the place, and the people of the earth start complaining and saying, well this is not fair. They say, well what do you mean it is not fair, we told you all about it. After all, it is in the planet, a certain fourth basement of a building and if you had really wanted to know about it you would have gone and searched it out.

This discussion that I just heard from the Minister of Labour (Mrs. Hammond) reminds me much of the same situation, because the actual thing we are talking about is not how to rebuild these people's lives, it is how to maintain their lives. These people have a community called Lynn Lake. It is homes, people have been born there, have lived there, have developed their lives there. It is not something that we can just arbitrary stroke a pen and say, you are gone. We will provide you with all this nice counselling and hopefully that is the case if this has to be, but it is not just writing it off and saying good-bye, the community is gone.

We here in Manitoba, especially during this last week, are very easily condemning the East and often do for giving us no attention and not knowing our needs, that we are Westerners and we are part of Canada and within the structure we are as important and as unique as anywhere else in Canada. That is true and I fully believe that, but how can we here sitting in this building commit Lynn Lake to disappear in the same way that we feel some parts of Canada are committing us to disappear in our traditions, in our background, in our family life? They are fighting up in Lynn Lake for their lives, for their way of living. We have to show sympathy here and not just look at it as an economic win, lose situation. We have to show some heart.

No matter what we do in this building, if we do not have heart then we are not making the best decisions. Certainly there are methods of economics that have to pay off, but I have seen big corporations move in and they are getting as much support as we are looking at for Lynn Lake. I have seen annual incomes being given out to people to look at pieces of paper for The Forks Renewal Corporation. These are all important because after all they are located in the hub of Winnipeg and these seem very important to us because we can see the growth there. We can go down and cut ribbons and we can see the people's daily lives as they get on the buses and go down and tour The Forks and buy their potatoes.

What do the people in Lynn Lake have? They have 57 people in this room discussing their lives, whether it is a win, lose situation and it seems to me that we are taking on a very God-like stance and if we can only see it as a paper shuffling exercise. We have to understand the heart of these people and what they are after.

\* (1550)

There certainly are speculations to be made in the gold prices. They are to be down over the next few years, and who knows, but we know that gold will always be the precious resource that it has been traditionally.

**An Honourable Member:** What evidence do you have of that?

**Mrs. Charles:** The Minister asked, what evidence? There are standards that they say they will go monetary standards but there is certainly no short-term indications that we are going to get rid of gold as a precious resource. It may well be water and of course the Conservative Government is quite willing to sell water off as well.

We have resources that will be precious forever and some of them will be monetary and some of them will be natural, but there are standards and beliefs that things will get better. I come from Ontario originally and I remember areas like Elliot Lake and such being shut down. I see them now being built up again and I hate to think how many lives in that paper shuffle were disrupted and changed around, and I have heard of many who had to move out, the businesses shut down.

You know we can speak a lot of decentralization and rural development and northern support. We just spent \$500,000 giving sports choices to the North. I should note here that no money was given to art support even though perhaps the most artistic community we have is from northern Manitoba, but of course that money was not put in there either, but we do have sports and that is very nice. We cannot argue that, but on one hand we are giving it to them and saying, hey, you know, you are not employed, here is something to keep your children happy. On the other hand we are taking jobs.

Now this does not make sense and if anything anybody says about politics any more, it does not make sense. If we have an opportunity to put our standards on the line and say, this is what we believe in, we believe in northern Manitoba that you have as much rights and opportunity as big business in Winnipeg. We believe in northern Manitoba, that you have as much rights to arts support as you have to sports and recreation support. There are many ways of showing what we believe in and there are many ways of showing that we really do not care. I think when we shut down a whole town, as this will result in, we are indicating that we really do not care.

Can you imagine what it would be like if we each had a home town, a home committee, if you woke up tomorrow and had plywood across their windows and doors saying, so long, it was nice having you here, do not worry about bringing your kids back here because the next time you come 10 years from now there will just be weeds on the street, that all the things you have invested in, and usually that is your home, your major investment, you will have no financial support in that. I cannot even begin to think what that would mean and it is a heartless Government that would say that is okay to do.

We have not seen by any indications of this Government a willingness to believe in the people. There is a pocketbook Government. If it makes financial sense at all, that is all they seem to care. They like to put \$200 million away in a Fiscal Stabilization Fund for some support, and I expect that we will see it coming out over the next year or so as the election gets better. After all that is what slush funds such as this Government's put in place is for, but where is it now? Certainly if we wanted to reduce the deficit, this would have been an admirable means to do it with, taking the money out of the stabilization fund and reducing the deficit. If you wanted to use it for the people you could have done that too.

The choice has been this Government's, what they want to do. Whether we want to believe in people, or whether it is a pocketbook Government, and I think the harsh reality is that, be damned with the people, let us just balance the budget. There is a way of accomplishing both, but you have to believe in both.

### HOUSE BUSINESS

**Hon. Clayton Manness (Minister of Finance):** I have already spoken on this Bill, but I wonder if I might make an announcement to Members of the House with respect to committees.

I would like to announce today that the following committees will sit on the following days: November 2, Standing Committee on Economic Development to consider the Annual Report of the Manitoba Development Corporation, Room 255 at 10 a.m.; also that very same day, November 2, Standing Committee on Public Utilities and Natural Resources to consider the 1987-1988 Annual Reports of the Manitoba Liquor Control Commission in Room 254 again at 10 a.m.; November 7, Standing Committee, sorry, Mr. Acting Speaker, there are two days here; November 7 and 14, Standing Committee on Public Utilities and Natural Resources will sit to consider the 1987-88 Annual Reports of Manitoba Data Services; and November 16, The Standing Committee on Public Utilities and Natural Resources to consider the 1988 Annual Report of the Manitoba Telephone System. Thank you, Mr. Acting Speaker.

### MATTER OF URGENT PUBLIC IMPORTANCE (Cont'd)

**Hon. James Downey (Minister of Northern and Native Affairs):** I am surprised at the lack of participation by some of the Members of the Opposition in this debate. The Party that seems to have all the answers when they are in Opposition would appear that they are not anywhere near as ready to govern as they would have led the people of Manitoba to believe.

I have before me -(interjection)-

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**Mr. Kevin Lamoureux (Inkster):** Mr. Acting Speaker, on a point of order. If the Minister is trying to imply that he is willing to give the floor so we can put up

another Member after we just had a Member, the Honourable Member for Selkirk (Mrs. Charles) speak, we would be more than happy to put up another speaker if he wants to surrender the floor for it.

**Mr. Downey:** On the same point of order, Mr. Acting Speaker, I believe it would be inappropriate for me at this point after having been recognized to give up the floor because I would have no guarantee that the Members would give me the opportunity to speak.

**The Acting Speaker (Mr. Gaudry):** A dispute over the facts is not a point of order. The Honourable Minister of Northern Affairs.

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**Mr. Downey:** Thank you, Mr. Acting Speaker. What I do have is a file before me as to the action or inaction of the previous administration when there were difficulties in this same mining town a few years ago. I would have thought there would have been a little more thought go into the exercise today than was put into it by the Member for Churchill (Mr. Cowan) and by the Members of the New Democratic Party in their political posturing, because one has to really question how sincere they are about dealing with the problems of LynnGold and Lynn Lake, and how much they really do care about the people of Lynn Lake.

(Mr. Harold Gilleshammer, Acting Speaker, in the Chair)

Mr. Acting Speaker, I have to tell you, and I say it most sincerely as the Minister responsible for Northern Affairs, as a Minister of any department of this Government and/or a Member of the Legislature, I feel very deeply when a person or persons' livelihoods are affected in the way in which the people of Lynn Lake are and could possibly be affected if the company makes the decision to in fact not carry on any longer. It truly is the company. It is the company that has to make the decision. So let us not blame Governments. Let us look at the total picture, and I say this most sincerely, because the last time there were difficulties in Lynn Lake the people who were employed in the mine were asked to buy shares. Now they are not only seeing the possibility of job loss, but of loss of value in their investment and probably their life savings, Mr. Acting Speaker. That has to be reflected on those people who encourage them to do so at that time. Who was that? Who was it that encouraged those people to do that? Yes, the majority of them are gone, particularly a Member who was the former Minister of Mines and Energy. We all remember that individual who was so busy trying to nationalize the oil companies and all those activities and not paying a lot of attention. What happened in April of 1983 when he talked about the Sherritt Gordon Mines?

\* (1600)

The NDP refuses to fund Sherritt jobs grant. Well, who said that? The Manitoba Government will not give Sherritt Gordon Mines a \$750,000 employment fund grant for a gold mine development to keep it in Lynn

Lake. Who was the Minister of the day? The Honourable Wilson Parasiuk. It was he who is directly quoted as saying, would not give \$750,000 to LynnGold out of the Jobs Fund. That is who said that at that particular time.

Let us look a little further, Mr. Acting Speaker, as to what are the reactions and the responses from that same individual. Parasiuk said the Government has rejected that proposal. I will read this, there is a little bit more. It is in the Winnipeg Sun. Here is what was said, that Sherritt Gordon Mines Limited is seeking provincial handouts to continue exploration in the North, Energy and Mines Minister, Mr. Wilson Parasiuk, said yesterday, but the Government will not hand over money without some guarantee of return, he told the Legislature. Sherritt announced on the weekend it will close its Fox Lake Mine within three years. The mine is the life blood of the community of Lynn Lake. The company has suggested the province chip in money under a job creation program to develop a gold deposit in the region.

Parasiuk said the government has rejected that proposal but has offered to undertake joint programs involving other metals. Was he aware of other metals? Were there other metals found? Did they put a nickel in to further exploration of other metals? Well, Mr. Acting Speaker, he was rejecting them out of hand at that particular time. He said he would not put any money into it unless there was a guarantee of return and unless there were other metals. Well, there were not other metals.

They were rejected out of hand by the former New Democratic Party of this province. Possibly they should have done a little bit more research of their own activities when they were Government. Well, Mr. Acting Speaker, two wrongs do not make a right and I am not trying to leave that impression on the record. But I can tell you, I know my colleague, the Minister of Mines and Energy has worked very hard to make sure those people that were again misled by the New Democratic Party of this province to further invest in shares in LynnGold, to further try to save a mine for their jobs.

Mr. Acting Speaker, I do not think the people of Lynn Lake want to be fooled any longer. I think that what they want is the Province of Manitoba to come forward with the best offer possible and I am confident that my colleague, the Minister of Mines and Energy, has just done that. I am confident that the decision the company will have to make has to be based on one of the more generous offers ever put forward by a provincial Government. But, Mr. Acting Speaker, let the NDP not stand in this House and say that it was their policies that kept anything going in this province.

Yes, I must say it did keep something going. It kept the cash registers going of the people of Saudi Arabia, on the MTX. Yes, it kept the cash registers going in the banks in Zurich and New York, on the interest that we were paying to borrow the money, not to put into LynnGold because it is on the record from the former Minister of Mines and Energy that he would not in fact support the mine. He would not support a job opportunity, a training program. That money did not go in there, Mr. Acting Speaker.

**An Honourable Member:** . . . there is still money in there.

**Mr. Downey:** That is right, Mr. Acting Speaker. He encouraged those individuals who wanted to see that mine going to put their money into the mine situation.

Let us look at another recommendation. It has been recommended that we, by the Member for Selkirk (Mrs. Charles), I believe—and she does paint somewhat of an emotional picture, and we all have very strong feelings for people who are losing jobs and investments. That, Mr. Acting Speaker, is not the question here. There is no one who feels any worse than the people on this side of the House when people suffer losses. I mean, I do not think anyone here, whether it is Conservative, Liberal or New Democratic Party, can champion feeling good about someone else's loss, and I do not think that is the debate here.

The debate is, what is the long term viability? As I understand it, Mr. Acting Speaker, it is not on gold. I understand some of the competition that we have to produce gold in Lynn Lake is in the neighbourhood of \$120 an ounce. It is costing close to \$400 to produce the gold in Lynn Lake. We cannot be asked to put the taxpayers and the people who are trying to maintain those jobs in an impossible situation. So we have to be realistic about the whole question of the longer term viability, but what I understand is one of the alternatives, and I have heard my colleagues say it many times, is the finding of an alternate metal source, a base metal source, which I do not think has at this point been detected or found. So rather than do again fool the investors and the employees in the community, that there is in fact something around the corner, the company have to make the decision as to what the future is.

Mr. Acting Speaker, when that decision is made and announced, then the proper mechanisms, the proper action has to be taken by the taxpayers of Manitoba to assist those individuals. It is very clear and plain that there is a responsibility. I can assure you and I say it most seriously that this Conservative Government has a very humanistic approach, is very concerned about the future of those people, but we are concerned enough that they should not be falsely encouraged to stay on for the sake of staying on. They have their lives to lead in the future, decisions have to be made, life has to go on.

I regret, Mr. Acting Speaker, that the New Democratic Member who has introduced this resolution has yet not spoken on it to tell us why he has introduced it. I think that is very unfair of a Member of this Parliament to not express himself and support a document which he expects us to spend the day at.

**Mr. Bob Rose (St. Vital):** Mr. Acting Speaker, I think the Minister of Northern Affairs (Mr. Downey) said it all when he said he had a humanistic approach. I agree with that, and I had better look the word up in the dictionary.

Mr. Acting Speaker, myself and my colleagues were disappointed after the last election that by a small

margin we did not get to have enough seats to form the Government, but indeed it was a relief to see the mismanagement of the NDP thrown out. We held out some hope that at least a free enterprise Government would at least start managing the province in a better manner. Well, we have been disappointed because we find out that is not true, and now we see a Government in the case of LynnGold scrambling to close the barn door after the horse has escaped. They should have been planning before; there should have been strategy before, not specifically. I understand the problems at LynnGold, not specifically there but for jobs for all the people in the North and particularly the Natives, something that this Government—and it is surprising with the abundance of Members that they do have from outside of the Perimeter, that they do not have a better vision of all of Manitoba. Somehow they have this vision of perimenteritis and maybe they can explain that. I cannot understand it, but they do not have a vision of what is in the North.

There is no strategy in place at all for occurrences to fill in the strategic things that happen when a mine closes like this. It is just throw up your hands and let the people move out of Manitoba and find jobs elsewhere, then next month when the statistics come, it will show a lower unemployment and it will show a drop in the work force, and the Government will boast, but they have not taken into account that the reason the unemployment has dropped somewhat is because people are leaving this province because there is not continuing job programs and training so that people can expand here.

\* (1610)

We are not providing adequate facilities for new jobs and new expansion, and history has shown over the last three or four or five months, indeed for the last year or so, that we cannot even maintain what we have at present, and LynnGold is just an example of the same thing.

The example, Mr. Acting Speaker, that I would like to give is the point I have been putting for the last couple of days trying to steer the Minister of Education and Training (Mr. Derkach) in the right direction as far as training in the North, training for that group of people, our aboriginal people, that have the highest by far unemployment rate in this province, indeed all of Canada.

What has the previous Government, or now this Government who says that now they can manage, doing about it? I tell you what they are doing about it. When they came to power, they were so upset and they were so concerned and hated this NDP Jobs Fund so much—and I will admit it was mismanaged, but there were good elements to it as well, and we have been able to see that.

The good elements are because of principal people who used the NTEA, at that time known as the Limestone Project. Their praise for the program was very high. They said that employment goals for the whole northern Natives could never have been achieved and maintained on this project without the invaluable

assistance of this agency. So let us give credit where credit is due. At least the NDP had one project going for them.

What they have done in this case is that their hate for the Jobs Fund is so bad that they have decided—I do not think they premeditated, but what is happening is that they are destroying the entire project up there and they are throwing the baby out with the bath water.

We tried to give some directions to the Minister on this in the last couple of days, but instead of going out into his department, informing himself of the information and seeing what the true facts are in Thompson and The Pas, what does he do? He throws insults across the floor, a deflection to show that he does not really know what is back there in Thompson or The Pas, nor indeed does he even care.

I think that is a despicable way for the Government to act when we are trying to give them guidance of how they are destroying the spirit of northern Natives who are trying to find jobs and employment there. These people feel that the Government has great disrespect for them, and I have comments from people that I have talked to that are presently unemployed, Natives unemployed who were employed for up to five years on the Limestone Project.

The Minister from his place can say, oh, those are term employees and they are this and that and the other thing, but if they have been around for five years they must be good, dedicated employees of this province and they must have some skills, but today they have either been demoted, taken severance pay, or indeed they are out of work and adding to our welfare rolls. So I say to you, Mr. Acting Speaker, that I think it is disgraceful.

I would like to quote at least one lady who mentioned to me, she says, "I sincerely feel that I am being punished because I am a Native," because that lady, after working five years for the province, dedicated work, for no reason whatsoever was replaced by a non-Native. This is the way that the Government will set a goal or an example for Natives in northern Manitoba.

It is not only in Lynn Lake we will be in trouble; we will be in trouble throughout the whole North of Manitoba. The Minister thinks it is a joke. He does not believe in affirmative action for Natives. He thinks it is funny. It is a wonder he does not hurl some more insults across the floor. It is not a funny matter.

He thinks it is a serious thing that in all the years—he has transferred a program that is renowned across Canada, he amalgamates it without any study, and Government reports that I have here from 1988—and we were ready to go along with the Minister in the move and amalgamation. Some of it might make sense, but all the advice he would have gotten would have said that was the wrong move. We said, well, let us see if it is the right or wrong move, let us give him some time, but when we see the way that already we are seeing this Minister allow his staff to discriminate and look down on loyal Native workers of these projects, then I think that maybe the whole thing was perhaps even alleged by others that the whole scheme was,



listen, this Jobs Fund is really bad. In total it really was bad, there is no question about that, a gross waste of taxpayers' money.

I guess in the Tory backrooms at a convention somebody said, let us get rid of the whole shooting match. I am certain, Mr. Acting Speaker, that this was not a reasoned decision by Cabinet or Treasury Board, or indeed that there was any input from the federal Government who are 39 percent financiers of this project. The Minister continues to smile and laugh.

Well, I hope that the response from the Natives in northern Manitoba and, of course, the Minister and his Party also do not care too much about Thompson, their polls do not show them doing too well there, so if there is any punishment to mete out, maybe that is their appropriate way of doing it, but I do not think it is fair. They are losing the support and the confidence and the respect of all the Natives of northern Manitoba. They have not seen fit to even investigate those charges, or follow up on the information we have given them, the people that we talked to in the North.

So what have we got? We have a double whammy on the people. Their federal cousins, what have they done? They have cut back all the programs of UIC, a program to protect people when they are thrown out of jobs, as is the case that may happen at LynnGold, hopefully, there is some way it can be averted. So they cut back the programs. We have a Government that does not care if UIC programs are cut back. We have a Government that cuts their funds to the unemployed help centres so people cannot get help.

The Minister says, we have all sorts of federal people to give them help. These are Manitobans. Sure it is a federal law, but these are Manitobans, she has lots of help. If she had read the paper in the last couple of days, she would have seen how lack of help there was for the people who are on unemployment insurance and how inefficient the system is in Manitoba, and the gross disrespect shown by Manitobans for the UIC fund.

So here is a Government that is uncaring at the federal level, uncaring at the provincial level. Even when the people on their reduced benefits, Mr. Acting Speaker, when they have to go off unemployment, what has this Minister got as far as social payments? She had not made but nary one change in the 18 months she has been in office to provide for people in all of Manitoba who are financially strapped in all segments of our economy. Thank you.

**Mr. Harry Harapiak (The Pas):** Mr. Acting Speaker, I am pleased to rise and take part in this debate. I think it is unfortunate that the Minister responsible for Energy and Mines (Mr. Neufeld) does not come forward and give us the information that we are looking for so they can go into the community and see how we can salvage this operation that is going on there.

I speak as a former miner who spent five years working underground so I know the ups and downs of the mining industry, and I know the difficulties that the mining community is faced with. The Minister of Northern Affairs (Mr. Downey) who is quick to getting the reputation of being a wind tunnel, as usual getting

up and speaking from his seat. It is unfortunate when he got up and spoke that he did not share with us some of the initiatives that he is taking as Minister of Northern Affairs. All he did was get up and read some old newspapers of what the Minister of Energy and Mines did when he was the Minister. The Minister of Health (Mr. Orchard) is also interested in what we did. I want the Minister of Health to know that when we were the Government, in northern Manitoba we did more than any Conservative Government ever dreamt of doing in northern Manitoba.

There are mining operations that are in existence today, Mr. Acting Speaker, because of the fact that the New Democratic Party, when we were in Government, believed in northern Manitoba. We put many millions of dollars into supporting the mining operations to keep them going over a period of time when the price of metals were down. We also put many millions of dollars into exploration which helped find other ore bodies which helped maintain the mining operation in a very strong way.

\* (1620)

Mr. Acting Speaker, I also speak as a person who worked into Lynn Lake for many years as a member on the railway. I worked into that community when the mining operation was at its peak and we used to go into that community with about 50 cars on every train which went in there six days a week. I know that the mining operation was very healthy at that time, and it would be a shame if we did not support the last mine that was operating in that area because with a loss of these 250 jobs it will be the last mine that is operating in the community.

The community, if they lose these 250 jobs, that will probably be the nail that goes into killing that community because there is a lot of potential in that area for tourism development and also for support to the Native communities around there, the fishing industry. If the mining industry is not there as a support to keep the businesses in place, then it will not be very long before the infrastructure breaks down and that community is closed down. I think it is critical that the Minister get involved with the negotiations and see how we can help keep that community going.

The Premier (Mr. Filmon) and his Cabinet went on a tour of northern Manitoba and at that time they made a lot of comments on how they are committed to northern Manitoba. I am sure that the Minister of Northern Affairs (Mr. Downey) was a part of that tour because as usual there were a lot of announcements made, but there is not much coming from those announcements.

One of the things that the Premier of the province, when he was in Lynn Lake, said that they were going to be supporting that community. He said this is not a hollow commitment. Filmon and five Cabinet Members were in the northern community of Lynn Lake and he said, we are not planning for closing, the Premier said. We are determined to explore every possible way of keeping the mine alive. We are looking for long-term solutions that will give the people of Lynn Lake some

badly needed security. Where is that commitment today? Just a few short months later they seem to be abandoning that commitment they had to northern Manitoba to keep it going.

The president of LynnGold Resources, a few days following that announcement by the Premier, said that he was sure that they would be able to come to some sort of an agreement. They point back to the NDP Government in 1983, asked Sherritt Gordon Mines to defer the decision to close Ruttan Mines in Leaf Rapids under similar circumstances. The Government later negotiated which enabled the continued operation of that mine. We have known from experience that Government action can make a difference in saving a mining community. The Minister of Northern Affairs (Mr. Downey) need not say that we as a Government were not taking any action to save the northern part of the province.

Some of the previous speakers from the Government side have got up and talked about Manfor. I guess they talk about us having poured money into that operation at Manfor. I want to remind the Members of the Government that they were the Government that brought CFI into being in northern Manitoba. If they would have put in proper checks into that operation at that time, then they would not have lost all the millions and millions of dollars at that time. They would not have lost all that money to the province and they would have been more viable on a much earlier basis.

Their candidate in the last provincial election, the mayor of The Pas, I think is much wiser than some of the Cabinet Ministers are today, because he acknowledges that the New Democrats put money into the operation at The Pas, at Manfor and that has saved the jobs that are in place now. Now it made it possible for Repap to come along and purchase that operation, and I know that once the investment is made by Repap that there will be many more jobs that are in that place.

They need not want to take the credit for selling that operation to Repap because we were very close to closing that deal with Repap when we were Government, only it would have been a much better deal for the taxpayers of Manitoba than what they negotiated with this Government. Because they were so anxious to do something in northern Manitoba, they gave away cutting rights to a much bigger area than was previously being committed to that operation.

It is interesting to see the comments that the Minister of Energy and Mines (Mr. Neufeld) has made about the loss of 250 jobs. He does not feel that they should be interfering in any way or getting involved in any way because he thinks it is a small matter for miners to get up and move away.

There are a lot of mining jobs around the country, and I think it is unfortunate that a Minister of the Crown has such a short-sighted view of what is happening in northern Manitoba. He does not realize that the miners can get up and move, but there are many miners who are 50 years of age and I would like him to tell me where a miner of 50 years of age is going to go out and be hired by another corporation anywhere in the world.

**An Honourable Member:** What would you recommend, Harry?

**Mr. Harapiak:** I would recommend that you get involved and negotiate and try and save the operation the way we did the Ruttan Mines. We saved the Ruttan Mines. The Hudson Bay Mining and Smelting came along and bought that operation that is still operating today, the jobs are there.

Mr. Acting Speaker, they made the comments that we did not make many changes when we were in Government. I would like to put forward on the record some of the information that we brought forward in the last budget that was coming forward in 1988 when we were defeated in this budget.

Can we talk about the Mining Reserve Fund, that we proposed a significant reform in mining taxations in Manitoba? In the early 1980s, when Manitoba's mining industry underwent a difficult time because of poor market conditions, during that time the Government played a key role in sustaining the industry.

For example, Mr. Acting Speaker, how many minutes? One minute. Time certainly flies when you are getting up and speaking on a subject as important as we are today. I think it is imperative that this Government take off their philosophical blinders, get involved and save this—(interjection)—Well, he said our previous Minister would not. He did. When he was Minister, he did get involved and did save the mining industry. I think it is imperative that this Minister of Energy and Mines (Mr. Neufeld) get up and tell us what they have done to try and salvage the operation at Lynn Lake. It is a disaster the way he is letting this community wither away. Thank you.

**Mr. Leonard Derkach (Minister of Education and Training):** Mr. Acting Speaker, I am pleased today to be able to enter into debate, because I think that some things have to be put on the record with regard to what this Government has done for northern Manitoba in terms of ensuring that northern Manitoba indeed has a place in our society and is allowed to contribute in our society as they should.

We have heard some rhetoric here this afternoon, Mr. Acting Speaker, from the Members of the New Democratic Party. We have heard that all of a sudden they have become so concerned about saving a mining community that has been in jeopardy for its existence for sometime in the past.

Today we just heard from the Member for The Pas (Mr. Harapiak) who is indicating that perhaps we should just back up the Brink's truck and just do whatever is necessary, without any plan, without any kind of commitment for the future, but just save the problem at the present time without regard to what happens in the future. Well, I do not think this is a very logical way to proceed, indeed our Government does not, and in fact there has to be a plan put in place that will be a long-term plan that will in fact help those people who may be—and I say who may be—displaced as a result of events to come.

Now, Mr. Acting Speaker, we also heard from the Liberals today who indicate that we have not done our

share in terms of developing the North, and in terms of providing opportunities for the North, and in terms of in fact training people in northern Manitoba. I was somewhat distressed when I listened to the comments from a Member from the Liberal Party when he attacked the Northern Training Employment Agency and Keewatin Community College. I think that some of the things that have happened in that area with regard to training have been very positive indeed.

\* (1630)

When we formed Government, Mr. Acting Speaker, we found that in fact there was a tremendous amount of wasted money and it was all done through the former Government, I must say, and we had to clean it up. We found the Northern Training Employment Agency, which carried the name of the Limestone Training Employment Agency, did not answer to anybody and the manager only had to answer to the Minister. So therefore there was no appropriate line of communication, no appropriate line of reporting, and we found such wastes of money as, for example, some \$170,000 being spent on transportation between Winnipeg and Thompson in a single year carrying administrative staff. Instead of locating staff in Thompson, they had them at the corner of Portage and Main in Winnipeg and it did not mean anything in terms of waste of money that could have been spent on programming. We had a job ahead of us and, yes, indeed we did change things. We did in fact make sure that the Northern Employment Training Agency would report through a proper channel, and that indeed had to be through Keewatin Community College and then through the Deputy Minister and to the Minister. This not only saved us a lot of money but it created some sense in what was going on in northern Manitoba.

We had people employed in the Northern Training Employment Agency who simply had term positions. At the end of three or four months or when a course ran out, these people were unemployed. If the course were offered again in the following year, they perhaps could come back and work, but there were no guarantees, there was no kind of stability in that area whatsoever.

We had to do some things that, yes, may have been painful for us, but indeed they had to be done. There were two different administrations in Thompson, one for Keewatin Community College and one for the Northern Training Employment Agency, again duplicating the kinds of work that needed to be done in an administrative fashion, a duplication of personnel, things that did not need to be done at all. There were two or three different buildings being leased. I can point to a program, a carpentry program being run by the Northern Training Employment Agency in one building and across the back lane, a Keewatin Community College carpentry program being run in another building.

A lot of these things, to avoid duplication, to avoid a waste of money, needed to be changed, but that did not mean that we are going to rid ourselves of the Northern Training Employment Agency at all. It did not mean that we were going to lay off the staff that were

employed there. The instructional staff that were there, I met with them on at least two occasions and I indicated to them that we would do everything possible to ensure that they not only had term employment, but in fact that we could perhaps move them around so that they could gain full-time employment and some stability in the kind of employment that they had in northern Manitoba.

It is not something that happens overnight, it is not something that we can resolve in a month. In fact, we have to ensure that these people will continue to do the jobs that they were doing before, so we extended their term contracts till at least March and in that period of time, together with the Northern Employment Training Agency and ourselves, we can then do something positive for that community. There is a need for training in northern Manitoba, there is a need for job skill improvements in northern Manitoba and we are addressing that.

(Mr. Edward Helwer, Acting Speaker, in the Chair)

I can point to something else and that is the BUNTEP Program which the Member raised the other day. It was the Member for Thompson (Mr. Ashton) who raised that issue and suggested that in fact now we were running the program from several different locations and there was not any focus. Well, indeed there was no focus under the former administration in this kind of training. Now there is a focus. We have an office called the BUNTEP office, a separate office of its own where training can be given to the northern Native people in teacher education which is going to give that area a focus which is going to give that program a focus in Thompson, in northern Manitoba.

There are changes being made. We feel they are positive changes. When we talk to the people of northern Manitoba, they are more than pleased that finally somebody has recognized the fact that you do not run everything from Winnipeg, that you do not run everything from a central point, that you can run things from northern Manitoba, you can run them from Thompson and from The Pas where the people live. Those are the people who have come from the North anyway, and they want to live in those areas, so it only makes sense that we administer many of those programs, that we do the teaching of the courses in northern Manitoba by northern Manitobans. We are committed to that and we will continue to strike out on that road and will continue on that road.

Indeed I guess there are some people who, because of the fact that perhaps there was some reorganization, chose not to stay with us, they chose to take their leave from our department. That is unfortunate because I think that they were people who contributed valuably to the programs of northern Manitoba. It was not any pleasure on my part or my department's part to see them leave but, however, those things do occur and you have to deal with them on an individual basis, and we are prepared to do that.

Something else that has happened in northern Manitoba that we are very proud of and I think all Manitobans should be proud of is the deal or the arrangement that has been struck with Repap. Certainly

that is a credit not only to this Government but is a credit to this province because finally we have a rational way of approaching the wood industry in northern Manitoba. Here as well, through the Department of Education, we are indeed involved in terms of developing training programs for northern Manitobans which will allow them to participate in that industry more than they ever have before.

There are new opportunities. We will be training engineers, we will be training people who can work in the industry effectively not only as workers in the cutting of wood, but workers in the management of it, in the engineering areas of it, and in the more sophisticated areas of the wood industry to ensure that those people have an opportunity to contribute to northern Manitoba.

Mr. Acting Speaker, how much time do I have left? One minute, thank you very much.

In conclusion, I would like to say that we are committed to ensuring that people in northern Manitoba do have job opportunities. We have said before that training is something that will be required three or four times in a person's working career and that simply means that we will have to retrain people. We are prepared to do that.

We have had the Minister of Labour (Mrs. Hammond) through her adjustment strategy indicate that we are prepared to address that. Through the Department of Education we are prepared to address the problems of retraining people in the North so in fact they will find productive work opportunities in northern Manitoba. Thank you very much.

**Mr. Richard Kozak (Transcona):** Mr. Acting Speaker, I had not planned on speaking at this point in this emergency debate on the future of the Community of Lynn Lake; however, I am inspired to do so by the comments which the Minister of Education (Mr. Derkach) has just placed on the record.

I think very few Honourable Members would dispute the fact that I have risen repeatedly in this House over the last year and a half to speak on the subject of responsible management of the taxpayers' money. I am personally committed, as I assert that my Party is, to the concept of responsible administration of the taxpayers' money so that in fact we do not waste money that has been earned by the sweat of the brow of Manitobans the length and breadth of this province.

However, I would further assert that there are times to harp on the phrase "waste of money" and times when it becomes almost in desperately poor taste to do so. I rise now in part, Mr. Acting Speaker, to suggest to my colleague, the Honourable Minister of Education (Mr. Derkach), that I quite frankly lost track of the number of times that in his remarks he used the expression "waste of money" at a time when 250 Manitobans face the loss of their jobs, at a time when 700 people face relocation for a community that they now call home. There are times when we have to be motivated in our remarks by individuals' feelings and by the need not to add to the despair of the good people of the Manitoba community of Lynn Lake.

I would suggest that the Minister of Education, on reflection on the remark I have just made, might perhaps

choose to restate his comments on another occasion and withdraw any impression that he is personally insensitive to the plight of the people of a community in Manitoba's North.

\* (1640)

I would also briefly, although I hesitate to take up too much of my time, suggest to the third Party in this House, the Party that raised this matter as an emergency debate in this House, that it is rather incumbent on them in raising an emergency debate to stand aggressively and speak to that emergency debate. I was very pleased that 10 minutes ago the Honourable Member for The Pas (Mr. Harapiak) in fact did stand in this debate, but for a full hour previous to the Member's remarks, no New Democrats stood in this matter that they themselves raised as an emergency matter for the consideration of this House.

Mr. Acting Speaker, I am totally at a loss to explain the motivation of the Members of the third Party in not standing aggressively and speaking to a debate that they themselves have raised as a matter of prime importance to them. I suggest that when they leave this Chamber this afternoon, they do a bit of soul-searching on the motivations that lead to their standing in this House on matters of urgent public importance.

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**Mr. Uruski:** Mr. Acting Speaker, on a point of order to the Member for Transcona (Mr. Kozak), I wish to advise him and maybe he should check the record, that Members of the third Party have spoken speaker-for-speaker along with both the Liberal Party and the Government.

**The Acting Speaker (Mr. Helwer):** A dispute over the facts is not a point of order.

**Mr. Kozak:** I am perfectly content to have the people of Manitoba review Hansard and see in fact the speaking order that has preceded this afternoon in this Chamber.

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**Mr. Kozak:** Just in August of this year LynnGold Resources announced that it would cease operations. In November, LynnGold president, Peter Goodwin, cited falling gold prices and a need for additional ore deposits as reasons for the closure. I do not criticize the Minister of Finance (Mr. Manness) for echoing these concerns. He legitimately stated to this House that his Government, no Government can predict when the price of gold will again be over \$400 and when this mine would again be economic. He raised a legitimate concern as to how long a Government is to support ventures which today can be viewed as uneconomic.

Where the Minister's Party differs from mine, in its ideological stance, its philosophical stance, is that we feel a certain passion about this issue. Even analytically the Minister of Finance fails to take into account the loss of tax revenue that this province faces if LynnGold is allowed to shut down without Government exploration of the alternatives.

We face the loss of employment of 250 Manitobans and their personal psychological condition if this mine closure is allowed to proceed. My Party, as Liberals, feels that there should be some passion in this Government's exploration of alternatives to the mine closure. We fault the Government, not so much for its ability to recite economic statistics, they can do it as well as my Party can, but rather for their lack of passion on this issue which involves real human beings who elected all 57 Members of this Legislature to serve their interests.

Mr. Acting Speaker, I would suggest to you that I am not convinced that the Honourable Mines Minister (Mr. Neufeld) has explored indeed every alternative to closure of this mine. Certainly I concede that he visited Lynn Lake on August 9 and indeed promised to meet with all concerned parties; however, he followed his visit with a remarkably insensitive remark that experienced miners can find work elsewhere. His remark does not bode well for the future of LynnGold and does not offer the encouragement to the miners that a compassionate Government, a Government with heart, would have tried to extend to them.

This is more than the closure of a mine. I reiterate that if the MacLellan Mine closes, the Town of Lynn Lake is doomed. LynnGold employs 250 of the town's 1,500 residents. The town has already been rocked by the loss of the Fox Lake copper mine in 1985 which cost the town 200 jobs and 700 residents. I assert that it is entirely possible that the Town of Lynn Lake will not exist in a very short period of time. I fault this Government and my Party faults this Government for the lack of emotion that they put into their defence of the workers and of an important industry in northern Manitoba. We are talking today about one-tenth of 1 percent almost of Manitoba's population. Surely that merits a bit of passion out of this Government.

How much time would I have remaining?

These remarks that I have made this afternoon relate closely to criticisms that my Party has put on the record consistently since my Party's budget response in the spring of this year. We note that right across the board, this Government has not emphasized economic development in its spring budget. Just last week we criticized the Minister of Rural Development (Mr. Penner) for reducing in real dollar terms his cost commitment to rural economic development. Shortly in the Estimates of the Minister of Industry, Trade and Technology (Mr. Ernst), we will criticize that Minister for de-emphasizing, for reducing certain dollar amounts in his department's commitment to economic development in rural and northern areas.

Mr. Acting Speaker, we are not viewing an isolated case here. We are talking about the attitude of a whole Government. A Government that is not passionately committed to economic development in this province regardless of their skill in putting economic statistics on the record. I certainly hope my remarks this afternoon are taken to heart by my friends in this Government. They are intended to stimulate some soul-searching on their part and to produce an improvement in the administration we receive in the future. Thank you, Mr. Acting Speaker.

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Acting Speaker, I would like to participate in this very urgent matter of public importance. So urgent and so important that the mover of the motion has not been in the Chamber for some time. I fail to understand why someone who thought it was so urgent and so important could not be here to hear the debate, to hear the concerns of Members that are expressed in this Chamber about this very important issue.

My honourable friend for Transcona (Mr. Kozak) suggested that there was not passion in the Government's outlook on dealing with this issue, that we did not care about the individuals whose jobs were at stake—

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**An Honourable Member:** A point of order.

**Mr. Uruski:** The Minister of Industry and Technology (Mr. Ernst) and whatever his title is just made reference that the Member for Churchill (Mr. Cowan) was not in the Chamber. The Member for Churchill was just here, he went to answer a telephone call, and for the Member to make reference that someone is not here is not parliamentary.

**The Acting Speaker (Mr. Helwer):** I thank the Honourable Member for Interlake for his comments. The Honourable Minister of Industry.

\* (1650)

**Mr. Ernst:** Mr. Acting Speaker, I am sorry that the Member for Churchill (Mr. Cowan) is not here to hear this debate. If I have said anything unparliamentary, I would apologize to the Members of the House. I do not wish to have that put on the record.

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**Mr. Ernst:** In dealing with the very serious issue of the workers in Lynn Lake and of the other citizens of Lynn Lake who provide support services around the mining operations there, we are concerned. Our Government is quite concerned as a matter of fact about their particular plight, but we have to recognize some basic tenets. Those basic tenets I understand firstly that any mining community at some point in time will run out of natural resources, at some point in time that resource upon which they depend will in fact run out.

When that occurs then a major decision has to take place as to whether that community, albeit there for a hundred years, can economically continue regardless of the disruption that occurs with those people. That is a very, very difficult decision that one has to make at some point in the overall scheme of things.

Mr. Acting Speaker, at the same time we have to address the question of what is economic. What is of real benefit to those residents of Lynn Lake at some point in the future, and what is only a stopgap measure so that they have postponed the problem that exists today for another two or three or four years, or five

years as the case may be? Is it fair in the overall scheme of things to make an uneconomic situation worse and prolong it so that those people are now not faced with a problem today, but a problem that weighs and preys on their mind for the next four, five, or six years? Is that fair to those people? That is another consideration that has to be weighed in the overall scheme of things here.

I think we also have to concern ourselves about how far any Government regardless of its political stripe can go in dealing with these issues. How far can any Government with the taxpayers' money go to assist or protect or guarantee or give some comfort to a community that may no longer be economically viable in terms of its basic source of income, in this case being a mining operation in Lynn Lake.

Mr. Acting Speaker, we are doing that at the present time. We have looked at the situation. We have looked at the plight of Lynn Lake, and we have looked at the ability of the company. Let us face it we must understand that it is not the Government who is involved there. It is a private corporation who is mining resources from the Province of Manitoba and employing individuals. They will make the ultimate decision. They are the people who, in operating their private corporation, will decide whether they wish to continue or not.

Now a Government can only bribe them so far to continue that operation and that is really what it is. If Government puts in subsidies to any corporation, it is really a bribe. A bribe to that company to either continue to do business, to create a new business, or to do something else in the economic sphere to continue operations, or to start up operations as the case may be. We can only go so far in terms of the net economic benefit to the Province of Manitoba bearing in mind all of those concerns about the people who live there, the people who have invested their money there, the people who have invested in businesses there and to provide support services for the mining population. At some point there has to be a decision taken, an economic decision taken.

You know we have had in the past great economic decisions taken by the previous Government. We have had Saunders Aircraft, a major economic decision by the previous Government to get involved into business. We had Flyer Industries. We had a very major investment where the previous Government, in an attempt to bail themselves out of a bad deal, in fact paid somebody to take the company off their hands. They paid about \$10 million. They had another \$40 million or \$50 million in potential liabilities also which they took off the shoulders of the company that took over Flyer Industries.

So we have to be very careful about how much you are prepared to invest in a corporation so that the taxpayers at least have some expectation of a return on investment. I do not think it is fair to the people of Lynn Lake to suggest to them that the Government or the taxpayer will prop up a company that has little hope of getting an economic return on its investment and continuing for any lengthy period of time. That is dangerous and it is unfair to the people of Lynn Lake to hold out to them that yes, we will save your town.

We will throw as the Liberals would normally have it, back up the Brink's truck and dump the money in- (interjection)-

Well, the Member for St. Boniface (Mr. Gaudry) from his seat says, come on now. Well, Mr. Acting Speaker, their track record in the last Session speaks for itself; \$700 million of additional money they would have spent. We would not have a \$200 million rainy day fund that we have been talking about in this House for some time because they would have spent it. They would have had another \$500 million on top of that spent. We would have a deficit the highest it has ever been in the Province of Manitoba with those people in charge. My honourable friends in the Liberal Party would have spent \$700 million more than was budgeted for last year at a minimum because of their ideas of economics, their ideas of operations in the province.

Mr. Acting Spaker, we are concerned about the people of Lynn Lake. We are doing what we can, what we think is reasonable for the people of Lynn Lake and for the mine to try and ensure that it can continue. We would like nothing better than to see the whole situation in Lynn Lake resolved and those people left with some degree of comfort and continuity for the future because it is not fair to anyone, any family, to hold over them the possibility that they will have to be uprooted whether it is today, tomorrow or two years from now or five years from now.

There needs to be some kind of continuity, some kind of expectation of stability for those people to live and to prosper and to raise families in this province. So we are doing what we can. My honourable friend the Minister of Mines (Mr. Neufeld) is doing all he can to deal with this company to try and reach an agreement in order to provide that stability and that long-term continuity for those people in Lynn Lake, Mr. Acting Speaker. Thank you.

\* (1700)

**Mr. John Angus (St. Norbert):** Mr. Acting Speaker, I am sorry, but I have to rise, as all Members should feel a certain amount of hurt at the need to stand up and discuss in an emergency situation the circumstances that are affecting that many people in that community in northern Manitoba. It is very unfortunate that circumstances have put us in this situation.

Mr. Acting Speaker, a number of the Ministers from the Government have stood and have talked about the sincere hardships that are going to be felt and in empathizing with the people and understanding that the Ministers have some streak of humanity, I appreciate the fact that they are sorry. I have also heard them suggest and chastise the colleagues from the third Party for not speaking on this issue, particularly the mover of the motion who, as I understand it, introduced the motion and spoke as to the urgency and the reasons.

Mr. Acting Speaker, the real unfortunate silence that echoes through this Chamber is the silence from the Minister of Mines and Energy (Mr. Neufeld). I wish to believe that the Government is doing everything that

they can and Ministers in a row have suggested that they are doing everything, but we do not know what that Minister is doing or what he is planning. He has been silent on this issue and it is not as if he does not know. It is not as if he has not had plenty of time to prepare—August 1, 1989, LynnGold plans November shutdown; August 5, cruel indifference seen in mine closing; August 7, Neufeld blind to Lynn Lake.

On the 12th of October we went to a committee meeting with an honest and sincere attempt to get information and facts on the table as to what options were available, what strategies were in place, what assistance could be offered. We agreed not to discuss it in public forum because of the sensitive nature of the negotiations. We agreed to go in camera, if that was a desire of the Government, because we recognized the potential disastrous situation that was looming on the horizon in northern Manitoba.

I understand the Finance Minister (Mr. Manness) when he says the fundamental question, the basic question is how far does the Government go? How do we know how far this Government has been prepared to go? We do not know what they have done, not one word, not one concrete, positive, sincere suggestion, nothing but silence, nothing but silence. Are they reasonable alternatives? Do we have an opportunity to debate them? Do we have an opportunity to discuss them? Do we have an opportunity to point at them with a constructive criticism that we are charged with? We have been denied that opportunity by this Minister.

Mr. Acting Speaker, the Minister of Finance addressed the fact that philosophy does not help the 700 or so family people who belong and are associated with the 220 workers in that community. The Finance Minister says I understand that. Rhetoric does not help them neither. I have heard not one word about the Farley gold deposits that Manitoba Minerals owns a large portion of. I have heard not one word about efforts to make explorations there to find, and I have not heard one word about creative potential solutions.

I have heard ample justification, I have heard ample blame shifting on the former Government. I have heard all too familiar excuse-making as to the difficulties that Governments have in making tough decisions. It is not only difficult to make decisions, but it is doubly difficult when you do not have information, when you do not have information on the table as to what has been done and what could be done and what should be done. That information has not been made available to us, not been made available to anybody.

I appreciate that the Minister of Labour (Mrs. Hammond) stands up and talks about her team being in place to try and assist these people. Any sensitive Government, any Government that has any degree of empathy for the circumstances, let alone the regulations or the labour laws in the province, would attempt to respond in that way.

Mr. Acting Speaker, we have not seen one iota of consideration towards what the risk is. I do not know what the committed investment will be. I have heard the Minister of Finance (Mr. Manness) say that the price of gold is going to go back up and that mine may be

viable in the near future, but we do not know how long. Then we look at the amount of money that we require to invest in that corporation based on a potential of return. Do we look at the more than \$2 million annually that we are going to lose in income tax? Do we look at the cost of the infrastructure, the hospitals, the schools? Have they extrapolated all of the costs?

We need look no further than the windfall profits we made from Thompson, Manitoba this year in the mining industry. I ask you, Sir, to ask the Minister where would we have been if we had not invested in Thompson and in the nickel deposits in the Thompson region in days gone by. Mr. Acting Speaker, we would not have been there to collect it. Have they done that type of analysis? Have they looked at that information? Are they prepared to bring that information forward?

I am not incapable of making honest and sincere decisions. If it is not going to work, it is not going to work, but hiding the information, covering it up, dealing with a namby-pamby Minister who is afraid to get off his behind and get out there and work on behalf of the people in Lynn Lake, is absolutely irresponsible. It is even more irresponsible for him not to speak in this House, not to rise and to justify or defend the actions and/or the position that he has led this Government into.

If you have done the cold-hearted cost analysis, Mr. Acting Speaker, what are the costs? What is the price of helping the people and what is the ultimate cost on the citizens of Manitoba? Share that information with us. We want to know it, the people in Lynn Lake want to know it. We want to be able to look at the options.

We are not talking about bribing people. The Minister of Industry and Tourism (Mr. Ernst) suggested that whenever we do this we bribe them. Well, do we bribe people to build hotels in Grand Beach when we have hotels 50 miles north going down the tubes? Is that the type of bribery that we want to persist with, to continue with?

He has told me on more than one occasion, this is not business, it is not bottom-line business, it is politics, Mr. Acting Speaker, and politics deals with people. We have 220 workers and their families being flushed in Flin Flon by an uncaring, insensitive, unacting Government. It is time they got down to the brass tacks of telling us exactly what they are going to do to save this community. Thank you.

**The Acting Speaker (Mr. Helwer):** Are there any Members who wish to speak on this question? The Honourable Member for Churchill.

**Mr. Cowan:** -(inaudible)- order and seek some clarification and assistance from you. I had heard the Minister of Finance (Mr. Manness) give us a commitment that the Minister of Energy and Mines (Mr. Neufeld) would speak in this debate today. I heard the Minister of Labour (Mrs. Hammond) indicate that the Minister of Energy and Mines would speak in this debate today.

\* (1710)

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**Mr. Cowan:** I hear the Member for Pembina (Mr. Orchard) chirping from his seat, Mr. Acting Speaker, in his typical right-wing, ill-advised, rhetorical way that adds nothing to debate in this House but only detracts from it. I would hope that you would call him to order so that we can put some serious remarks on the record through this point of order.

**An Honourable Member:** Is there a point of order, Mr. Acting Speaker?

**Mr. Manness:** Mr. Acting Speaker, before you rule as to whether or not there is a point of order, let Members of the House realize fully well that we are debating this issue today because there is an Honourable Member who sponsored the call for an emergency debate, one Honourable Member who has yet not chosen to stand in his place and make his case as to why there should be this debate. Let the record show that there is one Member who wished that there be an emergency debate and he, as yet, has not spoken.

**The Acting Speaker (Mr. Helwer):** There is no point of order.

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**The Acting Speaker (Mr. Helwer):** On a new point of order?

**Mr. Cowan:** Mr. Acting Speaker, I took my seat to request your assistance to ask the Member for Pembina (Mr. Orchard) if he could hold his tongue for a bit of time so that some serious comments could be put on the record. I would appreciate, I note that he is silent now and I hope that our admonition has had some effect on him, but I would hope that -(interjection)- Now he, from his seat, chirps away again and I will again take my seat requesting you to assume your role and keep order in this Chamber by asking the Member for Pembina if he wants to enter into the debate in a formal way, to take to his feet, and if he does not, to keep his mouth shut.

**The Acting Speaker (Mr. Helwer):** That is not a point of order.

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**The Acting Speaker (Mr. Helwer):** Order, please. Order. The Minister of Finance, on a point of order.

**Mr. Manness:** Mr. Acting Speaker, again, I judge that you have not ruled yet on the second point of order brought forward by the Member for Churchill.

**The Acting Speaker (Mr. Helwer):** There was no point of order.

**Mr. Manness:** There was no point of order?

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**The Acting Speaker (Mr. Helwer):** Are there any other Members wishing to speak? If there are no other Members to speak, the Honourable Member for Churchill.

**Mr. Cowan:** Mr. Acting Speaker, I admit to taking some time in rising to my feet and I did so for a specific purpose. That purpose was to allow the Minister of Mines and Energy (Mr. Neufeld) to build up his courage to take to his feet, to tell people who have been listening to this debate all day, what it is his Government has done in order to resolve this very serious issue. Because it is an important issue to many people across this province, not just in my constituency. It may not be important to the Member for Pembina (Mr. Orchard), it may not be important to his constituents, but it is important to most people in Manitoba who take an overall view of how this province should be developed. We did want to hear the Minister of Mines and Energy take to his feet to speak to the issue. The fact is that he did not. I assume that he will after I have spoken, because I can tell you when this debate first started that the Acting House Leader, the Minister of Finance (Mr. Manness), came to my place and said that the Minister of Finance would not speak until after I had spoken, until after the Liberal Critic for Energy and Mines had spoken.

That is the type of way they approach this whole problem, they want to play games. They want to manipulate, they want to keep information from people, they want to ensure that they have the last say, not because of what they have to say is important, but because what they have to say is so insignificant that they have to position it in the context of games, rather than in an honest and straightforward way try to make some points in this House and to let people know what it is they intend to do to save the community of Lynn Lake.

Mr. Acting Speaker, I can only say that the behaviour by the Members of the Government today, the Conservative Government, as it has been throughout this whole situation, is despicable because it holds the lives of so many individuals in the balance, and yet when asked to provide information, they do not provide information. When asked to take pro-active action, they do not do that; when asked to use their offices, and they have been elected to use the power of Government for the benefit of the province, they do not act.

Mr. Acting Speaker, they have turned their backs on northern Manitoba when they refused to take a more active role in helping this community out of the situation that confronts it. They are going to read into the record all the things we said back when—and they already have—we were confronted with a similar issue, and those were very difficult times. Those times tore me apart personally, as MLA for the area and a Member of the Cabinet. It was probably the most difficult, darkest period I have had as an elected official in this House for 12 years because so much was at stake and we felt so powerless, even although we wanted so desperately to help those communities. I know what



the residents of Lynn Lake are going through, and I know what the residents of the outlying communities are going through. The silence that has been extended on this afternoon by the Government on this issue has just put them through more torture that they need not undergo because they wanted to play some games and they wanted to speak last in this House.

Well, Mr. Acting Speaker, I am going to give them the opportunity to speak last because I want to hear what they have to say. If they do not have the courage to say it and then be challenged on it, then we will let them play their petty political games and stand up after we have spoken, so that they cannot be challenged on what they say because what they are going to say is not defensible. If it was defensible, if they had the courage of their convictions, they would have been pleased to put it on the record and open it up to the scrutiny of this Legislature and the people listening to this debate. They did not have that courage and that is what worries me so much about what is happening in the community of Lynn Lake and the outlying areas.

So I look forward to hearing them put some things on the record. Before they do, Mr. Acting Speaker, the one thing that I want them to put on the record that we had to say in the past is that we have resolved the issue because we were confronted with closures as well and in the end a mine was operational. The mine was operational not because we threw a lot of money at it, we put some money in.

They said at one time we did not put enough money in when they were in Opposition, but it was because we sat down with the workers and we sat down with the company and we sat down with the community residents and we tried to find a way together that would meet the challenges that confronted us. In fact, Mr. Acting Speaker, we did find that way and we were successful. Nothing would please me more than to have the Minister of Energy and Mines (Mr. Neufeld) stand in his place today and say they too have been successfully in resolving a very difficult challenge and that the community of Lynn Lake will survive this very hard, difficult, trying time.

So I did want to not let the debate end without the Minister of Energy and Mines having his moment in the sun and hopefully being able to say something positive rather than subject Manitobans, particularly residents of the North, to the cruel, insensitive, lackadaisical, laissez faire, typical Conservative process that they have been subjected to over the past number of weeks, twelve and a half weeks, since this was announced.

It is not just I who says the Minister is cruel and insensitive. It is the people in Lynn Lake who consider him to be heartless. It is not just I who says that they are not providing information, Mr. Acting Speaker. I quoted earlier an article in the Lynn Lake Northern Breeze of a month ago that said even after the Filmon Government and the Ministers came into the community, they still did not have answers to any of their questions because this Government has refused to provide them with that sort of information.

So if he wants to quote records and I am certain he will, and if he wants to quote statements and I am

certain he will, let him also be prepared to quote the statement that we made in the end that said we succeeded by working together, by sharing information, by addressing problems in a co-operative fashion, by looking for innovative solutions.

The Minister of Finance (Mr. Manness) in his speech which sounded more like a eulogy than anything else, Mr. Acting Speaker, a eulogy for the town, tried to justify their lack of action and their insensitivity and their callousness and their heartlessness by saying that it was a matter of the bottom line. Well, if you are an accountant and if you approach the situation in Lynn Lake only from the perspective of the bottom line, you are going to fail as certain as night follows day.

That mine will close and as certain as we stand here today if you are not prepared as a Government to look beyond the bottom line, to look beyond the balance sheet, to look at the people that are affected, to look at the 250 workers and their families. Mr. Acting Speaker, those are spouses, their husbands, their wives, their children, their grandchildren who worked in the mine and the mill there. But that is not the only group that is going to be affected. There are business owners and people worked in the service sector and people worked in the small business community that are going to be affected. There are teachers who are going to lose their job and have to move from their community. There are hospital workers that are going to lose their job and have to move from the community.

The community is going to shut down around them even although in their heart it stays alive. It stays alive in their minds, and they want to make certain that it does not turn into the dust of memories, Mr. Acting Speaker, but that it continues on as a viable community where Manitobans can live, can raise their families, can work, can provide to the overall productivity of this province, can be an important part of our future.

The president of the United Steelworkers Local 5757 said today that they are not going to allow this Government to let this deal go by the wayside without a fight, Mr. Acting Speaker. They are not going to give up all that they have invested over many years and generations in their community without a fight. Well, Mr. Acting Speaker, I want them to know and I want their friends to know, and I want the people who live in Brochet, Lac Brochet, Tadoule Lake, Granville Lake, South Indian Lake, and Leaf Rapids who use that community to know that the steelworkers do not fight alone. Like those people in Lynn Lake, who are fighting for their very future, in this House we will continue to fight and to struggle and to try to convince the Government to do the right thing instead of just being preoccupied with the balance sheet and try to help that community.

\* (1720)

It may not be money that they need, Mr. Acting Speaker. There may in fact be new ideas that they need, new approaches that they need, but as long as the Government is blinded by their fixation on the balance sheet, as long as they approach this crisis as a countenance rather than people who are elected to

serve the entire province, as long as they refuse to do in Lynn Lake what they said they were going to do with respect to Portage la Prairie when Campbell Soup closed, as long as they let partisanship control and political motivation control their very actions, and as long as they refuse to see through the bottom line to human beings, they are going to be a failure as a Government. Quite frankly, I do not care if they fail as a Government. As a matter of fact, in a lot of ways, I would would like them to fail as a Government, but not at the expense of my constituents, not at the expense of people in this province whom we are elected to represent and to serve.

**The Acting Speaker (Mr. Helwer):** The Honourable Member's time has expired.

**Mr. Cowan:** Mr. Acting Speaker, I wonder if there would be leave for me to continue my remarks.

**The Acting Speaker (Mr. Helwer):** Is there leave?

**Mr. Cowan:** Mr. Acting Speaker, I am sorry I did not hear. I wonder if there would be leave for me to continue on with my remarks for a short period of time.

**The Acting Speaker (Mr. Helwer):** There is a clear statement of no leave. Are there any other Members wishing to speak on the matter? A point of order?

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**Mr. Cowan:** A point of order. I know it is unusual and I want to beg your indulgence. I wanted to spend just a couple of minutes to conclude my remarks. I did not want to eat up too much of the time because I do want to hear from the Minister of Energy and Mines (Mr. Neufeld), but I appreciate the fact that the Members of the Conservative Caucus would not give me that opportunity.

**The Acting Speaker (Mr. Helwer):** It is no point of order, I am sorry.

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**The Acting Speaker (Mr. Helwer):** The Honourable Minister of Energy and Mines.

**Hon. Harold Neufeld (Minister of Energy and Mines):** Mr. Acting Speaker, there is no way one can overestimate the trauma involved in the closure of a one-industry town. There is no way one can overestimate the trauma when one person is laid off, and when an entire industry shuts down in a one-industry town, there is trauma, and let us not make light of that.

Mr. Acting Speaker, I can read excerpts from quotes that the Member for Churchill (Mr. Cowan) has made over the years. I will not. That does not help the people of Lynn Lake. We are here this afternoon to debate the emergency situation in Lynn Lake and let us stick to that.

I could talk about what was done—they have said much about what they did at Leaf Rapids, and what

they did at Lynn Lake in the past. We can speak about that, but there will be another forum for that. It is not all the way they painted it.

We will have difficulties at Leaf Rapids in two years. We extended the life of Lynn Lake by three years with the injection of some \$6.5 million, and the company injected some \$30 million, but that does not help the people of Lynn Lake.

Mr. Acting Speaker, this Government cares as much as any other Government has cared in the past, and we have worked since the day that we understood that there was a danger of this mine closing down, which was some two months before it was made public, and we have worked with the mine itself. We have been to the mining community. We have been to Lynn Lake on several occasions. We have talked to the union and we have been honest with them. Despite what the Member for Churchill (Mr. Cowan) might say, we have been straightforward, we have been direct, and it has been told to us on several occasions that they are quite happy with the way the Government has been direct with them.

From my former occupation, Mr. Acting Speaker, I am by my very nature direct; I am honest; I cannot do otherwise. Those qualities have got me into trouble in this House before, but I think it stood me in good stead in the situation we have today at Lynn Lake.

Mr. Acting Speaker, let us discuss for a minute the world gold situation, but before I do, the Member for St. Norbert (Mr. Angus) indicated that we should have known in advance. He did not know anything. He did not know. All he had to do was go pick up a financial statement of LynnGold, which is a publicly traded company and anybody can get them, and he would have seen the problems that were inherent in that company.

Mr. Acting Speaker, let us discuss the world gold situation. Much has been said about us, about the Government propping up the gold price. Much has been said about the Government doing something to keep the mine going. We hear a lot about, we should explore ways, we should look for ways, what have you done? One half of the free world gold is produced at less than \$250 an ounce. Hemlo, one of the largest gold producers in Canada, if not the largest gold producer in Canada, produces gold at less than \$125 an ounce.

Mr. Acting Speaker, gold is a commodity. As the Member for Concordia (Mr. Doer) has indicated, gold is no longer a standard. Gold is a commodity and there is a world surplus of gold and if it can be produced for as low as \$125 an ounce in Canada, how do you operate at \$498 an ounce? The world price or the price of gold is \$370 U.S. today. A year and a half ago that might have meant 10 percent more than it does today, because of the U.S. dollar. So we have been hurt by a falling gold price, we have been hurt by a falling U.S. dollar. If we are to—

**The Acting Speaker (Mr. Helwer):** Order, please. Will the Member for Churchill (Mr. Cowan) and the Minister of Health (Mr. Orchard) please refrain from their—if they want to have comments they can have them outside.

**Mr. Neufeld:** Mr. Acting Speaker, if we had committed our Government to the request that was initially made, it would have cost us \$9.1 million a year, the difference between \$498 an ounce that it would cost the company to produce that gold and \$370 an ounce that the gold may be sold for. There are 70,000 ounces produced at LynnGold every year or approximately that number.

Mr. Acting Speaker, I think that even the Member from St. Norbert (Mr. Angus) will recognize that that is too big a price to pay when the total payroll at LynnGold is somewhat less than \$9 million.

Can we assure ourselves of an increase of gold prices? The Member for Concordia (Mr. Doer) again indicated that he knew gold prices were going up. Well, Mr. Acting Speaker, there is not a reputable analyst in this country or in the United States that will forecast an increase in gold prices. Not one. There are many who will forecast a decline in gold prices but none will forecast an increase in gold prices.

Mr. Acting Speaker, I have been asked what we have done? I will try to lay out for the Members of this Chamber some of the things that we have done.

We have been to Lynn Lake on three or four occasions. We have talked to the union. We have talked to the company on many occasions. We have talked to the community. We have had open forums and we have had closed forums. When it came down to a final offer, much has been said, Mr. Acting Speaker, about all Government has to do is turn over the Farley Lake gold deposit. Well it is not quite as simple as all that.

The Farley Lake gold deposit first of all has cost the Government and its joint venture or Mingold Resources Limited \$12.3 million. We must first buy the Mingold share of that deposit. Assuming that we can buy that for cost, and we are negotiating with Mingold, assuming we can buy that for cost that means we have to churn over that deposit for \$12.3 million.

Additionally, the company has told us that we would have to pay for the developing cost of that deposit. The cost is in the area of \$4 million. The company has told us that the mill needs upgrading and we will have to pay for the cost of that. That cost is \$1 million.

Mr. Acting Speaker, the company has told us that there will be a working capital requirement until such a time as the gold prices—have I leave to go on for five minutes? I will lay out before the cost of—

**Some Honourable Members:** Leave.

\* (1730)

**Mr. Cowan:** On a point of order, the Minister has indicated that he has about five minutes more—

**The Acting Speaker (Mr. Helwer):** Two minutes.

**Mr. Cowan:** —he has two minutes to speak. I think I would find acceptance in the House if we told the Minister to take as much time as he needs because people have waited a very long time to hear him say something about this issue and if it takes the next half hour we are prepared to just sit and listen.

**Mr. Neufeld:** As well, the working capital constantly in the area of \$1 million, that brings us up to about \$6 million of additional monies.

**The Acting Speaker (Mr. Helwer):** Is there leave for the Member to continue? (Agreed)

**Mr. Neufeld:** That brings us to about \$18 million. A projection of the consultants we engaged to review the projections made by the company tell us it will be about \$6 million needed before we got the operations rolling. This would be because we cannot sell gold until we produce some, so that is another \$6 million, so that is in the area of \$24 million.

Mr. Acting Speaker, I took to Cabinet a proposal which I told them from the start was not a commercial one. If you made a commercial decision on this case, it would be an easy one. It simply is not economic. The Farley deposit is not economic. The proposal was for the company to mine only the high grade ore and leave the low grade ore for a time when gold prices increased a bit, if that time comes.

I took to Cabinet, Mr. Acting Speaker, a proposal that was not a commercial one, it was a social one. I told Cabinet that I would propose that we put on the table risk money or lost money of \$9.6 million. I told Cabinet that over and above that we have a \$2 million loan which we would recover the loss in the investment, \$11.6 million. I told them, as well, that any downside risk, and a downside risk is the drop in gold prices, decline in gold prices, a downside risk is a downgrading of the ore grade from the one projected—and that is easily done in gold deposits—and a loss of efficiency, less than the efficiency that was projected.

On the upside, there would be the possibility of an increased gold price, there would be the possibility of an increase in ore grade. Our best advice was that the downside risk was far greater than the upside risk. Nevertheless, the downside risk, how much is a downside risk, what price will go -(interjection)-

**The Acting Speaker (Mr. Helwer):** Order. We have some interference here, I am sorry we cannot hear very well. We have some other people who would like to speak there. The Honourable Minister of Mines.

**Mr. Neufeld:** The Member for St. Norbert asks what is the size of the risk. I do not know what the size of the risk is because I do not know what the price of gold may be a year from today. I do not know what the ore deposits will grade out at. I do not know what the efficiencies are, but what I am saying is we are in there, we made a proposal where our losses at the best projections would be \$11.6 million and our risk would be up another \$13 million to \$14 million, which is the monies we put in.

Now, if we have a shortfall of monies in the operating period, there is only one place that additional monies can come from and that is from us, or closure. We have those two choices because the company had indicated they will not put up any more money. The company, I might say, came from a point of not putting up any money to putting up approximately \$19 million

in payment of debt. There is about \$4 million to \$5 million of debt remaining, that is in Current Accounts Payable, that is still under negotiations. I say this only, Mr. Acting Speaker, because we went a long ways, we went as far as we thought we could with the taxpayers' money for one reason and one reason only, and that is the people of Lynn Lake.

I have discussed it with the president of the union fully, he knows the proposal in its entirety. He agrees that the Government has gone a long way and probably further than he would have thought that we would go and he admits that. I have discussed it with the Town Council and they agree that we have gone further than they might have gone under similar circumstances. We care for the people of Lynn Lake. I am the only person in this Chamber today who was there when Lynn Lake was born. I was a student in accounts when Lynn Lake was moved almost in its entirety from Sherridon, Manitoba, and I worked up there in the audit. So I remember Lynn Lake as a mining camp. I was underground at Lynn Lake when the shaft was sunk before any ore was mined. I have been laid off in my life. I worked at CPR as a young man, and I was laid off for lack of work. I know the trauma of a layoff.

Let there be no mistake that I feel as much for the people of Lynn Lake as the Member for Churchill (Mr. Cowan) feels. I do believe he feels, but I feel as well, and my colleagues in Government feel as well that everything we have done has worked toward a resolution that will be in the best interests of the people of Lynn Lake, and not in the best interest, as has been suggested, for the Members of our Government. Mr. Acting Speaker, I will only add that we care and we will do and continue to work in the best interests of all the people of Lynn Lake. Thank you.

**Mr. Angus:** Mr. Acting Speaker, I wonder if the Minister would permit a question or two.

**The Acting Speaker (Mr. Helwer):** Does the Minister permit a question? Sorry, the Honourable Member has spoken already on the debate and there is no provision to ask any questions on this.

**Mr. Angus:** I asked for leave to ask a question, Mr. Acting Speaker.

**The Acting Speaker (Mr. Helwer):** Is there leave for the Member for St. Norbert to ask one question?

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

**Mr. Angus:** Mr. Acting Speaker, with respect, it is a very serious issue. The specific question that I would like to ask, the Minister has agreed to answer to them. If you would just let us get on it, Sir, we can do it.

**The Acting Speaker (Mr. Helwer):** Order. Is there leave for the Member for St. Norbert to ask one question? Leave? (Agreed) The Member for St. Norbert.

**Mr. Angus:** Mr. Acting Speaker, my first question is: did the Minister explore any potential buy-out options? I would also like to know if he evaluated the cost of

the loss of the infrastructure, like the cost in the hospital, the schools, and figured that into the cost of keeping the town going, those types of things, if he would be kind enough to address them.

**Mr. Neufeld:** Mr. Acting Speaker, yes, we have evaluated the costs. I do not have those numbers in front of me, but I should remind the Member for St. Norbert (Mr. Angus) that our primary, our principal, our first condition in any negotiations was the ongoing mining operations at Lynn Lake. If we are going to extend the life of the mine for three years, we are simply extending the date when all these other payments that you are speaking of must be made. We have not saved anything, we have simply spent more money.

That is part of the upside risk, and that is what I spoke earlier about. My colleagues in Cabinet agreed to accept that risk in the hope of finding another deposit because, something else I should have said and I probably neglected to, another condition we always put forward was that we must continue explorations in the Lynn Lake area. We do believe it is a rich area. It is a rich area in ore, and we would like to find some more deposits. Manitoba Minerals will continue exploring in that area, but we wanted an exploration program to continue with LynnGold, and that was always one of our conditions.

That was one of the reasons, if we got back under the best of conditions, and the best of conditions in the proposal that we put forward, and based on the projections that Strathcona Resources gave to us, we would not have gotten back \$9.6 million. That was our loss under the best of conditions and that included an exploration program of \$2 million a year out of the LynnGold operation, and we were prepared to go to that expense.

\* (1740)

**Mr. Acting Speaker (Mr. Helwer):** Are there any Members wishing to speak? The Honourable Member for Elmwood.

**Mr. Jim Maloway (Elmwood):** Mr. Deputy Deputy Speaker, I found it rather interesting that the Government was very reluctant to allow the Member for St. Norbert (Mr. Angus) to ask his question. Only grudgingly did they give their permission and the Member asked for more than one question.-(interjection)-

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**The Acting Speaker (Mr. Helwer):** The Minister of Health, on a point of order.

**Hon. Donald Orchard (Minister of Health):** I realize that my honourable friend is stretching to try to make a point. There was not resistance on the Government side of the House. The Minister agreed to answer any questions that were placed. All Members of Government's side of the House agreed to those questions being placed. I wish my honourable friend would not attempt to mislead debate in this House.

**The Acting Speaker (Mr. Helwer):** A point of clarification is not a point of order.

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**Mr. Maloway:** I was merely pointing out that the Member had requested to ask more than one question and it was agreed that he would get only one. That was my point. I thought that was very clear at the time, Mr. Acting Speaker.

I am reminded of the bumper stickers that appeared a number of years ago during the Sterling Lyon years which stated: Will the last person to leave Manitoba turn out the lights?

Where this Government is headed in the end, we will be back at that point where Manitoba's population will be dropping as people move out of this province to find opportunities in other provinces because of this Government's hands-off attitude towards the economy and especially towards the people of the North.

In fact, the PC Government, this so-called moderate PC Government, is fighting their own history because they abandoned the North long ago and of course the North abandoned them. All you have to do is look at the fact that they have held almost no seats up North in recent elections. The last Member they had up there I believe was Mr. MacMaster in Thompson and he lasted for only one term during the Sterling Lyon Government, Mr. Acting Speaker.

This Government has a lot of fence mending if it is going to have anybody up north believe that it has a sympathetic view to the aspirations of people in the North. The fact of the matter is, Mr. Acting Speaker, that this Government is a balance sheet oriented Government. If things do not jibe according to the balance sheet, it is cut. They are really a group of hackers and slashers in moderate clothing and I am very fearful of what might happen if the people of this province were to elect this Government into a majority situation.

We are already seeing shades of the Sterling Lyon regime surfacing here and there, Mr. Acting Speaker, and if only the rest of the people in the province could see this Government at work, I think they would get a clearer understanding of where this Government is going. This Government cannot see people. They are blind to real problems. I do believe that this is a very incompetent Government. It is going to take a little longer for people to see how incompetent it really is. They have only been in for a year and a half so they have been able to stumble through so far, blaming all of their problems on the previous Government and stalling through various processes of studies and commissions and so on to buy time. They are only going to be able to do that so long, Mr. Acting Speaker. That will only last so long before they have to face facts.

They have shown an absolute inability to negotiate, because a proper negotiating ability might have led to some sort of saving of this situation in Lynn Lake. Mr. Acting Speaker, we listened with great care to what the Minister had to say today and the impression that

I think I got and a lot of other people here got was the Minister has raised the white flag. He has given up. He is not attempting to fight and wrestle this problem to the ground and come up with a solution. He has given up and this Government has given up before it started. That is the real problem with this Government. People out there will see the feigned commitment of this Government to try to solve this problem in the North.

Mr. Acting Speaker, if economics dictated all we did in this country, we would not have a country. We would not have Canada from sea to sea. We would not have had the railways built such as they were. This Government is looking at the balance sheet, it is looking at the bottom line, the cost situation here, and they are saying because it is not economical right now because gold prices are low, well then it is time to end our involvement with the company. The fact of the matter is that the Members know that the world prices dictate the price of ore and the price of gold and the fact of the matter is that you simply do not go and operate a gold mine only when the price of gold is high. If that was the case then all the gold mines would shut down in poor times. This Government has a moral obligation to look out for the 250 people who are working up there and their families. Is it prepared to sit idly by and allow a catastrophe to happen up there and incur all of the social costs involved in relocating the people, shutting down the schools, all of the welfare problems and welfare costs that are going to come about as a result of this.

I think this Government has to look at this situation a little more seriously and make renewed efforts, make renewed efforts to try to solve this very, very serious situation. This Government has certainly, and Conservative Governments generally, have constantly indicated in their campaigns that they know how to run businesses. In fact what is the legacy of some of these Conservative Governments in past history? They have left us with some of the worst messes, financially mismanaged companies and the like that we have ever seen. The Member for Lakeside (Mr. Enns) made another one of his very articulate speeches today in which he talked about waste and mismanagement. Well he should have looked a little more closely at his previous Government's record on waste and mismanagement.

The Conservative Government that mismanaged CFI to the extent that in 1969 dollars it lost \$93 million and adjusted for inflation that is a much larger amount of money that \$93 million. That was lost by that Member's Government at that time, a Government of which he was a part. This is a group that pride themselves on knowing how to manage an economy, knowing how business operates. They know very little about how to manage businesses given their track record in the CFI debacle.

\* (1750)

We could go on and talk about Flyer industries. They decried how we had mismanaged that and they went on to spend even more money. We have never come and made as one of our tenets of election that we were

excellent managers, but they have. They have fought elections on management in this country, saying that they know how business operates and they know how to operate businesses better. What has happened? Look at all the Conservative Government at hand? It is not difficult to bargain with businesses and business owners like Peter Pocklington who come into town with bags open looking for handouts and they go to the province who gives them the most in terms of breaks and grants. That is how Conservative Governments have operated across this country historically -(interjection)- and the Member for Portage la Prairie (Mr. Connery) knows that.

That is one of the negatives in our system in that one province can balance itself off against another province and the business simply asked the provinces to submit bids, and the one that comes up with the best bid gets the business. The result is that they set up such loophole contracts to allow the business to take the breaks, take the grants, and then when the resource has been used up, to simply leave town and saddle the Government and the taxpayers of the jurisdiction with cleaning up the mess. We have seen that over and over and over again. It is associated with Conservative Governments. That is one of the tenets of a Conservative Government.

**Mr. Orchard:** We have spent this afternoon debating the issue of Lynn Lake. Mr. Acting Speaker, I have to say what went on here this afternoon will not create one single opportunity in mining in Lynn Lake because of a contribution by anything I heard from the sponsoring Party of this resolution. That is because, after governing this province for 15 of the last 20 years, the people of Manitoba decided that they were morally bankrupt of any new vision or new idea on how this province ought to be run.

Mr. Acting Speaker, the Member for Churchill (Mr. Cowan) is one of the finest manipulators in this House. He understands the British parliamentary rule better than any other ex-patriot Canadian that I know, and how he learned them so well I have no idea, but he has today abused the Rules of the House yet another time.

I want to just point out that this problem at Lynn Lake surfaced once before, in approximately 1985. Who was the Member for the riding of Churchill at that time? Same one that was here today, well, was here today, past tense, who sponsored the resolution today.

What did the Member say? I want to quote from a January 30, 1985, Winnipeg Free Press story: Lynn Lake fears end of town near. Here is a direct quote: "We are not going there to make announcements, Cowan said yesterday, we are going to give them some initial feedback on their proposals. The Treasury Board Minister conceded that the town's future is uncertain, but said it would be too early to speculate on its ultimate fate." That is the Member for Churchill (Mr. Cowan).

This is a direct quote: "We know there is going to be some downsizing, but we do not know to what extent." He said: "We can only do so much as a Government to address the problem, we are prepared

to do what makes sense." That was the Member for Churchill when he was in Government and had some responsibility for the taxpayers' purse. He is a long way, away from that today as a Member of the Opposition.

Now I want to quote from February 4, by that same Minister. Here is a February 4, 1985, Winnipeg Free Press news article and I will quote from it: "Cowan was also confronted with a list of 23 questions prepared by Dennis Young, the town's economic development officer. Young said the Minister gave few definite responses." Now this is the MLA for the area, Cabinet Minister, Treasury Board Minister, no answers to his own town in his own constituency and Mr. Young goes on later to be quoted: "All we got was a series of promises."

Mr. Acting Speaker, I was amazed when I heard the last speaker, the Member from an urban city seat, say that the Conservatives are not going to put anything on the table, that we are not prepared to make a commitment to Lynn Lake.

Do you know what the commitment was of the Government he sat in? It was \$2 million to give approximately three years of life to Lynn Lake, only that and nothing more.

**An Honourable Member:** Only \$2 million?

**Mr. Orchard:** Two million dollars. Today, my colleague, the Minister of Energy and Mines (Mr. Neufeld), has indicated this Government, because it is serious about Lynn Lake, is prepared to commit not \$2 million, but \$24 million to attempt to save the industry in Lynn Lake.

My honourable friends in the New Democratic Party say that is not good enough. What abject hypocrisy from the third Party in this House and it is not unusual. That is why I have said time in and time out that the Member for Churchill (Mr. Cowan) is the master manipulator of this House.

I recall, because I was elected the same time he was 12 years ago, the Member for Churchill from his Opposition seat would raise such issues, Mr. Acting Speaker, as asbestos reinforcement in the water pipes in the City of Winnipeg leaving the clear implication that if you drank a glass of water from the City of Winnipeg water pipes, you were in danger healthwise, in serious danger.

Now one would expect that when the Member for Churchill in Opposition, with a Party that claimed to believe in the environment, when they got to be Government, every asbestos-lined pipe or asbestos reinforced concrete water pipe in the City of Winnipeg would be replaced. Would you not expect that with the fuss he raised? I want to tell you there was not one inch of pipe replaced by the Member for Churchill (Mr. Cowan) because he thrives on raising fears of people with no objective of trying to find a solution. Period.

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**Mr. Angus:** On a point of order. I am sure the Minister of Health does not want to leave incorrect information on the table. In fact, the NDP Government on three separate occasions cost shared to the tune of \$2 million the replacement of asbestos pipes in the waterworks of the City of Winnipeg.

**The Acting Speaker (Mr. Helwer):** A dispute over the facts is not a point of order. The Minister of Health.

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**Mr. Orchard:** Mr. Acting Speaker, what did that prove? It proved that the pipes needed replacement, but is every asbestos pipe in the City of Winnipeg replaced? Absolutely not. Part of capital redevelopment is not living up to a commitment made by the Member for Churchill (Mr. Cowan) and my honourable friend for St. Norbert knows that, but of course, my honourable friend

for St. Norbert is wont to defend the Member for Churchill because as my honourable friend for St. Norbert says, he is a constituent of his.

**An Honourable Member:** Did he vote for him?

**Mr. Orchard:** Well, I do not think he voted for the Member for St. Norbert, but maybe he will now because the Member for St. Norbert is defending him.

\* (1800)

Mr. Acting Speaker, this Government is intent on doing whatever is possible to resolve the problem at Lynn Lake—

**The Acting Speaker (Mr. Helwer):** Order, order. The hour being 6 p.m., debate on this matter is terminated pursuant to Rule 21(4).

The House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).