



Fifth Session - Thirty-Sixth Legislature

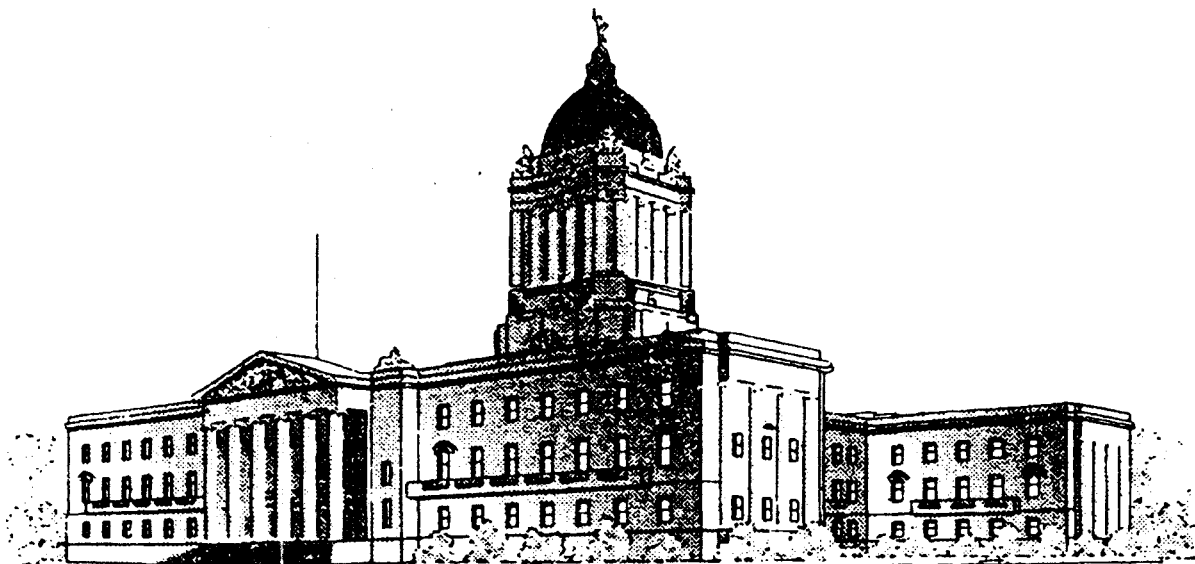
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 3, 1999

The House met at 10 a.m.

PRIVATE MEMBERS' BUSINESS

PRAYERS

PROPOSED RESOLUTIONS

ORDERS OF THE DAY

Res. 11—Employment Insurance Surplus

House Business

Hon. Darren Praznik (Government House Leader): Madam Speaker, first of all, as we have discussed between House Leaders, today will be the time for private members' hour, which I would ask that you provide for the allotment of two one-hour sections for resolutions.

I would also ask if you would canvass the House to see if there is a willingness to waive private members' hour this afternoon to accommodate the Committee of Supply.

Madam Speaker: First, is there unanimous consent of the House to deal with private members' hour in two one-hour segments this morning? [agreed]

Is there unanimous consent of the House then to waive private members' hour normally scheduled for 5 p.m.? [agreed]

Mr. Praznik: I know we have made some effort to attempt to accommodate the movement of a variety of resolutions that the House could perhaps reach a conclusion on. Regrettably, we were not able to do that, so we will have to call today motions in order.

I would ask the indulgence of the House if there would be leave to allow the member for Pembina (Mr. Dyck) to move the resolution on the Order Paper rather than the member for Gimli (Mr. Helwer).

Madam Speaker: Is there unanimous consent of the House to permit the honourable member for Pembina to move the proposed Resolution No. 11 which stands in the name of the honourable member for Gimli? [agreed]

Mr. Peter Dyck (Pembina): I move, seconded by the honourable member for Sturgeon Creek (Mr. McAlpine),

"WHEREAS under the Employment Insurance Act the Government of Canada collects premiums from employees and employers in order to insure workers for periods of unemployment; and

"WHEREAS the cumulative surplus in the Employment Insurance account is more than \$19 billion, which exceeds the funds necessary to ensure the stability of the Employment Insurance program; and

"WHEREAS the recent cut in Employment Insurance premiums will only reduce the anticipated annual surplus of \$7 billion by a \$1.1 billion; and

"WHEREAS these surplus funds are channeled away from workers to cover the costs of other Federal Government programs; and

"WHEREAS Employment Insurance premiums act as a tax on new job creation; and

"WHEREAS lowering Employment Insurance premiums would encourage job creation in Canada.

"THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Federal Government to lower Employment Insurance premiums further; and

"BE IT FURTHER RESOLVED THAT the Legislative Assembly of Manitoba urge the Federal Government to use any Employment Insurance surplus for programs that directly benefit workers."

Madam Speaker: It has been moved by the honourable member for Pembina, seconded by the honourable member for Sturgeon Creek, Resolution No. 11,

"WHEREAS under the Employment Insurance Act the Government of Canada collects premiums from employees and employers in order to insure workers for periods of unemployment; and

"WHEREAS the cumulative surplus in the Employment Insurance account is more than \$19 billion, which exceeds the funds necessary to ensure the stability of the Employment Insurance program; and

"WHEREAS the recent cut in—

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Motion presented.

Mr. Dyck: I think the importance of this resolution was displayed by the fact that everyone wanted to have it read again. So, consequently, I am very pleased that there is support for this resolution from all members within the Chamber.

Further to that, I also would encourage all members to support this resolution, because I believe this is something that is very specific to all. It is not something that draws any lines. It is nonpartisan, so, certainly, I believe it impacts all of us in the areas that we live in, and us personally on a daily basis.

Further to that, Madam Speaker, employment insurance is an important element of Canada's social security system. The program is designed to provide a measure of protection for Canadians who lose their jobs. EI is one of the few social programs for which the federal government retains responsibility. The federal government sets the criteria that determine who is eligible, it sets the benefit rates and it determines the premiums that employers and employees pay.

I believe that this is really the essence of the resolution here today, that the federal govern-

ment is determining the amounts that are paid by employers and employees, and, certainly, this is a tax that the employers and employees both are seeing each day. Because certainly when I get my pay stub and I see the amount of dollars that have been subtracted, the bottom line for me or for any employee is the net pay, the take-home pay that I have in order to feed my family, in order to go about my business every day.

Consequently, it is the same with the employer. This is a tax that the employer has to pay. At the end of the day, his bottom line is impacted by the amount of money that goes up for taxes, and, specifically today, we are talking about employment insurance.

The EI program also has a significant influence on the performance of the Canadian economy. For all of these reasons, it is crucial for Canadians to have confidence that the program is managed effectively and transparently.

I am presenting this resolution because lower premiums, by bringing costs more into line with benefits, will make our economy healthier and more competitive. This, Madam Speaker, is something that provincially and I would like to think federally we are thinking the same way, that we want to make sure that our economy is going to be one that is going to be attracting others, that will be attracting employers to come into the community to set up businesses and consequently to employ people and give everyone a good standard of living.

While EI is a federal program, provincial governments have a significant stake in this operation. Provincial governments and institutions, they fund hospitals, universities, schools and municipal governments. These are employers, and they pay EI premiums. So, Madam Speaker, it does not only impact the employer or a corporation which is owned by individuals or private companies, but it also impacts our hospitals and our universities, schools and other government agencies. So it is a tax that is right across the board and certainly takes in many dollars.

Both employers and employees are entitled to income tax relief for the premiums they pay. This affects provincial, personal and corporation

income taxes. If premiums are higher, income taxes are lower. So, really, it is a balancing act; it is working both ways. But my point, and the resolution that I am defending here today, is one that it is a negative tax when it is used to the extent as we see it taking place today.

If laid-off employees exhaust their EI benefits before finding other jobs, they may be forced onto social assistance rolls. Since the federal government no longer shares social assistance costs, providing this support is now solely a provincial responsibility.

During the few short years that I have been here, I have seen the dollars that we put into social assistance programs escalate. It is partly due to the fact of the federal government first of all clawing back dollars that they have over the years been giving toward our social assistance programs but also by the fact that they have been increasing the dollars that have gone toward the EI premiums.

* (1010)

The EI program has significantly different impacts among provinces. People in provinces with chronically high unemployment rates tend to receive higher total benefits in relation to the premiums paid in those provinces. In this way, the EI program creates significant financial flows from some regions of the country to others. I think that, as we look across this great country of Canada, this great nation from sea to sea to sea, we certainly see the differences that are taking place with unemployment in the varying provinces.

The EI program also has an important impact on the economy. EI premiums are a payroll tax and increase the cost of hiring and retaining workers. EI premiums also affect employees' take-home pay. EI premiums affect the cost of doing business in Canada. Lower premiums improve the competitiveness of Canadian businesses.

Since the early 1990s the federal government has consistently restricted EI benefits, culminating in the 1996 changes to the EI legislation. These changes led to a rapid decline in the proportion of unemployed Canadians eligible for EI benefits.

Madam Speaker, I would just like to go back to the area that I just mentioned about the EI premiums, as they are payroll taxes and increase the cost of hiring and retaining workers. This is a significant cost for employers. Again, when an employee makes a commitment to an employer and is hired on a basis of whatever it is, on a contract basis, or whether it is on a per-hour basis or monthly, the bottom line, still, as I indicated before, is the amount of money that I take home. That is what is significant to me. Yet, when the deductions are made, certainly, very often, and I think rightfully so, the employee does not recognize the fact that these are the contributions that they need to make towards insurance programs. So it is important that we make changes so that the take-home pay for the individual can increase. I believe that this is one area we can do that.

Now, I also recognize that the federal government has their responsibilities. They need to balance their books. I do want to give them credit for trying to do that, but I believe that the way they have been using the dollars in the last number of years is contrary to the way we would like to see them balancing their budgets. It is a negative tax. I think those dollars could be used in a more beneficial way in different areas.

In the early 1990s, for example, roughly 80 percent of unemployed Canadians received EI benefits. By 1998, the ratio of EI beneficiaries to the unemployed people had fallen to 40 percent. So, Madam Speaker, even as benefits were cut and unemployment rates fell, premium rates were increased sharply and were held at artificially high levels until after the mid-1990s. Only in the last two years did the federal government begin reducing premiums by more than five cents per \$100.

We see that they have tried to make a few changes, but certainly they are not adequate in the way we see it. We would encourage them to do more of that. The result was a rapid rise in the EI surplus, that is, the excess of the EI revenues over benefits. By 1997 EI revenue exceeded benefits by over \$7 billion, even after the first significant premium rate reduction was put in place for 1998. The annual surplus was still over \$6 billion last year.

In principle, revenues and costs of the EI program should be roughly in balance over the course of a business cycle. It is entirely appropriate for reserves to be built up in the years when jobs are relatively plentiful, and I would submit to you that that is what is taking place today, that the jobs are plentiful and the reserves are being built up. But they have already built up reserves, and I would submit to you further that they use this as a foundation, that those dollars that they use for EI can then—the interest that they calculate or could get off that money would be reinvested within that same system, so for those reserves to be used during economic downturns and recessions.

It has become increasingly clear, however, that the EI surpluses generated in the last several years are far in excess of what we would require for even a severe recession. The accumulated surplus in the EI program is now over \$21 billion. So, Madam Speaker, they certainly have been building the dollars, and they have taken it from an area where rather than cut back the premiums that are being paid, they have for so many years left them at the high level, and, again, I believe that has been something that has been negative towards the building of our own economy. The federal actuary for this program has estimated that an employee rate of \$2 per \$100 of remuneration would be adequate to sustain the program through a business cycle. The employee rate is presently at \$2.55 per \$100 in earning.

So, Madam Speaker, I believe and I submit to you that there is an opportunity for them, in order to, again, keep this program actuarially sound, if they would reduce the premiums that are being paid right now by 55 cents, they would still be able to have an actuarially sound program.

Furthermore, the EI program is part of the federal government's general revenues and expenditures. The surpluses generated by the EI program reduced the federal government's deficits before 1998-99 and since then increases the federal surplus. This means that EI programs are being used not only to pay for EI benefits but also to fund the general programs of the federal government. This is where I believe that we differ from the way they are administering the

program. We do not believe that this specific program, the EI program, should be the one that they should be using in order to reduce the deficit federally.

At their 1997 conference, all premiers called on the federal government to reduce EI premiums and instructed their Finance ministers to review the issue. The report completed and endorsed by all Finance ministers called for the federal government to reduce the rate to \$2.20 from the 1997 rate of \$2.90 per \$100 of earning. I just indicated before that in order to keep the program actuarially sound they could lower it to \$2 for \$100 of earning and could still retain the dollars that they need in order to maintain this program. The ministers, the Finance ministers from across the provinces, have indicated to the federal government that they would be prepared to look at \$2.20, and, certainly, that would give them a 20-cent cushion that they could use in order to continue and to keep the program actuarially sound. They were concerned that the federal government would again be forced to increase rates the next time the economy slowed down and if premiums were not lowered substantially now from a much higher level than was the case in 1991.

Reducing premiums would also produce substantial additional benefits. A 70-cent premium reduction would result in the creation of a 200,000 new jobs. Provincial and local governments would save \$800 million, freeing up funds to direct to priority programs or to reduce other taxes in their jurisdictions. The reductions would help offset some of the planned CPP rate increases. The recommended rate of \$2.20 per \$100 would allow the federal government to build up a solid reserve in the program and also permit some benefit enhancements.

So, Madam Speaker, to conclude, this resolution brings an important issue to the attention of this Assembly, and with that I would urge all members to support it. Thank you very much.

Mr. Oscar Lathlin (The Pas): I welcome this opportunity to be able to speak to this resolution, because it happens to be an issue that I have been very concerned with, well, for a long time

now; when I was still chief of our First Nation, I have always been concerned about the unemployment rate of our people, particularly those who live in the North where employment opportunities are, at the best of times, very low or even nonexistent.

Now, what I wanted to talk about this morning was, first of all, to say to this Assembly that if the Liberal federal government were to indeed proceed to find a new use, a new purpose for this over \$20-billion surplus that has been created by the federal government on the backs of workers and if they were to channel that into the general revenue of the federal government, then I say to you, Madam Speaker, that that would be the biggest theft, actual theft, literally theft that would be conducted by the federal government, robbing workers of their hard-earned money, thinking that they were paying into something that would be useful to them when times were hard, such as if the unemployment rate were to go up. That is when workers would rely on this fund that has been building up there for—well, since even before the Liberals got in, the Conservative federal government started making changes to the Unemployment Insurance Program, cutting off a lot of people from benefits. Then it was made worse by the Liberal government, which succeeded the Conservatives in the federal government.

* (1020)

As a matter of fact, Madam Speaker, I get ill, I get really upset when I have to listen to people from the federal government boasting or bragging about this huge surplus that they have created, like I said, on the backs of working people, and yet they do not explain to people why we have such a huge surplus. We know why. Because they have fooled people into thinking that they were paying into a useful program. It is like when you buy insurance for your house. I recognize the concept; I understand the concept. If your house never burns down, you never collect insurance, but, my God, when your house burns down, then you get assistance. An insurance program that you have been paying into, you get help from that program, either to rebuild the whole house, contents and everything, or just to repair, if it has not been completely burned down.

But when you get to the federal government with their Unemployment Insurance Program, you pay into it all your life. I have paid into the Unemployment Insurance Program all my working life. I realize now that I am not paying into it, because I am an elected person, but all my working life I have paid into that program, and not once have I collected unemployment insurance. I am not bragging. I just happen to have been lucky, I guess. I have never had to rely or resort to putting in a claim to unemployment insurance.

But if I were to be unemployed now and forced to try and get a claim from the unemployment insurance program, even though there is more than \$20 billion sitting in that surplus, I probably would not stand a chance of getting even one week's assistance from that program, because all the rules have been changed by the governments that have been there, the Conservatives and now the Liberal government. All the rules have changed, and the rules have changed not for the better for working people, but it is now being made worse for workers. It is impossible now for workers to get the benefits.

So when the federal government goes around bragging that it has a huge surplus of UI funds, as I said, they do not explain to people that the reason there is a huge surplus there now is because it is practically impossible for people to make a claim these days.

For example, in the old days, people, whenever they were unemployed, would make a claim and, no problem, they would get the UI benefits. Seasonal workers who were laid off, primarily in the wintertime, would be able to claim benefits, no problem. They could do that year after year. They would work in the summer, pay into the program, get laid off in the fall through no fault of their own, then in the spring get rehired. They would collect the benefits.

If you, for example, are a construction worker and you get laid off every winter—as a matter of fact, a friend of mine told me just three weeks ago that he is not able to collect unemployment insurance anymore because he has run out of whatever time that this unemployment insurance calls for. He is not

able to collect unemployment insurance now, even though he worked all summer. He put in enough hours, according to him, and now he is not able to collect unemployment insurance. As a result of that, unless he gets a job soon, he will be forced to go on welfare.

That is why the surplus is getting bigger and bigger every day, because the federal government has made it impossible for people to make a claim on that program. The benefit period has been shortened, the amount of claim has been reduced, and also, as I said, if you are a repeater in the program, in the end, even though you have worked enough hours, you will not be able to collect unemployment insurance.

Part-time workers, particularly women and youth, have been just really hit hard by these changes in the unemployment insurance program, because most of the jobs that these people have in that category are part time, and yet they would have to work long hours, more hours before they could qualify for unemployment insurance.

So all around the way the unemployment insurance program is being administered today is just totally unfair. No wonder the surplus is getting bigger and bigger every day.

I wanted to also mention that in this past year I have been raising issues regarding the employment or unemployment status of our people, the aboriginal people, the First Nations people, the Metis people, and so on. I have repeatedly asked this government to once and for all give true statistics for Manitoba's unemployment rate. By that I mean they have consistently left out the numbers of aboriginal people who are unemployed. The statistics that governments put out, including this government, on the unemployment situation of aboriginal people is just ignored. Yet everyone knows, I know and people on the government side know, the federal government knows that in reserves—for example, I was in Little Grand Rapids yesterday. The unemployment rate there is high, even though this government here likes to brag about Manitoba economy on the rise; it is booming; jobs are being created and so forth. Maybe they refuse to recognize that most of the jobs that are being created in Manitoba are in Winnipeg.

There are no jobs being created in Little Grand Rapids; there are no jobs being created in Shamattawa, or Pukatawagan or Lac Brochet, and yet those people are considered to be citizens of Manitoba. For some strange reason, this government refuses to include them in their Manitoba statistics when it comes to giving the unemployment picture of Manitoba. They are citizens of Manitoba when it comes to election time.

As a matter of fact, people, including this government, have actually gone out in a very concerted way to try to attract aboriginal candidates where the population warrants, and yet when it comes to giving the unemployment picture, they say, no, no, you guys are over there, you do not belong in our statistics. You just count when it comes to election time; otherwise, do not bother us, go to the feds, do not bother us. That is the attitude of this government. It has always been troubling for me anyway.

When we talk about the unemployment insurance program, we do not have any voice in order to speak for the aboriginal people when it comes to trying to get programs for those high unemployment areas. As a matter of fact, we get excluded, so who do we go to, to get some relief? So my position on this resolution is that I will support the resolution if the government can say to me, yes, you have valid points there when it comes to, for example, lengthening the benefit period, increasing the benefits and also taking into consideration the high unemployment rate of aboriginal communities. Yes, if I were living in the St. James area, if I were to be unemployed now, I would not be so scared, I would not be so concerned because I could probably go and get a job somewhere in Winnipeg. But if the member for St. James (Ms. Mihychuk) was living in Little Grand Rapids, for example, where do you go? You know you pretty well have to leave Little Grand Rapids to go where the employment is. But, at the same time, when people move into the city of Winnipeg, the Premier (Mr. Filmon) complains, you know, that there are too many aboriginal people coming into the city of Winnipeg and creating havoc with his statistics.

* (1030)

For example, in child poverty, when he was being interviewed on TV, he said, well, if only

those Indians would stay in the North, our numbers would be all right. Yet, when you talk about unemployment, they say, well, what are you doing staying in Little Grand Rapids, why do you not move to where the situation is good in terms of employment. So you cannot win for trying.

But the point that I wanted to make in this resolution is there should be special areas. They do it in Quebec. Not that long ago I was reading an article where for youth unemployment, Quebec was able to qualify for a huge amount of the federal aid program for their youth because the Quebec government, I guess, put in a proposal to the federal government whereby the federal government would recognize the abnormally high unemployment areas in Quebec. For that reason they qualified for more money, and yet in Manitoba, because we exclude Indian reserves from our statistics, we did not qualify for the same federal aid. Thank you.

Mr. Tim Sale (Crescentwood): Madam Speaker, I am pleased to rise on this resolution which I think fails to understand completely the origins of unemployment insurance and the nature of the costs of benefits that are deducted from wages.

First of all, Madam Speaker, unemployment insurance arose after a constitutional amendment in 1940 that came because Ontario challenged the right of the federal government to put in place an insurance program as unconstitutional. After a great deal of toing and froing, all the provinces agreed to a constitutional amendment to allow the federal government to operate a scheme of insurance for unemployed workers.

The origins of this scheme came out of a royal commission that was inquiring into the structural problems encountered in the Depression, with which this province was particularly familiar, along with the other two western prairie provinces.

The Rowell-Sirois commission is one of the finest pieces of writing I think in Canadian royal commission history. It is a very wonderfully written and wonderfully constructed piece of work. It pointed out that one of the causes of the depth of the Depression was the absence of the

ability of families to continue to buy even the most minimal needs for survival: food, clothing, fuel, things that would allow them to survive the worst depression in modern history.

In the absence of buying power, in the absence of the power to continue to meet family needs, stores went bankrupt, fuel companies went bankrupt, mortgage companies went bankrupt because families could no longer sustain their needs. The result of that was that finally, after a great deal of effort, at the end of the Depression, after the second war had begun, unemployment insurance came into being.

A number of federal spokespersons and economists from the private and public sector have pointed out that it was only the presence of unemployment insurance in the 1980-83 recession and the 1989-90 to '94 recession that prevented those depressions from being as serious as the depression of the 1930s.

Leading economists of all parties, private and public sector, recognize that a national employment insurance scheme is fundamental to the ability of the labour market to adjust, to change, and it is fundamental to the survival of economies in times of recession.

Now, Madam Speaker, the changes that happened to Canada's employment insurance scheme from the late 1980s onward were, I believe, a direct result of Canada's entry into the Free Trade Agreement and into NAFTA. There is documented evidence that part of the agreement was that Canada would address its so-called structural programs of medicare and of employment insurance. It took an incredibly dedicated fight on the part of those of us who care about medicare to keep medicare off the table. In spite of that, the percentage of services covered by Canada's public insurance for health care have fallen from 76 percent to 68 percent. Unemployment insurance, on the other hand, became essentially a killing floor for free trade advocates.

I point to a graph contained in a publication called *The Human Face of Unemployment Insurance* which shows that as recently as 1989, 75 percent of unemployed workers qualified for employment insurance. By 1997, that had fallen

more than half to 35 percent. Members opposite may know, I do not know if they are aware of this or not, but there are several constitutional challenges currently underway claiming essentially that the unemployment insurance scheme is unconstitutional because far more than half of those potentially eligible are made ineligible by the new regulations.

I want to read the story of a woman in Winnipeg, Manitoba, Kelly Lesiuk who first applied for maternity benefits as she had done prior to the birth of her first child. Unfortunately her claim was refused. This was a shock because Kelly was pregnant with her second child. At first she thought it was an administrative error that would easily be settled. That is when she found the regulations had been changed. Under the old program, she needed 300 hours of work to begin to qualify for benefits. Now she needed 700 hours to qualify for maternity benefits. Kelly had worked 667 hours, 33 less than the required minimum. She was deemed ineligible. That is the story of Kelly Lesiuk, Winnipeg, Manitoba.

* (1040)

Madam Speaker, the second thing that has happened under the changes that are very, very hard on young people is that virtually no part-time workers can accumulate enough hours to become eligible for unemployment insurance. This is particularly hard for first-time entrants to the labour force, who never build up enough hours to become eligible for employment insurance because they are working in episodic jobs in the first place, short-term, part-time, low-wage, low-benefit jobs.

So people who try to start work are caught in the same kind of situation as Steven from Richibucto in New Brunswick. I am 22, I am affected by the cuts. Before, I needed 20 weeks of work to get benefits; today, with all the cuts and the tightening of criteria, I need 26 weeks of work. I cannot find work for such a period of time. My parents have helped me financially, but they have their own problems. I do not receive unemployment benefits, I cannot pay my debts. I need money to live. I do not have a penny to my name. He goes on to talk about the effect that this has on a young person who is not

highly skilled, is a seasonal worker in the wood industry in New Brunswick. Essentially, although he is paying the full rate for his benefits, he cannot claim them.

Madam Speaker, it has been long understood by labour economists from all parts of the world that all benefit costs are essentially forgone wages. They are costs of employment all right, but they are costs of employment to the employees. They are not costs of employment to the employer. They are forgone wages. When an insurance scheme is operated in such a way that two-thirds of the people, more than two-thirds of the people, cannot receive the insurance for which they paid, it no longer qualifies as an insurance scheme surely. If two-thirds of the house insurance claims were denied on the basis of ineligibility, one can imagine that very few of us would bother to buy insurance on our houses, because we had a two out of three chance that even if our house burned, somehow the insurance company would get off the hook. Well, that is the situation with employment insurance today.

I want to add a concern about the provincial training that comes from a worker in Manitoba. The previous speakers have talked about the need for employment insurance to also support retraining, and I want to add remarks about a constituent who ran into the same kind of problem. This is a worker from Manitoba. His name is not given. The transfer of responsibilities to the provinces for everything related to vocational training has been a disaster.

In Manitoba, after the agreement was signed by the federal government, the province decided to fund training programs at the community colleges for a one-year period only. For longer courses, students have to get a loan. Those are students who formerly qualified for benefits during their training, Madam Speaker.

I want to speak about a man in my constituency who was a teacher who taught on supply for various school divisions. Because of the nature of the work that he was doing as a contract worker on supply, he was charged employment insurance. He had employment insurance deducted from his wages. However, because he considered himself a professional

person, he never claimed employment insurance, even though there were periods of his working life when he was entitled to do so. He is now in his mid-40s. After a great deal of personal reflection, he decided that he really wanted to start his own business. The business he wanted to start was in the market garden herb-growing specialty area.

Now, he had qualified for employment insurance over many, many years. More than 10 years, he had qualified fully for employment insurance, but he had never claimed insurance. So he went to the employment people and said, will you help me by giving me a 16-week, only a 16-week course in small business management and development, essentially the kind of entrepreneurial training that the government opposite thinks is so valuable. This is a person who had very little means except for the amount of capital he needed to invest in his business. He needed to keep that, because the bank would not loan him any money if he did not have some of his own capital. Employment Insurance said you are not eligible for our training because you have never claimed employment insurance before. What a Catch-22. A responsible worker, eligible for insurance but decided never to claim it, is now denied training because he never claimed insurance he was eligible to claim—absolute Catch-22.

Would the Minister of Education of this province do anything to help this person? No, he did not. His staff did not help this person to find a way to become eligible for the training he needed. A potential entrepreneur, quite prepared to risk his own capital, asking only for a small amount of training, was denied that opportunity, because the new program essentially made him ineligible, Madam Speaker.

The Unemployment Insurance Program is not really an unemployment insurance program, Madam Speaker. It is a coercive program that denies benefits to people, and I am surprised that this province would argue for this resolution. They ought to recognize that for a great number of unemployed people today, the only alternative is welfare, because they cannot find work, especially workers where seasonal work is the dominant form of employment. They cannot qualify for EI anymore because of the federal

government stealing the money that they spent in their forgone wages and in the employers' contributions to their forgone wages.

So they go on social assistance, and this province pays 50 percent of that cost. Surely the members opposite would recognize that the federal changes to EI have been a massive offloading of costs onto the provinces who are now picking up the social assistance costs that formerly were not necessary because EI was available. So why this member, who did not even bother to show up for his resolution, by the way, would not support the changes that are needed in employment insurance in order to see that workers are qualified and that this province is not on the hook for social assistance costs that it should not be on the hook for—why are they simply calling for cuts to premium rates, instead of recognizing that the failure to have adequate premium rates, adequate premium programs, premium-supported programs, is costing this province very large amounts of money because social assistance is being spent in order to pay for employment insurance costs which should be there if a reasonable proportion of workers were covered by this program, which now covers less than one in three workers who ought to be eligible for insurance, Madam Speaker.

I would hope the government would rethink their position, would recognize they have been ripped off by the federal government changes, Madam Speaker.

* (1050)

Point of Order

Hon. David Newman (Minister of Northern Affairs): Madam Speaker, I am rising on a point of order. I detected in the remarks by the honourable member for Crescentwood (Mr. Sale) a reference to the absence and probably a very temporary absence of an honourable member who is the proponent of this resolution. I believe that is inconsistent with the rules of this House. I would ask the member to be brought to order.

Madam Speaker: The honourable member for Crescentwood, on the same point of order.

Mr. Sale: On the same point of order, Madam Speaker, it was a momentary lapse on my part. I regret it.

Madam Speaker: I thank the honourable member for Crescentwood. The point of order has been dealt with.

* * *

Ms. Rosann Wowchuk (Swan River): Madam Speaker, the employment insurance, or unemployment insurance, as it used to be known, is a very important matter for many people in my constituency. So I want to say a few words about this.

I want to talk about why unemployment insurance was first implemented. Unemployment insurance was implemented to replace earnings for workers who were between jobs. Its main purpose is to replace earnings. However, over the last few years, Conservative governments and Liberal governments have virtually destroyed the unemployment insurance program.

For over 50 years the program had met its objectives. In 1989 roughly four out of five people who were unemployed in Canada received supports from the program. But in the '90s the whole point of the program has been lost. Coverage for unemployed Canadians is down to maybe two out of five nationally and, in some regions, as low as one out of three is able to draw this insurance.

What has happened, Madam Speaker, is that this has had a devastating effect on many people who, through no choice of their own, get into situations where they are unable to work. Many times we find that it is women who are much more negatively impacted by these changes than men are, and it is women who are facing real challenges. As my colleague just indicated, many times, because this system of insurance that was put in place to help people through times between jobs, many people are instead of drawing insurance that they have paid into forced onto the welfare roll.

This is unacceptable. The government should be thinking very carefully about what suggestions they are putting forward. In fact,

Madam Speaker, they should be fighting to ensure that we have a safety net for people, that we have proper unemployment insurance so that people can, in fact, provide for their families during a period when they do not have work.

I want to talk a bit about the people in my constituency. The area I represent, there are many seasonal employees, people who work within the forestry industry, people who work in the fishing industry. Many of these people are having a really difficult time because of the changes that have been made to the employment insurance. Fishermen, in particular, who pay their benefits but work for a very short season, are unable to claim the benefits that they legitimately have paid into.

Governments have to take into consideration what is happening to these people. The regulations say you can only fish in certain seasons. To manage the resource properly, this is a good idea. Forestry operations can only operate during certain seasons, whether it be winter months, then they are laid off during the summer months. We have to think about those people and offer and look at ways to ensure that they can provide for their families.

A very good system was developed, but we moved to a system where governments had more of a goal to balance their budgets than to think about the effects of their changes to people. If you look at the number of dollars that are being built up in this fund, to have over \$20 billion going into a fund and proper benefits not going to the people, it is quite amazing that this can happen in a country like Canada, that governments such as the government across the way would not take a stronger stand to ensure that the benefits actually do flow to the people rather than looking at ways to reduce premiums. You could reduce the premiums, and in the short term there are going to be a few extra dollars in the workers' pockets. But that does not help any of them when they are out of work and have no money to pay their bills, no money to provide for their families.

Madam Speaker, I mentioned that I was very concerned about the impacts of these changes to employment insurance to women and to part-time workers and to students. In particular, I

want to talk about a woman—the amount of hours that are necessary right now that you must have 700 hours. We look at examples, of a woman who worked 698 hours but could not have her unemployment insurance when she was sick. We look at a situation where a woman had to leave her job in Ottawa and move to Toronto because of spousal abuse. She asked for unemployment insurance but was refused because she left her job without a valid reason. This is what she was told. Although she was in a crisis situation, she was in an abusive situation, to protect herself and her family, she moved to a new community. As a result of that, she was not allowed to collect UI. Then, when she finally was successful through her appeal to get some funds through UI, four years later she received a letter stating that she had received \$2,600 too much and that she had to repay that amount of money. This woman is not working, has to provide for two young children, and she is unable to pay the money back and does not know what to do. This is how insensitive the people who are running this program have become.

Then, Madam Speaker, we look at the clawbacks that are in the program. UI is supposed to tide workers over between jobs, but if your earnings are high enough, the system claws back your benefits. Those with incomes of over \$48,000, including all regular and special benefits, would have to repay 30 percent of their UI benefits with their taxes to Revenue Canada.

The changes brought in by the Conservative and Liberal governments have also affected the length of benefits. In 1999 the length of benefit period is half of what it was 20 years ago, yet the average unemployment spell has more than doubled, rising from 13 to 30 weeks over the past 20 years. So, Madam Speaker, we see that the changes that have been made are affecting people in all walks of life, but they are having a tremendous effect on our young people because they are required to pay in the benefits on part-time employment. Certainly that is the way this society seems to be moving. More and more of the jobs that we have, even right here in Manitoba, are part-time jobs. So individuals who are working will have very little opportunity to ever get enough hours on one job to qualify. As a result, they are paying these funds in but have no benefits.

The women who many times have to move because of their spouse's job, women who have to leave employment because they are giving birth to children, women who are in abusive situations are not able to collect the benefits from a program that was designed to ensure that there would be some supports during a period when there was no employment.

By the end of this year, the government has a total of \$20 billion in surplus in UI funds. In 1999 it is estimated that the UI will collect between \$5 billion and \$8 billion more than it pays out to its workers. So, Madam Speaker, rather than looking at ways to reduce the premiums, we have to look at ways at ensuring that the program that was designed for unemployed workers gets back to being a program where there are truly benefits for people, whether they are seasonal employees, part-time employees, women who take time off work to have children, that we indeed do have a proper program and not—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Swan River (Ms. Wowchuk) will have five minutes remaining.

As previously agreed, the hour being 11 a.m., we will now move to the second resolution.

* (1100)

Res. 13—Environmental Assessments

Mr. Gregory Dewar (Selkirk): Madam Speaker, I move, seconded by the member for Swan River (Ms. Wowchuk),

"WHEREAS the Provincial Government has made it a practice to licence developments in stages; and

"WHEREAS licensing in stages allows one phase of construction to begin before the whole development has been reviewed, which increases the pressure to license all stages of a development regardless of public concern; and

"WHEREAS the practice of licensing in stages has meant that Manitobans are restricted from commenting on the impacts of a development in its entirety; and

"WHEREAS the Provincial Government passed the Sustainable Development Act which states that all environmental decisions should provide due process and meaningful opportunity for public participation and should incorporate an intergenerational perspective of future needs and consequences; and

"WHEREAS the Provincial Government has continued the practice of staged licensing in the case of the Maple Leaf Plant in Brandon; and

"WHEREAS the Provincial Government went against its own Sustainable Development Act and against the recommendations of its Environmental Advisory Council by not having public hearings on the Maple Leaf development in its entirety before construction began.

"THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Provincial Government to consider following the guidelines set out in the Sustainable Development Act and amend the Environment Act to end the practice of licensing developments in stages."

Motion presented.

Mr. Dewar: Madam Speaker, it is a great honour to be able to speak to this resolution today. We did not plan on having to deal with this today, but it appears that the Liberal Party is not interested in discussing health care issues in this Chamber. It is clear that they are not interested in debating health care issues, but it gives us an opportunity to discuss environmental issues which I am sure we are all going to look forward to.

I had a chance to look through the Order Paper of proposed resolutions that are brought in by all members of the House, and as one goes through the resolutions, again, it is regrettable that this is the only resolution that is brought forward by any member in this House that deals with an environmental issue. It is fairly obvious that members opposite do not really care about environmental issues either because they are not interested in bringing forward any resolutions on the topic. I know the member for Riel (Mr. Newman) brought one forward a number of years ago which we debated in here. I believe

there were other ones that were brought forward which, in fact, we on this side of the House passed. We looked at the merit of the resolution, and we decided that it was worthy of our support. So rather than debate it out, Madam Speaker, we, in fact, on this side of the House took a responsible position and we passed that resolution.

This resolution actually is very timely when you consider what is happening today in this province when it comes to the licensing of developmental projects. This resolution calls for a full public participation in the licensing process. I just want to quote from the government's 1997 State of the Environment Report, on page 9, committing to the goals of sustainable development and their several visions.

Vision No. 1, Manitoba cannot continue to develop economically unless the environment is protected. Number 2, continued economic development is needed to pay for important environmental initiatives. We all agree with that. The need of the present must be met without sacrificing the ability of future generations to meet their own needs. Finally, attention must be paid to long-term effects of both the environmental and economic decisions.

Madam Speaker, this is a quote directly from the 1997 State of the Environment Report. The government was supposed to publish a 1999 sustainability report, and we are still waiting for that. Here we are in June, and we have not received it.

This is very timely when you consider what is going on currently in the licensing of the Maple Leaf hog plant in Brandon where it has been reported recently that the minister did not follow the advice of environmentalists—this is the member for Brandon West (Mr. McCrae) when he was a minister—did not even follow the advice of his own Manitoba Environmental Council and decided against holding comprehensive public hearings, Clean Environment Commission hearings, on the plant in Brandon. So now what has happened, this has just been reported just as of yesterday, the director of environmental approvals has said that it is unlikely that the Manitoba Environment would approve a licence that would allow for total

ammonia in the Assiniboine River to exceed 100 percent of the low flow of maximum, which is what will happen. So we have this situation here, Madam Speaker, because the government did not follow the advice of its Manitoba Environmental Council and others. When the project was initially introduced to Manitoba, it did not hold full scale Clean Environment Commission hearings. You have a situation now where, in fact, the opening of the plant may be delayed.

When yesterday I stood in this House and asked a question of the Minister of Environment (Mrs. McIntosh) on this very issue, I stood up and as the Environment critic I said Maple Leaf. Right away, without evening listening to the questions that I was about to pose to the minister, several of the members opposite started heckling our side. Oh, you are against that plant. You want to close that plant down. Did you caucus this question? Is that a responsible way to deal with a very important environmental issue like this? I do not quite understand where the members opposite are coming from. It is a very important issue.

The future of the water quality of the Assiniboine River, I think, is a very important issue. It is an important issue for those who live downstream in Portage la Prairie, for example, who are very concerned, who use the Assiniboine River as their source of drinking water, Madam Speaker. It is also an important issue for those of us who live further downstream, like those of us who live in the city of Winnipeg. Or those who live in the Selkirk area, which area I represent, are concerned about further pollution of the Red River. You know, it was not that long ago that citizens of the area in Selkirk would go swimming in the river. But now, there are those who recommend that you do not even come in contact with the Red River, with the water in the river. Of course, the river ends up in Lake Winnipeg, and we all know that we pride ourselves and Manitobans of having beautiful beaches in Grand Beach, Victoria Beach, Winnipeg Beach and so on. We know that there have been occasions when there has been high fecal coliform counts in that; in fact, these beaches were forced to close.

So we have a situation here because the government did not follow their own advisers,

did not follow others who raised this issue. You have a situation where the plant itself could be delayed because they did not meet all the environmental regulations. Had they had those hearings before, as this resolution calls for now, that issue would have been brought forward. They would have held Clean Environment Commission hearings across the province, one would assume. They would have taken the recommendations from the Clean Environment Commission. They would have incorporated those recommendations into the licence for the plant, and those issues would have been dealt with in a very public way.

But now we are faced with the situation where the future of the plant could be delayed because the government did not follow the advice of its own Manitoba Environmental Council. Not only that, recently, after this House passed The Sustainable Development Act, the Premier (Mr. Filmon) commissioned a panel to look into the progress of the act and make recommendations back. They found a number of disturbing things, Madam Speaker, as it relates to the act and how the government is currently addressing these issues here in Manitoba. They are talking here about little compliance. If I could, again, I would like to quote from the Consultation on Sustainable Development Implementation, the COSDI report, and it says, I quote: there is often little concerted effort to ensure compliance with the existing sustainable development strategies. This is a case where you have that here.

It goes on to talk about more the public should be involved from the beginning in the precicensing stage. They should be involved in the process. Now we have the situation here where in this particular operation where the plant itself could be delayed because the government did not follow the advice of concerned citizens and, in fact, their own Manitoba Environmental Council.

* (1110)

This resolution calls for more public consultation. I am not sure what the minister and the government are afraid of. I remember the debate on the licensing of the BFI waste facility in Rosser. I attended several of those

meetings in the community of Rosser. On one side you have the City of Winnipeg with their legions of engineers and lawyers and experts. On the other side you have BFI with an equal amount of technical advisers. Then you have a few individuals who are just trying to have their voices heard in that type of a process, but their concerns were as legitimate as any of the others that were raised. It brought forward important issues, important issues that I am sure were dealt with when the licence was granted.

We did not support the licensing but, regardless of that, there was an open process. The Clean Environment Commission held the hearings. You would think if they would hold the hearings on licensing of BFI that this development was worthy of those hearings as well. It could have been done. It could have been done well before the sod was turned on this operation. Presumably they would have applied for a licence and the government could have dealt with a lot these issues then in a very open way.

Now we have a situation where the plant could be delayed because they are discovering things as the process is going along. So you have a situation where, because the government refuses to listen to their own Manitoba Environmental Council, because they are not listening to, not following the guidelines set out in The Sustainable Development Act, which we passed, in terms of public consultation, in terms of the issuing of licences in stages, you have that plant potentially delayed. We raised the issue in the Legislature yesterday and all the members opposite said, oh, you are against the plant, you want to close this down, you want to lay off all these workers.

They are the ones, the members opposite, that are going to cause a delay. It is the members opposite that are causing the problem with the development of this project in the Brandon area, not this side of the House, Madam Speaker. Had they listened to experts, this issue would have been dealt with long ago. We could have held the hearings as was asked for and as has been recommended.

So this is a very timely resolution. I am sure the members opposite will have something to say on this. My colleague for Swan River (Ms.

Wowchuk) raised this, similar to what happened with the licensing of the Louisiana-Pacific plant in her own community. I know that we will certainly be getting into these and other issues later on today when the Estimates of the Department of Environment begins, but I think that when you license in stages it contributes to irresponsible development practices, by allowing construction to begin, as it already has, before the whole development has been reviewed.

After the development begins, as is the case, it is hard pressed, and I must say it is very difficult now to say no to the plant, but what is going to happen is that the government opposite, the members opposite are going to cause a delay because they did not listen to their own advisers last year when they had the opportunity to review this whole development of this plant.

Once again, I look forward to listening to the comments of the members opposite. I appreciate the opportunity to speak. I know the members opposite will review this as an important environmental issue.

They have not raised any environmental issues in any of the resolutions brought forward today. Again, it is regrettable that the Liberals were not interested in discussing health care issues in this Chamber, but that is obviously a trend, and they will pay the price ultimately for doing that. They are more interested in their fundraising dinner they are holding tonight. The Prime Minister is flying in at public expense. Maybe they are out there selling tickets, and they are not interested in discussing health care. Apparently they are not interested in discussing environmental issues either.

Hon. Linda McIntosh (Minister of Environment): I really appreciate the opportunity to place a few words on the record about this particular resolution. I do appreciate the intent the member is bringing forward, but really I think his concerns are misplaced, and there really is not any need to support the resolution he has brought forward. The government is currently in the process of conducting a multistakeholder review of the decision-making system for environmental land use and regulatory decision making of which staged licensing is a component. [interjection]

My goodness, I did not expect the member for Wellington (Ms. Barrett) to be so quick with her heckling, but if I want to pause and let her talk for a bit, I will pause and let her do that. [interjection]

The member has offered to take my time, but I have my time which I would like to take, and I invite her to speak next. Since she says she has now offered to get up and speak to the resolution, I will expect to hear her 15 minutes after I have concluded mine; otherwise, I think maybe she is just bluffing because she maybe has nothing of substance to say on the issue. Of course, I think she will have some things of substance to say when she stands after me and makes her 15-minute speech because I do not think that she would put false statements on the record. Pardon me, she is not putting them on the record; she is heckling from her seat. Thank you very much. I appreciate the silence now.

The Sustainable Development Act, except for Section 3, was proclaimed into force on July 1, 1998. The member for Wellington perhaps can listen to this from her television in her office, but she will have to come back to put her comments on the record as she says she plans to do. Among the key features of this act, which the member for Wellington, I know, will wish to comment upon formally, as she does informally, are the principles and guidelines of sustainable development. This government takes the concept of sustainable development very seriously, so seriously, in fact, that these principles and guidelines of sustainable development have been enshrined in legislation. No other province in Canada has yet taken the significant step forward.

There are seven principles of sustainable development and six guidelines for sustainable development. [interjection] Well, the member for Crescentwood (Mr. Sale), the 10 percent Tim, is about to sing the twelve nights of Christmas into the record here; he is singing five golden rings and four calling birds and all of the rest of it. It does not have very much to do with sustainable development, but it makes an interesting heckle and an attempt to throw the speakers off target because they do not want to hear this good news that is coming forward in this particular speech. So I will continue, if the

members can hear me above the member for Burrows (Mr. Martindale), the member for Swan River (Ms. Wowchuk) and all the rest of them on that side who are shrieking and yelping from their seats like wounded puppy dogs.

I will put into the record the seven principles of sustainable development. I know the opposition does not want to hear them and does not want to acknowledge that these are landmark decisions that this government made and that they are heralded internationally as being leaders in this arena. The integration of environmental and economic decisions is the first principle. Economic decisions should reflect environmental, human health and social effects. Environmental and human health initiatives should take into account economic, human health and social consequences. They are inextricably linked.

Stewardship, Madam Speaker. The economy, the environment, human health and social well-being need to be managed for the equal benefit of present and future generations. Manitobans are caretakers of the economy. They are caretakers of the environment, of human health and social well-being, and today's decisions are to be balanced with tomorrow's effects.

* (1120)

Number 3 is the shared responsibility and understanding. All Manitobans should understand responsibility, should acknowledge responsibility for sustaining the economy, the environment, human health and social well-being and each Manitoban being accountable for decisions and actions in a spirit of partnership and open co-operation. Manitobans should understand and respect differing economic and social views, values, traditions and aspirations. Manitobans share a common economic, physical and social environment and should consider the aspirations, needs and views of the people of various geographic regions and ethnic groups, including aboriginal peoples, to facilitate equitable management of Manitoba's common resources.

An Honourable Member: What has this got to do with the Maple Leaf plant?

Mrs. McIntosh: Prevention, Madam Speaker. The member, from her seat, has asked what this has to do with the resolution. Perhaps she would like to read the resolution again where the resolution talks about staged licensing. I am indicating what it is all about and the principles behind it, which I think they need to understand, as I indicated in my opening remarks. Perhaps the member for Wellington (Ms. Barrett) could wait for her turn which will come very soon. She could set up right after me and speak, because she too might like to speak to the principles behind staged licensing which I do not think she understands, which is why I am trying to explain it to them.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. I would remind all honourable members this is not a time for debate. One member has been recognized to speak to Resolution No. 13.

Mrs. McIntosh: Thank you very much, Madam Speaker, for that intervention. I think it will help me be able to speak above the raucous noises from across the way.

Prevention, Madam Speaker, is the next point. Manitobans should anticipate and prevent or mitigate decisions and actions which will have significant adverse economic, environmental, human health and social effects. In this respect, particular care must be given to decisions whose impacts are not entirely certain but which, on reasonable and well-informed grounds, might pose serious threats to the environment, the economy, human health and social well-being.

The next point is conservation and enhancement. Manitobans should (a) maintain the ecological processes, biological diversity and life support systems of the environment; (b) harvest renewable resources on a sustainable yield basis; (c) use renewable and nonrenewable resources wisely and efficiently; and (d) Manitobans should work to enhance the long-term, productive capability, quality and capacity of natural ecosystems.

The next principle, Madam Speaker, that is behind our way in sustainable development is

rehabilitation and reclamation. Manitobans should endeavour to repair past damage to or degradation of the environment. From this time forward, Manitobans should consider the need for future rehabilitation and reclamation and decisions and actions.

Global responsibility is the next principle and, when acting locally, Manitobans should think globally. Manitobans should recognize there is an economic, ecological and social interdependence among provinces and nations. Manitoba should work co-operatively with Canada and internationally to integrate economic environmental human health and social factors in decision making while developing comprehensive and equitable solutions to problems.

These above seven principles of sustainable development establish the framework for sustainable development in Manitoba as we move into the 21st Century. As these seven principles make clear, priority needs to be given to each of the four main pillars of sustainable development: the environment, the economy, human health and social well-being. No one of these factors can ever be ignored in any decision-making process. The member is implying that one of them is missing, and he is incorrect. In every decision that we make now and in the future, we need to address and integrate all of these sustainable development factors. To assist Manitobans in making decisions which are true to the principles of sustainable development, this government has also enshrined six guidelines for sustainable development which are outlined in The Sustainable Development Act. Those six guidelines are: (1) efficient use of resources. Manitobans should encourage and facilitate the development and application of systems for proper resource pricing, demand management and resource allocation, together with incentives to encourage efficient use of resources. In addition, Manitobans should take steps to employ full cost accounting to provide better information for decision makers.

Another guideline is public participation in The Sustainable Development Act. Decision makers should strive to achieve consensus among citizens with regard to decisions affecting them. This can be achieved by establishing

forums with an opportunity for consultation and meaningful participation in decision-making processes—we saw that last night in Brandon—and by providing due process, prior notification and appropriate and timely redress for those citizens adversely affected by decisions. So far, as I am outlining these guidelines, they have been met beautifully with our process, the best way, in fact, that they could be met.

Access to information is another point. Improving and refining economic environmental human health and social information and promoting equal and timely access to this information by all Manitobans. Again, well met.

The next point is integrated decision making and planning. Again, Madam Speaker, the principles of The Sustainable Development Act are being well met by the process laid down by the government of Manitoba in this particular instance. Integrated decision making and planning means to encourage decision making and planning processes that are efficient, timely, accountable, cross-sectoral and which incorporate an intergenerational perspective of future needs and consequences.

We talk, as well, Madam Speaker, about two other principles, two other guidelines rather, waste minimization and substitution and research and innovation to promote the use of substitutes for scarce resources where some substitutes are both environmentally sound and economically viable, as well as to reduce, reuse, recycle and recover the products of society. [interjection]

Madam Speaker, the member for Burrows (Mr. Martindale) is questioning the relevancy, and I am indicating to him that the resolution deals with whether or not the second stage, the multistage process we have in Brandon, meets the sustainable development requirements and therefore I am indicating what the sustainable requirements are so that they can determine that, and it is extremely relevant. A speech on this topic would be totally missing an important component if that were left out as information. So I just point that out so the member for Burrows can be more comforted to know that it is a necessary part of the relevancy, although he may not think knowing what the guidelines are

is relevant to the discussion on the guidelines. I think if you are going to have a discussion on the guidelines, it is kind of important to state what the guidelines are so we know what we are talking about. But maybe not for the NDP. But it is important for us to know.

Even though Section 3 of The Sustainable Development Act has not yet been proclaimed, the government of Manitoba is well on its way to implementing all of these principles and guidelines of sustainable development. Section 3 of the act places a statutory requirement on the government to have regard to the principles of sustainable development and all of its activities. Madam Speaker, I want to point out that it was Premier Filmon who brought the Brundtland report to the attention of the governments. It was Premier Filmon who spoke at Rio. It was Premier Filmon who has been a world leader in sustainable development.

The New Democrats before us have a reputation that was well known of being not good in terms of the environment. It has been this government that brought in sustainable development. I find it intriguing that now, at the last minute in the 10-year span that we have been sharing the floor here, they suddenly are proponents of sustainable development when they never were before. They did not even know what it was, and they still do not know what it is. It is amazing that they are suddenly now proponents of it. It is a good sign, a little late to the table but let them not leave the impression that they are the ones who brought in initiatives in this regard.

Some of the government's present and upcoming efforts in this regard in terms of developing sustainable development include the Consultation of Sustainable Development Implementation, COSDI, it is called; the enshrining of the Manitoba round table in legislation, which oversees and guides Manitoba's progress in promoting and achieving sustainable development; the establishment of a provincial sustainable development strategy and component strategies—and those are reviewed on an ongoing basis; the establishment of a provincial sustainable development code of practice, which is in place to assist the integration of sustainable development into the decisions, the actions and

the operations of provincial public sector organizations, including all provincial departments; in addition, the creation of financial management guidelines and procurement guidelines consistent with the principles and guidelines of sustainable development for all provincial governments to follow.

Madam Speaker, I am sorry that I was interrupted and time was taken from that.

Madam Speaker: Order, please.

Mrs. McIntosh: I have more to say, but perhaps one of my colleagues can complete the comments because I had to pause frequently for interruptions here.

* (1130)

Ms. Becky Barrett (Wellington): I am going to be very brief in my comments because I look forward to many minutes of turning and twisting on the part of the government not in support of this resolution. I would like to ask the Minister of Environment (Mrs. McIntosh), if she is so confident in her staged licensing application process for the Maple Leaf plant, if she is prepared to follow in the footsteps of the current Minister of Agriculture (Mr. Enns), who, I believe, swam in the Red River, and the former federal Minister of Environment, Madam Sheila Cops, when she swam in Hamilton Harbour to prove how clean the water was—if the Minister of Environment is prepared to swim in the Assiniboine River just downstream from the effluent discharge from Maple Leaf plant or drink the water.

The whole point of this resolution is to say that her own guidelines and her own department have said her government is not following the regulations and the rules; and, if you cannot comment on the impacts of a development in its entirety, you run the risk, as we are running today, of a delay in the implementation and the completion of the Maple Leaf plant. If it had been done—[interjection]

I said run the risk of, a serious risk. So, Madam Speaker, I strongly support this resolution, and I am very much looking forward to at least maybe the former Minister of Environment or someone else who appears to

have some knowledge of the issues rather than just reading prepared notes and not even getting to the substance of the resolution, as the current Minister of Environment was unable to do. I look forward to some other, maybe more intelligent comments from the government side.

Hon. Glen Cummings (Minister of Natural Resources): After being challenged by the member for Wellington (Ms. Barrett) about the quality of the responses, I have to indicate that I am pretty concerned about the quality of the resolution that I am looking at. [interjection] The member for Wellington chastised me, now she does not want to listen.

Madam Speaker: Order, please. The honourable Minister of Natural Resources was recognized to speak to the resolution, and I am experiencing great difficulty in hearing him.

Mr. Cummings: As I was saying before I was rudely interrupted, the member for Wellington does not like the logic of the responses being made to this resolution. I have to indicate that I am offended by the resolution because the resolution, to begin with, displays a significant lack of appreciation of the understanding of the principles of sustainable development; and, secondly, it does not recognize or appreciate, nor is it anything other than a political move to try and attack, the staged environmental licensing process.

If the member for Wellington is saying that she supports this motion to do away with the practice of licensing development in stages, and if the member for Selkirk (Mr. Dewar) is also saying that, and I presume the whole caucus of the NDP is now saying that they support this resolution to do away with staged licensing of developments, then I think they sorely misunderstand or do not appreciate the reality of licensing under the principles of sustainable development. What that means quite simply is that we need a predictable process that has clear ability to demonstrate to the public what the appropriate protection is being put in place, and it also has to make sure that in the process, people have the opportunity to interact with the proponent.

In the particular case of Maple Leaf, there were public meetings held in Brandon to deal

with the issues that were raised by the public. There was a small group of individuals—I presume supported by the NDP—who chose to say that that was not an appropriate process, that there should have been a full-blown Clean Environment Commission hearing.

Now, Madam Speaker, what this demonstrates is, other than their urge for political purposes to try and portray the jobs at Maple Leaf as being in some kind of jeopardy, which is simply not true, they are trying to indicate that changing the process, according to their view of the world, would develop some sort of a different answer. It simply would not. Because it seems to me that they simply do not understand the principle that Manitoba has water quality standards that must be adhered to in the delivery of waste product into a water body. Frankly, those standards will be met or the water body will not be forced to accept the water.

Well, the member is flashing around media reports and very often what happens is—and I suggest that they put a little more money into their research arm because, if they did, they would have been clearly advised that water quality standards will prevail in allowing any discharge into our watercourses.

Madam Speaker, a staged licence puts the onus on the proponent to be able to meet the standards, the known standards of the province and the federal government in proceeding with their construction. It does put the risk, and therefore the pressure, on the proponent to make sure that they are building adequately. We have a number of examples in the province where this has occurred.

If the members opposite are so blind or foolish as to think that a corporation like Maple Leaf is going to spend \$113 million or more in investments in this province, that they are going to do anything different than what has happened at Portage la Prairie where a sister company made a significant investment in potato processing—they knew that the water quality standards were needed in the delivery of the water, and they took the—[interjection] Well, the member says potatoes are different from hogs. Give me a break. It is waste water from the processing of those products. As a matter of

fact, the waste from the potato industry in a prairie town dealing with a prairie river is a much more difficult challenge than being able to deal with the waste water from a hog plant if we were to analyze it.

The key is pretreatment of the effluent before it goes into the final treatment stages before it is discharged into the watercourse, and that is why—I am sorry to see that the members on the other side, for their own narrow political interests, are trying to portray the jobs as being at risk and trying to indicate that someone has done anything less than a very clear and careful assessment of what is needed for environmental licensing of this plant.

I think they also fail to recognize that in bringing this industry together, the production of the hogs, the processing of the hogs, the two go hand in hand. That is why the system works so well given the fact that Manitoba has always licensed discharges based on the water quality standards that are in this province. Perhaps the members opposite are unable to function when they are required to think from the pipe end back into the system, but if you consider the quality that has to be delivered at the end of the pipe for the watercourse, then you can calculate what needs to be done in terms of processing the effluent before it goes into final lagoon and treatment stages.

Secondly, Madam Speaker, the members are choosing in their rhetoric and their heckling across the way to talk about their distrust of the sustainable development concept. [interjection] The 10 percent member for Crescentwood wants to talk about process. Process for the sake of process and grind development to a halt is probably the principle that he is satisfied with, and that is why I hope he is never responsible for development in this province. The concept of putting the phased licensing in place, and I repeat myself for the sake of emphasis here, requires the company to know that the risk and the onus is based on them to produce the standard of treatment and quality of effluent that will meet a known standard. They know what that standard is today. They know what they have to deliver before they will be licensed to deliver into the river. So for the members to then turn around and say that the sustainable

development process does not work seems to me to represent a large hole or a gap in their logical thinking.

* (1140)

Very clearly, prevention of damage to the environment, protection of the existing environment and enhancement of it for future opportunities is very much related to something this government has been in the middle of for 10 years. That is where there are watercourses where there are fish involved, and protection of the fish habitat becomes the next issue that needs to be dealt with. First of all, you have the water quality which is a known standard; secondly, you have to deal with the protection of the habitat. Under the concept of sustainable development, we have been working with the federal government to try and devolve a logical and acceptable process whereby the protection of the fish habitat can be managed by the provincial authority. What I have just heard from the opposition in their clear denunciation of the principles of sustainable development is that they believe that process, no matter how mind numbing, no matter how mindless in some cases, is a better thing to do than to have a logical and clear way of dealing with the problem at hand, so that you deal with the solution not simply deal with the process. [interjection]

Well, the member for Selkirk (Mr. Dewar) says that we are pointing in two different directions, and saying one thing and doing another, I take it, is his implication. The fact is, if there is a known water quality, you achieve the goal that you have set out to, no matter which route you choose to go, but you do not for the sake of process and mind-numbing process hold up an operation because you want to simply take and slow down the opportunity for them to begin to do business. Frankly, when we know the required results, we know what has to be done, we know the science, we know the parameters.

Manitoba's river courses, particularly the Assiniboine, is one of the better known watercourses in terms of how we have to manage the effluent. Because it is a prairie river, because the water volumes are generally low, because there is already a plant at Brandon which has a

potential for nitrogen contamination, because we know that further demands on this river because of its access to agricultural opportunity are going to be ongoing, we know that we have no choice but to deliver the highest environmental protection and the best quality treatment of the effluent. That is not something that needs to take two years or even longer to put through a process; that is a known quantity. That means we can deal expeditiously with the proponent and indicate to them what quality of effluent must be dealt with.

I wanted to take the opportunity when I mentioned the fish habitat to indicate that if the members opposite believe that some improved method of environmental licensing is not appropriate, then they might want to consider that presently we have received responsibility for placing dikes on the Assiniboine River. We took over the responsibility from the federal government to manage the dikes on the Assiniboine River. Those dikes are eroded between Portage and Winnipeg. They are falling into the river. We are having tons and tons of mud falling in the river, destroying fish habitat. Do you know what? The federal authorities will not give us approval to rebuild those dikes. That is what an unmitigated, mindless process can do to management of our resources. It can lead to exacerbation of problems rather than dealing with the problem directly. That is one of the principles of sustainable development that we need to be thinking about in an appropriate fashion and not going back to a simple, elongated process when we should be out there getting on with the job of protecting and enhancing the environment.

I use the example of those dikes and the fish habitat protection that is required to go around works associated with a watercourse that contains fish, that when we have two years in the waiting, we have actually had to go out and, on an emergency basis, do some repair to those dikes. We stand the very real risk, if we do not get an environment licence by this fall for those dikes, of having the water come across country out in the La Salle community instead of staying in the watercourse, either that or we will be taxing the floodway at Portage la Prairie far more than we already are.

So I implore the members opposite to think about their responsibility in terms of process, think about the fact that one can clearly deal with his obligations and his responsibility in terms of the environment, environmental protection, and the appropriate licensing of facilities and/or activities that have impact on the environment and to consider that stage licensing, in and of itself, is not the problem. Stage licensing, in fact, puts more onus on the proponent, but it does allow for a logical progression of development at the same time as we protect the environment, because we have known standards that we have to meet prior to development proceeding. That provides the protection and it provides the leverage, if that is something that members opposite are concerned about. It provides the leverage to deal with a proponent who may think that they can move away from appropriate environmental standards simply by proceeding roughshod and by not dealing with the issues that they know have to be met beforehand.

So, Madam Speaker, I appreciate the chance to address this issue, and I encourage the members opposite to read Hansard.

Hon. James McCrae (Minister of Education and Training): Madam Speaker, I am pleased to participate today in this discussion on the resolution brought to us compliments of the honourable member for Selkirk (Mr. Dewar). I am somewhat disturbed by what I am observing at this point. I refer to yesterday, for example. In this Legislature the member for Selkirk as Environment critic for the New Democratic Party has raised issues related to the Maple Leaf plant which is under construction in the city of Brandon. What is probably more telling is not what the honourable member for Selkirk said so much as the silence of the honourable member for Brandon East (Mr. L. Evans) as the honourable member for Selkirk has been raising the matters he has related to the Maple Leaf plant in Brandon.

This is getting awfully similar to the intervention of the honourable member for Radisson (Ms. Cerilli) with respect to the Ayerst Organics operations in Brandon and the operations going on on the farm sites of Manitoba. You know, the honourable member

for Radisson not only came dangerously close but made it pretty clear in an international way the kind of position that New Democrats are capable of taking here in the province of Manitoba, which can be quite disturbing to people, especially people in western Manitoba and in rural Manitoba in general. What we have here is some thinly disguised mischief respecting the economic development of our province. New Democrats need to be caught up once in a while for their mischief. I am telling you, Madam Speaker, it is a matter of some concern that New Democrats in this House have now taken a position which is exactly parallel with the position of those who are directly opposed to the development of the Maple Leaf hog processing plant in Brandon. As a resident of Brandon and as a citizen of Brandon, representing people whose future livelihoods will be enhanced significantly by these types of developments, I feel compelled to stand and say enough, to stand and blow the whistle on New Democrats in Manitoba who consistently take positions against orderly development in our province.

* (1150)

As a former Minister of Environment, I know very well that these developments that are happening in our province are being done in a sustainable way, including the Maple Leaf plant in Brandon, which has been the subject of numerous public meetings and the subject of extensive scientific research, ongoing and future as well. It is causing me great concern that the New Democrats are taking positions in order to, I assume, satisfy some of their friends who are taking positions against the development of the livestock industry in Manitoba.

Point of Order

Mr. Dewar: The minister is completely incorrect. As he knows, the member for Brandon East (Mr. L. Evans) supported this operation, as we do. This minister was also the Minister of Environment. He is also the member for that area. I understand what he is trying to do here, but he did not even listen to the questions I raised yesterday in this House. We are concerned about the delay of the opening of the plant because of decisions that he made when he was the Minister of Environment.

Madam Speaker: Order, please. The honourable member for Selkirk does not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. McCrae: Very clearly, except that the facts are not very much in dispute here. The fact is that New Democrats have a habit of, for the wrong reasons, getting in the way of orderly development. Now, I am very much in favour of sustainability in developments that go on in this province. I, after all, am the former Minister of Environment who brought in the toughest agricultural livestock waste regulations anywhere in this country. I am pleased about it, because what it means is that development can go forward in Manitoba in a very orderly way.

It is no coincidence that the very place where livestock development is going on at the fastest pace is going on in the province that has the greatest level of regulation of environmental concerns. I am proud of that because I know that my children and my grandchildren, which I am happy to announce are going to happen, are going to have a place where they can live and work and invest their money and raise their families.

That is at the bottom of all of this for me and for honourable colleagues on this side of the House, but the mischief of honourable members opposite is not going to go undetected. The mischief of the honourable member for Radisson (Ms. Cerilli) will not be forgotten by the people of Brandon and western Manitoba and all of rural Manitoba. Now the honourable member for Selkirk (Mr. Dewar) is getting dangerously close to replicating that mischief that has been undertaken by the honourable member for Radisson.

I wanted a moment of the time of the House in this debate today to bring that forward. I am very comfortable with the level of study, the level of assessment, the level of mitigative measures being taken. I am comfortable with the quality of the scientific people who are monitoring the Assiniboine River. I am comfortable that a river study is being undertaken. I am comfortable that the public is being involved at every stage of this development in a very meaningful way.

For the honourable member to be raising resolutions and bringing resolutions like this to the House is, if nothing else, to confuse the public about the position of the New Democratic Party. From a political standpoint, that pleases me because a public that is confused about a position of the New Democrats is not likely to vote for them, and that is okay with me. But why would the honourable member for Selkirk (Mr. Dewar) put his colleague the honourable member for Brandon East (Mr. L. Evans) in such an uncomfortable position that compromises a clear understanding about the support of the honourable member for Brandon East with respect to the Maple Leaf plant?

The honourable member for Brandon East deserves better than this from his colleague from Selkirk, and I am sorry that we are not hearing from the honourable member for Brandon East about this. Is his silence to be interpreted to mean that he secretly agrees with the positions being taken by people like the honourable member for Radisson (Ms. Cerilli) and the honourable member for Selkirk? Well, I leave that to you, Madam Speaker, and to other reasonable watchers of and listeners to this debate.

So, with those few words, having said what I said about the process, I am comfortable that in Manitoba we have the best process anywhere in the country for the protection of our environment with respect to these major, major developments. These developments are very good for the future prosperity of our province and our country, something that we need to have in order to have a sustainable future for our children and our grandchildren.

I am just very, very upset today that New Democrats would come here and try to confuse issues and take positions that are almost identical to the positions of those who are very, very opposed to the development going on in Brandon. The honourable member for Brandon East is certainly going to have to straighten this up.

Hon. Leonard Derkach (Minister of Rural Development): Madam Speaker, my colleague the Minister of Education (Mr. McCrae) used the term "mischief" in referring to the comments and

the actions of the opposition. You know, I go back to the time when we had the Ayerst issue in Brandon, and the whole PMU industry was under attack by the members of the opposition with regard to the fact that the PMU industry was not a good one and was not sustainable in the province of Manitoba. Well, this is a typical approach that is taken by members of the opposition. Regardless of what kind of development it is in what part of the province, the NDP seem to find a way in which they can criticize elements of it and try to put the blame back on government. Manitobans right across this province have long ago realized the agenda of the NDP and that it does not fit in our province. I think citizens right across this country have realized that that is the approach the NDP have taken in other jurisdictions as well, and that is why they have been relegated to the positions that they are in, in most of this country.

Here in Manitoba citizens of our province have worked extremely hard to attract this kind of investment into our province, to create jobs, to create an opportunity for a future for our children and our grandchildren, whether it is here in the city of Winnipeg, in the city of Brandon or any other community in this province. It appears that every time there is a positive development, one where ordinary citizens in this province are trying very earnestly to develop an enterprise, to develop a project for the betterment of this province, for the citizens of this province, the NDP find a way to try and scuttle the project or try to criticize it or try to bring on some kind of a protest to the development of this project.

Today's resolution is no different. Take a look at the resolution today and what it says. They fully understand the process that is now available to the people of this province in terms of making representation on issues regarding the environment. This is not a new process, and this is not a new project. Indeed, every aspect of the process is being followed because that is imposed by the Department of Environment.

Madam Speaker, this is not a little company that is new in the area of economic development that is developing in Brandon. I mean, they have plants all over the world. [interjection] Oh, and now we have the comment about a multinational giant. That is really the crux of the issue. That is why they are opposed to it, because they fear these multinational giants who create jobs, who create the kinds of jobs that we need in this province. So what is the objection to that? What is the real objection to that? Is it because they create jobs? Is the objection because the economy of this province might improve?

Madam Speaker, it seems to me that the NDP are on the wrong track, and the member for Selkirk is on the wrong tracks as it relates to this resolution and I regret that.

Madam Speaker: Order, please. When this matter is again before the House, the honourable Minister of Rural Development (Mr. Derkach) will have 12 minutes remaining.

The hour being 12 noon, I am leaving the Chair with the understanding that this House will reconvene at 1:30 p.m. this afternoon.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 3, 1999

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