

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 16 June, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same, and asks leave to sit again.

Madam Speaker, I move, seconded by the Member for Lac du Bonnet, that the report of the committee be received.

MOTION presented and carried.

MADAM SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 25 students from Grade 8 from the Jack River School under the direction of Mr. Bruce Johnston. The school is located in the constituency of the Honourable Minister for Northern Affairs.

We have 22 students from Grade 5 from the Robert Smith Elementary School, under the direction of Ms. C. Kulpak and the school is located in the constituency of the Honourable First Minister.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

Chmn. of Municipal Board - active political partisan individual

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is for the Premier.

Madam Speaker, given that the previous chairmen of the Municipal Board have been career civil servants - and I emphasize "career civil servants" - who have maintained the integrity of the Municipal Board as a non-political, unbiased, quasi-judicial board of final appeal, I ask this First Minister why he appointed an active political partisan individual to the Municipal Board, to politicize it in that manner?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'm very pleased, in fact, to have been able to recommend the appointment of Andy Anstett as the Chair of the Municipal Board. Andy Anstett is extremely well respected by the municipal people of the Province of Manitoba. He has a background of doing well, as Minister of Municipal Affairs in this province and, as well, Madam Speaker, is one of the few non-assessment people in this province that has a thorough understanding of the assessment system.

So I think we're very fortunate to have someone of the calibre of Andy Anstett to serve as Chair of the Municipal Board, and I have every confidence that two years from now there will be no question but that Andy Anstett was one of the best appointments ever made to the chairmanship of the Municipal Board in the Province of Manitoba.

Chmn. of Municipal Board - what political policies expected to be brought to board

MR. D. ORCHARD: Madam Speaker, given that the Premier has denied that this is blatant political patronage in the appointment of a defeated Cabinet Minister to the Municipal Board; and given that the First Minister said that this kind of political patronage is a given, all political parties do it, because he, in particular, wishes to have people of his political persuasion . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: . . . of his political persuasion in these kinds of positions to promote government policy; what government policies, what political persuasions, does the First Minister expect a defeated Cabinet Minister to bring to a non-political quasi-judicial, unbiased Municipal Board?

HON. H. PAWLEY: Madam Speaker, of course I'm not surprised at the contradictions that occur from time to time in positions of honourable members across the way. In fact, the Member for Pembina served in treasury benches that appointed the former Walter Weir as the Chairman of the Assessment Review Committee in the Province of Manitoba. Of course, that was not political; that was an elder statesman in the mind of the Member for Pembina.

Madam Speaker, I did not hear cries of anguish on the part of honourable members across the way, when the former Member for Swan River, Doug Gourlay, was appointed to serve as the Chair of the Farm Debt Review Board by the Federal Government, defeated candidate in the Swan River constituency. Madam Speaker, I did not hear cries of anguish when the former defeated Conservative candidate in Lac du Bonnet was appointed a chief aide to the present Minister of Health.

So, Madam Speaker, neither did we criticize those appointments, so I think the cries of protest on the part of the Honourable Member for Pembina really ring very, very hollow, when you consider the capacity, the ability of the former Minister of Municipal Affairs in this province, by the name of Andy Anstett.

Chmn. of Municipal Board - absent himself from crucial decisions

MR. D. ORCHARD: Madam Speaker, given that former chairmen of the Municipal Board have been career civil servants, not defeated Cabinet Ministers of the Pawley administration; and given that the Municipal Board is a quasi-judicial, non-political, unbiased board of impeccable integrity in this province, up until this point in time; and now this government has politicized even the Municipal Board; can the First Minister indicate whether the newly-appointed defeated Cabinet Minister as chairman of the board, will absent himself from those decisions in which he, as Minister responsible for Municipal Affairs 15 months ago, made very strong positions, particularly in regard to assessment with the City of Winnipeg where he was in constant battle and warfare with the City of Winnipeg; will he absent himself as chairman of the board in any crucial decisions, since the Municipal Board is the final board of appeal in Municipal Affairs matters?

HON. H. PAWLEY: I'm prepared to wager that if you ask the municipal people of this province whether or not Andy Anstett is one of impeccable integrity, the answer will be overwhelmingly, yes, from the municipal people of the Province of Manitoba; and they will disagree with the scurrilous comments by the Member for Pembina in this House just a few moments ago.

Madam Speaker, insofar as a conflict of interest, I have no doubt in my mind that the former Minister of Municipal Affairs, being one that is very discreet as to ensuring that he would never permit himself to be compromised by conflict of interest, will be the first at the appropriate time to absent himself from any quasi-judicial hearings where there could be a conflict, not an imagined conflict.

MONA - opposition to final offer selection

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister of Labour.

Given that, in addition to the Canadian Union of Public Employees, the International Ladies Garment Workers' Union, the Canadian Association of Industrial, Mechanical and Allied Workers' Union, now MONA, Manitoba Association of Nurses' Organization, has come out opposed to final offer selection and saying, in part, that they firmly believe in free collective bargaining, and that the best possible mechanism for resolving disputes is strike lockout; will the Minister of Labour now listen to all of these unions who are coming out in opposition to final offer selection and reconsider the position he has taken and withdraw this ill-considered bill from the Legislature?

MR. D. ORCHARD: And resign.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, I've become used to hearing the discordant voice of the Member for Pembina so it doesn't phase me, Madam Speaker.

In respect to the legislation that's before the House, we knew when we introduced it that there were some in management circles, in industry, some in the trade union circles that, because this legislation is unique, because it is innovative, will have some doubt and some apprehensions in respect to it.

We did not anticipate that there would be universal acceptance of the principles contained in this bill. In respect to those fears and concerns, I say this, Madam Speaker, that final offer selection is merely another mechanism; it is merely another option. But it is the workers in the bargaining unit who will determine whether or not that mechanism, at any given time, is appropriate for their consideration.

Madam Speaker, it will be a democratic choice of workers. It may, indeed, occasion some concern in respect to others that they must communicate effectively and persuade the workers as to the logic of any given choice that they face. But, Madam Speaker, I have no apprehension about entrusting that fundamental decision to workers because it is workers who decide, in every instance, whether the pay packet is sufficient. After collective bargaining, it is workers who determine whether or not they're prepared to go on strike to defend their rights, and so there's no . . .

MADAM SPEAKER: Order please, order please.

May I remind Honourable Ministers that answers to questions should be brief.

Final offer selection - legislation detrimental to labour relations climate

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, given that the Manitoba Organization of Nurses' Association has said, and I quote: "The existence of the unfettered right to strike ensures the collective bargaining process involves true negotiations," and has said that this proposal of the Minister would set up a win/lose, than a win/win situation in the free collective bargaining process, will he acknowledge that this legislation will be extremely detrimental to the labour relations climate in Manitoba?

HON. A. MACKLING: No, Madam Speaker, and I assume from the manner in which the Honourable Leader of the Opposition is putting his questions, that he is against the legislation; he is in favour of strikes and lock-outs. He doesn't want to consider that workers should have a right to consider another option. And, Madam Speaker, yes, there will be pressure, there will be encouragement on parties to collectively bargain because it will be incumbent upon them to bargain and reduce the outstanding issues so that the final package they propose will be the most reasonable one for a

selector to choose. Rather than reduce collective bargaining, this will encourage more effective collective bargaining and will not produce the kind of chilling effect that ordinary arbitration imposes in respect to a dispute resolution.

Final offer selection - withdraw legislation from Order Paper

MR. G. FILMON: Madam Speaker, given that business has said that this legislation will destroy the incentive for investment in Manitoba; given that employers have said that this legislation will make it more difficult to create employment in Manitoba; given that unions have said that this legislation will be an unwarranted intrusion into the free collective bargaining system that this Minister says he believes in in Manitoba, will he now listen to all of these people, instead of listening to just his one good friend and supporter, Bernie Christophe, and remove this legislation from the Order Paper and stop it in the name of good sense in the future for Manitoba?

HON. A. MACKLING: Madam Speaker, in 1972, when an NDP Government brought legislative reform in the labour relations field, there were the same angry concerns voiced in this Chamber by the Official Opposition, the Conservative Party which is not progressive; in 1984 when we brought into this Chamber progressive legislation to advance the harmonious relationship between management and labour in this province, the same cries of doom and gloom were heard. It's the same voices we're hearing today, Madam Speaker.

MR. G. FILMON: My question is for the Premier. Given that the two major proponents of this final offer selection legislation are the Minister of Labour, who is responsible for drawing this province into the MTX fiasco that cost us \$27 million; and a union boss, Bernie Christophe, who slapped an 18-year-old worker at SuperValu with a \$3 million lawsuit because she dared to ask questions about a union disagreement at the place she was employed . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: . . . will he now decide, in the best interests of the people of Manitoba, that this is going to be detrimental to our province and withdraw the legislation and not proceed with it for the good of all Manitobans?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, it's very difficult to respond to a question that's so riddled with inaccurate premises, as that which we just witnessed on the part of the Leader of the Opposition.

The legislation, as clearly pointed out by the Minister of Labour, is one that provides an option, an alternative to strike and to lockouts. It is a piece of legislation to continue to build upon the good labour management relationship in this province that has seen the Province

of Manitoba suffer one of the fewest number of days lost due to strikes or lockouts in all of Canada, Madam Speaker, mainly because of legislation passed by this government, opposed by honourable members across the way in years gone by. Madam Speaker, we will continue our efforts to ensure improved labour-management relationship in the Province of Manitoba.

MR. G. FILMON: Madam Speaker, given that every single employer and business group in this province opposes the legislation, and now major unions representing at least 30,000 unionized workers are in opposition to this legislation; given that every one of them says that the labour relations climate will be worsened by this legislation, will the Premier listen to the people, listen to the people who elected him, who elected, indeed, everybody in this Legislature, listen to them when they say that they want a better business relations climate, but they want a better investment climate, they want more jobs for the future and get rid of this legislation.

HON. H. PAWLEY: Madam Speaker, this government is constantly attempting to ensure that it receives submissions. It listens to thoughts and proposals as put forth. But several years ago, when we heard talks about this cloud of doom from certain circles in the Province of Manitoba, when the former Minister of Labour introduced labour legislation, we said that was exaggeration, that was grossly inaccurate.

Events since then have demonstrated that, indeed, we were right and those that had forecast dire consequences were wrong. Likewise, Madam Speaker, that is the case with this legislation that has been introduced in this Chamber, geared toward improvement of labour-management relationships in the Province of Manitoba.

Final offer selection - Min. job dependent on passage of

MR. G. FILMON: Madam Speaker, I am glad that the Premier has reminded us of that time a few years ago because that's when they withdrew . . .

MADAM SPEAKER: Does the Honourable Member have a question?

MR. G. FILMON: . . . this very proposal.

Madam Speaker, my final question to the Premier is: Given his stubborn intransigence on this legislation, will he tell this House and the people of Manitoba, is the Minister of Labour's position in Cabinet dependent on the passage of this legislation?

MADAM SPEAKER: Order please.

That question is not in order. The Honourable - (Interjection)- The question is not in order.

MR. G. FILMON: Why isn't it in order, Madam Speaker?

MADAM SPEAKER: No 1, it seeks an opinion; and No. 2, events that happen within Cabinet are not available for questions.

MR. G. FILMON: Madam Speaker, I'm not interested in events that are occurring within Cabinet in this

instance. I want to know whether this Premier has put his Minister of Labour's job on the line with this legislation.

HON. H. PAWLEY: Madam Speaker, I only rise to deal with the question because of the inaccurate premise in the earlier question directed at me by the Leader of the Opposition. FOS was never introduced in this Chamber by way of legislation. There was a White Paper which contained a proposal for discussion purposes. That is quite a difference between legislation and a White Paper. There have been three years to further evaluate that as a consequence of the discussion, the debate being encouraged three years ago as a result of the White Paper proposal by the former Minister of Labour, the former Member for Kildonan constituency.

Madam Speaker, the Minister of Labour shepherds this legislation. The Minister of Labour does not require the Premier of this province to defend him. His abilities are well-known.

Postal strike - backup plans for delivery of cheques

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: My question is to the Minister of Economic Security.

In view of the unfortunate strike that has hit Canadians, and in view of the fact that Manitoba will be hit probably next in the rotating strikes that are taking place, can the Minister indicate whether he has got any backup plans in terms of sending out the cheques to people who are depending on the Old Age Supplement, or the CRISP Program?

MADAM SPEAKER: The Honourable Minister of Employment Services and Economic Security.

HON. L. EVANS: Yes, Madam Speaker, I thank the honourable member for that question, it's a very important question. We do have a responsibility to ensure that people who are dependent on welfare cheques or, indeed, our 55-Plus cheques are able to receive them.

We are making various arrangements throughout Manitoba to ensure that those cheques will be available to them. There are various details that are now being worked out by the staff and, hopefully, we will be able to communicate this information to all of our recipients.

Postal strike - backup plans over a period of time

MR. A. DRIEDGER: Madam Speaker, my next question is to the Minister of Government Services.

Can the Minister indicate whether he has got any backup plans, in terms of sending out cheques for payables, or collecting receivables in the coming months if the strike continues for a period of time?

MADAM SPEAKER: The Honourable Minister of Government Services.

HON. H. HARAPIAK: Madam Speaker, there is a contingency plan that has been in effect for many years with the Department of Government Services. That contingency plan is once more in place, where we will be making sure that all the essential mail is delivered.

MR. A. DRIEDGER: Madam Speaker, maybe to both Ministers then.

The strike is on right now. How long will it take before these plans become apparent to the people of Manitoba to know what's happening?

HON. H. HARAPIAK: Madam Speaker, the plans are in place now. We have not been hit by a strike at this time in Manitoba, so when there is a disruption in the services then the plan will go into action.

MR. A. DRIEDGER: A final supplementary, Madam Speaker.

Can the Ministers both indicate what are the plans?

HON. H. HARAPIAK: Yes, we have a series of postal vehicles that we use in our normal operations of Government Services, and we have other vehicles.

A MEMBER: Strikebreakers.

HON. H. HARAPIAK: Members opposite are hollering "strikebreaking." We are having discussions with the unions involved in it and we will not be strikebreaking. We will be handling essential mail only, that includes social services cheques. I am wondering what the members opposite would expect. We are wondering if the members opposite would want the people that were on social services not to receive their cheques, the people who are depending on those for an existence; or the pay cheques for the government employees, would they expect they not be delivered? Yes, the plan is in place to deliver all those cheques at this time.

Postal strike - who will make decision re essential services

MR. A. DRIEDGER: The Minister's answers lead to more questions.

Who will be making the decision as to what is essential services that will be dealt with?

HON. H. HARAPIAK: As always, Madam Speaker, there is a committee made up of a Deputy Minister, who will be exercising common sense. Common sense tells us that any items, such as, court orders, health orders, social services cheques, housing supplements and payroll and superannuation cheques would be looked after.

Postal strike - what unions has Min. been dealing with re these services

MR. A. DRIEDGER: A final supplementary to the same Minister.

Can the Minister indicate with which unions he has been meeting and dealing with about these services that they're going to be providing?

HON. H. HARAPIAK: We have not been meeting with the postal workers union because we're not directly involved with that union. Our only direct involvement is with the MGEA and we will be meeting to make sure that our plans are not classified as strikebreaking.

Post-Secondary Adult and Continuing Education - appointment of ADM to PSACE

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Education.

In discussions with the Civil Service Commission I have learned that the qualifications for the ADM for Post-Secondary Adult and Continuing Education were to be experienced in adult education, management, a level of community college experience. Can the Minister explain why he appointed an ADM with none of those experiences?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Well, Madam Speaker, I wasn't certain until now that the Member for River Heights had such good intelligence reports on staff. I don't believe that most of her comments reflect an accurate picture of the background of the individual in question. Madam Speaker, the individual who was appointed to the ADM PSACE division has been associated with adult and continuing education for much of her professional life; is currently working at the University of Manitoba, and comes with a number of other skills which are going to be essential to fulfill the function in that particular area.

This individual, Madam Speaker, was interviewed by a committee and seemed to be the candidate of choice, and I don't know what motivates the Member for River Heights to raise these kinds of issues without having the appropriate information at hand, and trying to undermine what is a very important position for the department and the Province of Manitoba.

Dept. of Education - policy to disregard education

MRS. S. CARSTAIRS: Madam Speaker, it is indeed a very important position and would the Minister please explain if it is now the policy of the Department of Education to disregard educational qualifications and expertise in the field of endeavour in favour of political considerations?

HON. J. STORIE: No, Madam Speaker, and it never has been. As I've indicated, the individual in question has the requisite skills and the Member for River Heights may be impressed by the fact that people have a Ph.D behind their name. There are other important qualifications besides academic qualifications, and they include experience and ability to do the job. It wasn't myself that made the determination that the individual

in question had those skills, Madam Speaker, and it was also a consideration that there was a demand for affirmative action for women in senior positions in the Department of Education. The government has made that commitment; I have made that commitment, Madam Speaker, and I'm not going to apologize in any way, and I resent the individual attack that the Member for River Heights is mounting without knowing the facts, without knowing the capability of the individual, without provocation.

ADM PSACE - additional qualifications

MRS. S. CARSTAIRS: Would the Minister provide the House with any additional qualifications of this new ADM that were not provided through the public release which certainly indicates she has not the qualifications for the positions?

HON. J. STORIE: Madam Speaker, I will do better than that. I will invite the Member for River Heights to talk to the individual in question and perhaps become informed before she forms an opinion.

Day care program - additional information

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker, my question is to the Minister of Community Services.

Recently there's been a federal announcement about the day care program. I wonder if the Minister has any information as to the type of program, and when it can be instituted.

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, to my knowledge, there has not been any direct announcement about the national day care program. We were expecting an announcement by the end of June and I note that there is now an indication, although we have not received direct communication from the Federal Minister, that there will be no announcement until the fall. We're disappointed at the delay, but still hopeful that the plan will, in fact, greatly advance day care in Canada.

Condominium Act - amendments to be provided before made public

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker. My question is to the Minister of Housing.

Several weeks ago, I asked if the Minister would be preparing a number of amendments to the condominium bill. She indicated, at that time, she would be.

My question to the Minister is: Will she be providing those amendments to us before she makes them public?

MADAM SPEAKER: The Honourable Minister of Housing.

HON. M. HEMPHILL: Yes, Madam Speaker.

Condominium Act - amendments available to Condominium Association

MR. C. BIRT: Madam Speaker, could the Minister advise why she has made the existing amendments available to the Condominium Association of Manitoba, before she's made them available to us?

HON. M. HEMPHILL: Madam Speaker, what we were doing with the Condominium Association is what I thought the member opposite was suggesting we do when we raised the question in the first place; and that is, make sure that we were consulting with the field and getting feedback from them on their position and concerns they had on the 5 percent reserve. I guaranteed him that we were going to take the time necessary to do additional consulting, because the original recommendation came from the Condominium Institution, that we would do that and give full consideration to what they suggested and what their concerns were. We are doing that. I would think that he would be pleased.

Condominium Act - directive not to release information to member

MR. C. BIRT: Madam Speaker, then could the Minister advise why the people in her department instructed the Condominium Association people not to share these amendments with this member of the House, and they were under an oath of secrecy until she released it to the public? How can one cooperative in development of amendments to legislation, if the public sees legislation before we do and they are covered by an oath of silence, not to reveal or share with us?

HON. M. HEMPHILL: Madam Speaker, I believe that what we shared with the members of the Condominium Institution, and people in the field, was suggested changes that came about as a result of feedback and communication that came from individual members and from the Condominium Institution. We asked them for their feedback; they gave it to us; there was no indication to them that there would or would not be amendments, but we were asking for their advice and their recommendations and they gave that.

Winnipeg taxicab drivers - investigation of list of names given to Manitoba Food and Commercial Union

MADAM SPEAKER: The Honourable Minister of the Environment.

HON. G. LECUYER: Thank you, Madam Speaker. Wednesday of last week I took a question as notice from the Member for River Heights; a question with respect to a list of Winnipeg taxi drivers that were allegedly released by my department to United Food and Commercial Workers.

I want to advise the member that I have discussed this with staff and I'm assured that the limited number of copies compiled for distribution, of questionnaires, have been all accounted for. You will recall, Madam

Speaker, as well as other members in the House, that the following day, in the Free Press, there was an article Thursday of last week, in which Colin okTrigwell, staff rep for the United Food and Commercial Workers, stated that they used no government agency; therefore, I am satisfied that there has been no indiscretion on the part of any staff in my department.

Springfield-Tache Resource Centre - reason for cut in grant

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker. My question is to the Minister of Employment Services responsible for Careerstart.

The Springfield-Tache Resource Centre had their grant cut by 50 percent placing their summer program in jeopardy. I've tried through the regular channels to get answers and explanations and I've been unable to. Can the Minister explain why this has happened and if it will be reinstated?

MADAM SPEAKER: The Honourable Minister of Employment Services and Economic Security.

HON. L. EVANS: Thank you, Madam Speaker.

Regrettably, I couldn't hear all of the question. I didn't get the precise name of the organization that the member was referring to, so I wonder if you would kindly repeat the question.

MR. G. ROCH: Madam Speaker, I was referring to the Springfield-Tache Resource Centre.

Among other things, they run a summer program for youth in the area and their grant has been cut by 50 percent. Although they've tried through the regular channels to get their grant reinstated - it's only a matter of a couple of thousand dollars - I was wondering if the Minister could assist them in getting the full amount reinstated so the program can proceed. It's in jeopardy right now.

HON. L. EVANS: There is a process of review, Madam Speaker, and many members of the Legislature, including many on the opposite side, have drawn to our attention certain inequities and so on.

We're certainly prepared to look at any application that has been rejected and so on, so we'll certainly take that under advisement and see what the situation is.

MR. G. ROCH: If I heard the Minister correctly, is he advising me then that the organization can apply for review and get the full grant reinstated?

HON. L. EVANS: Madam Speaker, we will look into this particular application and advise the organization and the member.

Off-road vehicles - consumers to - purchase insurance privately

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: Thank you, Madam Speaker. My question is to the Minister responsible for Highways and Transportation.

The Minister in a News Service dated June 12, 1987 mentioned that for The Off-road Vehicles Act, the liability insurance vehicles, the insurance will be compulsory. Will the Minister allow the consumers of Manitoba to purchase as they allow now through the private insurers, as well as Manitoba Public Insurance Corporation?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, this bill is before the House, but certainly, as I indicated during my opening statement, liability insurance will be a requirement, a prerequisite to registration, so that everyone who will want to register an off-road vehicle will have to have liability insurance and that this would be available through the agency of their choice.

Off-road vehicles, insurance for - regulation of compulsory insurance liability

MR. G. DUCHARME: A supplementary question to the same Minister, Madam Speaker.

How will the Minister regulate the compulsory insurance liability which is on an annual premium basis along with, or try to regulate it and compare it to the three-year cycle of the registration of these off-road vehicles?

MADAM SPEAKER: Could the honourable member please clarify? It sounds to me like he's talking about details about a bill that's before the House for Second Reading which of course is not in order.

MR. G. DUCHARME: Yes, it is, and I'll ask a further supplementary question then.

Off-road vehicles, insurance for - reason for waiting for October 1988

MR. G. DUCHARME: Madam Speaker, the Minister in the same release mentioned there is a very real need for legislation of off-road vehicles. Could the Minister tell me, if there is such a need, why is the Minister and his administration waiting for October 1988 to put in this particular bill? They did not have to wait for this type of bill to be put in with the all-terrain vehicles; they were put in at mid-terrain registrations.

HON. J. PLOHMAN: Madam Speaker, I have the same concerns undoubtedly that you have, that there is an opportunity for debate on this issue and all of these questions can be dealt with at that time. I have indicated clearly though, publicly, what the reason was for waiting until 1988. If the Speaker is prepared to have me answer that at this time, I will.

MADAM SPEAKER: I'm having a bit of difficulty. It sounds to me like that's dealing with the date of Royal Assent or Proclamation of a particular section of a bill that we haven't yet debated in the House.

Off-road legislation - dealing with only new or renewals

MR. G. DUCHARME: I asked the critic several months ago, it isn't mentioned in the particular bill. Will this be dealing with only new applications at this time, or will it dealing with only renewals as of October '88? It didn't mention that in the bill.

MADAM SPEAKER: Again, I think most of those questions have their proper place, either in principle and debate on Second Reading, or at committee stage dealing with clause-by-clause as to whether honourable members want to make amendments to bills to change those kinds of specifics. I would rule that they're out of order.

Off-road legislation - are bombardiers included

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker. My question is to the Minister of Highways, also on the same bill.

The fishermen have been approaching me, wanting to know if bombardiers are going to be included, or will bombardiers for fishing be exempt from the regulations?

HON. J. PLOHMAN: Madam Speaker, I have clearly outlined which vehicles this legislation applies to. Clearly, those registered under The Highway Traffic Act, when operated on roads, are under the jurisdiction of The Highway Traffic Act. When they're operated off roads, then they come under the jurisdiction of The Off-road Vehicles Act. And again, these questions can all be dealt with during the debate and in committee.

Awasis - Northwest Child and Family Services - tabling of report re

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question for the Minister of Community Services.

Over the past few months, the Minister of Community Services has undertaken to file investigative reports by her department into the Awasis Agency, into the Northwest Child and Family Services with respect to at least five infants who died last year as a result of child abuse.

Could the Minister indicate exactly when these documents will be tabled in the House?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, the Awasis Report should be ready within a week. The Northwest will not be complete until the fall, and I did outline the reporting

timetable or the factors affecting the infant deaths. The second one should be available shortly, because the appeal period is shortly to terminate with the court.

Enderton caveats - restoration of

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker, with a question to the Attorney-General.

In the last Session of the Legislature, all Opposition members supported, through a private member's bill, the restoration of the Enderton caveats. The Attorney-General, however, indicated in his debates and therefore the government's lack of support that the reason why they would not restore the caveats was that these individuals were adequately protected under the City of Winnipeg regulations.

Will the government please restore these Enderton caveats, in that a city planner has now recommended a variance which could not have taken place under the Enderton caveats?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Well, Madam Speaker, the policy behind the legislation was that, in the latter half of this century, it's much better for municipal officials charged with the passage and delivery and monitoring of zoning rules and regulations govern the development of their respective towns, municipalities and cities in that way, rather than by the continued imposition of private caveats dating back to the turn of the century. That was the policy and, indeed, I think that policy was right.

At the time when the legislation was passed, indeed many months after the legislation was passed, it was suggested, principally by the Crescentwood Homeowners' Association, that they were put in an invidious position and that development in that area would run away at some hurricane speed and the character of the neighbourhood would be changed.

In fact, that has not happened. All that has happened, as I understand it from the premise of the question, is that one planner has made a recommendation that has not yet been adopted, indeed, from which if it went any further there would be an appeal. To suggest that for that one occurrence after more than two years, we ought now to reconsider the policy, which gave rise to this change in legislation is not, in my view, a sufficient basis upon which to found public policy.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: May I direct the attention of honourable members to the gallery, where we have 20 students from Grade 6 from the Shaughnessy Park School, under the direction of Mr. C. Stark. The school is located in the constituency of the Honourable Member for Inkster.

And we had 17 students from Grade 7 from the Chemawawin School, under the direction of Mr. J.S.

Sidhu, from the constituency of the Honourable Minister of Government Services, who unfortunately had to leave.

On behalf of all the members, we welcome you to the Legislature this afternoon.

The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Yes, Madam Speaker. Yesterday in question period on a point of order.

MADAM SPEAKER: On a point of order.

MR. E. CONNERY: On a point of order, Madam Speaker.

The Minister made statements, Madam Speaker, that were not in line with the facts in Estimates and the Minister of Business Development impuned upon my reputation as a member of this Legislature, Madam Speaker.

The Minister made several comments and she said that we didn't ask questions in question period or in the Estimates. Madam Speaker, it gets very difficult when this Minister is cornered and will not . . .

MADAM SPEAKER: Order, order please. Order please.

The time to raise a point of order is at the moment that it happens not a day later.

MR. E. CONNERY: We have to have the same Hansard to prove exactly what the Minister said. Madam Speaker, we have the statement that she made and we did not ask questions on . . .

MADAM SPEAKER: Order, order please. Order please.

If the honourable member wants to use some other method, but a point of order the day after is not the proper procedure to use to voice that kind of a complaint.

The honourable member does not have a point of order.

HANSARD CORRECTION

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I have a Hansard correction, Madam Speaker, on page 3076. The section on first collective agreement legislation should read: "12 were imposed" rather than "12 were opposed."

COMMITTEE CHANGE

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: I have a committee change, Madam Speaker.

I move, seconded by the Member for Elmwood, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: C. Santos for the Hon. R. Penner.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: I move, seconded by the Attorney-General, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented.

MATTER OF GRIEVANCE

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, it gives me no great pleasure to exercise my right to grieve in this Chamber, grieve about the inaccuracy of arguments that have been advanced from the Opposition's side in respect to matters that I hold dear and that is providing for a fair statement in this Legislature as to the labour relations environment in this province.

Madam Speaker, yesterday I would have had an opportunity to have attempted to set the record straight, at least hopefully to do some correction of the misstatements of fact that were entered on the record. But honourable members - and you ruled so - had raised points of order which were not points of order having the effect of taking the balance of the time . . .

MADAM SPEAKER: Order please.

May I remind the Honourable Minister that all members have the opportunity and the right to rise on what they perceive as points of order until they are ruled otherwise.

HON. A. MACKLING: Madam Speaker, I am not arguing the right of honourable members to raise points of order. But I was merely putting on the record the fact that there were three points of order raised, all of which were found by you to be not points of order, the practical effect of which was that the six minutes that I had left to utilize, to try and correct some of the misstatements, were used up in the process.

MADAM SPEAKER: Order please.

May I also caution the Minister that I have taken the matter of the Honourable Minister's additional or non-additional time for the interruption under advisement. It shouldn't be commented on until that ruling is brought in.

HON. A. MACKLING: Madam Speaker, it was not my intention to dwell at any length on that matter but merely indicate to honourable members that the occasion for my exercising my right to grieve today was as a result of my feeling aggrieved that in the very limited time I had yesterday it was impossible for me to put anything on the record because of the interruptions that ensued. That's all the point I was going to make.

Madam Speaker, dealing with the question of the exercise of a grievance. I want honourable members opposite to know that never before in this Chamber have I exercised my right to grieve. I believe, Madam Speaker, that to exercise a grievance one must feel

that their rights to have spoken, to have put on the record views which they hold very sincerely have not been available and therefore, Madam Speaker, I do want at this time to put on the record some views in respect to the misstatements of facts and the clouding of issues that we've occurred from honourable members opposite in respect to labour relations in this province.

Madam Speaker, we've heard the Honourable Member for Brandon West continuously in this Chamber suggesting that our labour law is unfair and biased. Madam Speaker, he alludes to certification processes. The honourable member and others have wanted to make it understood publicly that somehow our laws were unfair to workers generally. Madam Speaker, the fact is that our certification processes in Manitoba find their counterpart in almost every jurisdiction in Canada.

Where, Madam Speaker, do we find that they even endeavour to be fair about that? Not at all. The fact is, Madam Speaker, that in every jurisdiction except Nova Scotia, the dominant Canadian approach is to determine the wishes of the employees by counting membership cards and not by ordering votes in every case. Those are the Canadian facts in respect to labour relations law in this province. But those facts are never cited by members opposite, Madam Speaker.

Our certification process in respect to trade union recognition is a fair process. That is the process that is in place across Canada. So when honourable members seek to paint a picture of biased and prejudiced labour legislation in this province, they are not only wrong, they are deliberately wrong, because they know better.

Madam Speaker, honourable members also talk about successor rights. In their speeches, including the speeches of the Honourable Leader of the Opposition, they have made it very clear that they think our successor rights legislation is wrong.

Madam Speaker, it is clear that, if a Progressive Conservative Government were elected in this province, not only would they change certification procedure to require a vote in every instance, they would also abolish successor rights in our labour legislation.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

I notice the head of the Honourable Member for Sturgeon Creek nodding in approval. That's exactly what they would do, Mr. Deputy Speaker. When the Honourable Leader of the Opposition raised in this House a couple of years ago a concern that the Superior Bus transfer of ownership had been frustrated by successor legislation, that's what he argued in this House. Again, he argued that falsely, because it was the same successor law that he and his colleagues had enforced when they were in government. That same law was adjudicated upon by the courts in this province.

Now where, Mr. Deputy Speaker, do we find integrity and sincerity and honesty in respect to the interpretation of labour law in this province? We certainly don't see it on the other side of this Chamber. Mr. Deputy Speaker, there is no question that, in the area of labour relations, there can be mixed views and divided opinions. But there is an obligation on the part of members in this House to endeavour to know the fact and not to either cloud the fact or indicate a state of fact that they knew or ought to know is wrong. That kind of deliberate ignorance, Mr. Deputy Speaker, is not tolerable.

Mr. Deputy Speaker, often we hear the concerns that our labour legislation is biased in favour of labour. It's against the interests of management and industry. We often hear of the Honourable Member for Brandon West and I hear the Honourable Member for Emerson saying, that's right, repeating with authority the concerns of the Canadian Federation of Independent Business. We know that they make surveys. We don't question their right to make surveys. I think I could question the basis of some of their surveys, but I would like to put on the record some of the information that we have from their surveys about our labour legislation.

They had a survey in April '86, it was a provincial survey: "A summary of priority small business issues in Manitoba." You know, they asked questions about all these areas: tax burdens, Workers Compensation Board, government salaries, labour laws, costs of municipal government, Provincial Government regulations, direct competition with government agencies, government grants to competitors, other - all very slanted, all very biased, in my opinion, Mr. Deputy Speaker. But where did labour laws rank in this survey of concerns in April of 1986? Well they ranked fourth in the concerns of small business; 35.1 percent were concerned about labour laws, regulations and inspections.

Well they did another survey, Mr. Deputy Speaker, in April 1987, and again the same areas of concern were reviewed, suggested to small business: tax burden, Workers Compensation Board, government salaries affecting the labour market, cost of municipal government, provincial government regulation, paper work, labour laws, regulations, government grants to your competitors, government agencies competing directly and so on.

Well, Mr. Deputy Speaker, one year later apparently the concern in respect to labour laws regulations and related inspections was no longer for it out of a total of 11 items, but now it had slipped down to 6 of those 11 items, and only 23.8 percent of these businesses surveyed rather than 34.8 percent said that these were priority areas of problem.

So, despite the fact that we hear from members opposite that there's a great concern out there about the unfairness of our labour legislation, that's not what the small businessmen of Manitoba are saying in their survey results. Mr. Deputy Speaker, when we introduce innovative legislation in respect to final offer selection - and I will not abuse the rules of the House by arguing in respect to that issue - but when we introduced that legislation a dramatic conversion occurs. Not in the minds or in the voice of the Honourable Member for Brandon West, but those people who had for some time been saying: Oh, the sky is falling. There's a cloud over Manitoba in respect to labour legislation. It's unfair and biased.

Those voices suddenly changed and they had a new line, and they were saying: We have a good labour relations environment in Manitoba. Why do you want to introduce this legislation?

So, Mr. Deputy Speaker, I wanted to put on the record the fact that it is not my view alone, it is not the view of this government alone that we have a good labour-relations environment. The facts speak for themselves that when they're pressed, business people will tell you that it is more important to have good labour relations

in the province and good labour relations means fairness to workers and recognizing the right of workers to organize and collectively bargain. That produces a labour relations industrial environment where it's good to invest.

And you say: Well, it's good to invest. What's the proof of that? The fact is that the statistics in Manitoba indicate clearly that investors are saying that Manitoba is the place to invest. This is the place not only where there is growth and dynamic in the economy, there is wisdom and dynamic in government. There is fairness. There is fairness in respect to labour relations in this province. And those are the kind of fundamental economic environmental matters that are important when it comes to investment.

Opposition parties can bluster all they want but the fact is that our labour relations legislation, condemned in 1972, condemned in 1984, has shown that it is fair and reasonable. When it comes to the application of that law, we are finding people who are well satisfied. Expedited arbitration, grievance mediation - all of those innovations - first contract legislation found to be acceptable, at one time derided and criticized and it was said that this would create havoc.

We have a good labour relations climate in this province. We have a labour relations environment that is the envy of provinces like British Columbia and Alberta.

Mr. Deputy Speaker, I wanted to put on the record my concern that for too long in this Chamber we are hearing the negative, carping gloom and doom about labour relations in this province. The facts speak for themselves. The system is working well. We will continue to innovate and ensure that there is fairness and reasonableness in labour relations in this province.

QUESTION put, MOTION carried and the House resolved itself into a Committee of Supply with the Honourable Member for Burrows in the Chair for the Departments of Housing and Finance; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Government Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES

MR. CHAIRMAN, C. Baker: Committee, come to order. The Minister would like a few comments before we begin.

HON. H. HARAPIAK: Yesterday there was a question asked about policy procedure for services and contracts. We have five copies of the policies. We will table those or give them to the members of the Opposition.

They also asked for a list of employee housing that we have on Government Services. We've got five of those, as well, and there was also a question asked about who was awarded the security contract at Keewatin Community College. A security contract was recently awarded to Canwest Investigations Ltd. and they were the lowest bidder of the four firms that responded to our invitational tender. The other security people who tendered on it was Metropol, Barnes and

Tuesday, 16 June, 1987

Trojan. There was also a question asked about the square footage for the Advisory Council on the Status of Women's Directorate Office. These offices are located at 500 Portage Avenue, that's in Colony Square and they occupy 3,880 sq. ft. and the cost per sq. ft. is \$13.26.

They also asked the question of the air conditioner in the P.C. Caucus Room and that's already been resolved.

MR. CHAIRMAN: When we adjourned yesterday we had a resolution that we had to pass, Resolution 77.

Resolution No. 77: Resolved that there be granted to Her Majesty a sum not exceeding \$112,642,700 for Government Services, Property Management, for the fiscal year ending the 31st day of March 1988—pass.

We will now begin with Appropriation No. 3.(a)(1) Supply and Services, Executive Administration: Salaries - the Member for Turtle Mountain.

MR. D. ROCAN: Thank you, Mr. Chairman.

Under activity identification, they state that it participates in the executive management of the department in the creation of departmental policies. In which way does it participate?

HON. H. HARAPIAK: We have an executive management committee made up of the ADM's and they participate every two weeks.

MR. D. ROCAN: Is this also the same group which is dealing presently with our federal Memorandum of Understanding?

HON. H. HARAPIAK: That is correct.

I wonder if the member could move the microphone a little closer. We're still having difficulty hearing.

MR. D. ROCAN: Under the same heading, it states that to establish an environment that is conducive to implementation of cost effective change. Can the Minister tell us a little bit, what does that mean?

HON. H. HARAPIAK: The executive committee are trying to foster a climate where we are encouraging an attitude of where we've become much more efficient in our operations as a department, and they are especially warning the people to come forward and feel free to suggest ideas as to where some improvements can be made. Some of the areas we have made improvements is the automation of the fleet and the automation in the Purchasing Department. There has been much streamlining in the whole area of the purchasing area and there's been some fresh, new, innovative ideas in the whole tendering process, and also there have been some new ideas come forward in warehousing, how we're handling our supplies in the warehousing.

MR. D. ROCAN: 3.(a)(1) and (2)—pass.

MR. CHAIRMAN: 3.(b) Fleet Vehicles: (1) Salaries - the Member for Turtle Mountain.

MR. D. ROCAN: I wonder if the Minister could tell us how many cars, trucks, whatever, that are in Fleet Vehicles.

HON. H. HARAPIAK: There are 2,530 vehicles in Government Services, and that's made up of all different varieties. There are vans, mini-vans, mid-sized trucks, compact trucks, full-sized sedans, compact sedans and sub-compact sedans.

MR. D. ROCAN: I wonder if the Minister could give us a breakdown of how many vehicles and what type of vehicles are in which departments.

HON. H. HARAPIAK: We can't give you the names of the different types of vehicles but, as of the 31st of March, Legislation has 2 vehicles; Executive Council has 3 vehicles; Agriculture has 198; Attorney-General has 67; Consumer and Corporate Affairs have 5; Co-op Development have 8; Finance have 102; Government Services have 190; Community Services have 13; Industry Trade and Technology 53; Labour 53; Natural Resources 567; Municipal Affairs 90; Culture Heritage and Recreation 23; Highways and Transportation 369; PACE, which is the Department of Education, 24; Civil Service Commission 1; Manitoba Crop Insurance 26; Northern Affairs 37; Urban Affairs 2; Health 244; Manitoba Agricultural Credit Corporation 21; Energy and Mines 22; Manitoba Health Services Commission 21; Crown Investments 1; Community Economic Development Fund 2; Frontier School Division 16; Housing 42; Environment Workplace Safety and Health 84; Business Development and Tourism 29; Employment Services and the Economic Security 97; Education 32; Provincial Auditor 1. We have a Police Vehicle pool which has 87 cars in it, and the service equipments and the few vehicle equipments have 7.

MR. D. ROCAN: I wonder if the Minister could tell us, what does it cost us to insure and to license these vehicles?

HON. H. HARAPIAK: Insurance costs for our vehicles are \$900,000.00.

MR. D. ROCAN: Is it still the government's intention to sell gas from the provincial garage in direct competition with the private enterprise?

HON. H. HARAPIAK: Only if it's absolutely necessary.

MR. D. ROCAN: Mr. Chairman, there was a study done last year, I believe in the provincial garage. Is there any way that we can get a copy of this study as to the effectiveness of the garage?

HON. H. HARAPIAK: I was under the impression that the member already had a copy of the study but, if he does not have a copy, I would arrange to see that he did get a copy.

MR. D. ROCAN: The reason I asked, because over there you've got a sign for it and, when you bring it back, you've got to sign back again. That's the problem.

HON. H. HARAPIAK: Okay, I'll see that you get a copy of your own.

MR. D. ROCAN: Thank you.

MR. CHAIRMAN: 3.(b)(1)—pass; 3.(b)(2)—pass; 3.(c)(1)—pass; 3.(c)(2)—pass.

3.(d)(1) Purchasing: Salaries - the Member for Turtle Mountain.

MR. D. ROCAN: (d)(1), okay. Under Activity: "Provides all departments and certain boards, commissions and agencies, centralized purchasing, material identification and related services." Which boards are they looking after here?

HON. H. HARAPIAK: We do the purchasing for the Manitoba Disaster Assistance Board and also the Emergency Measures Organization and we act in an advisory capacity for some of the other boards like the Clean Environment Commission as well.

MR. D. ROCAN: Is there a guideline established for tendering of purchases and I wonder if the Minister could table a copy of these, if there is one?

HON. H. HARAPIAK: Yes, we have guidelines, and it's covered under The Government Purchases Act. It's all commodity items, such as equipment, vehicles, food, medical supplies, chemicals, furniture, as well as specific services, such as courier equipment, maintenance agreement and transportation, they are all tendered. All suppliers who have requested an interest in bidding on government, those who are capable, are registered with the Purchasing Branch and they are invited to tender whenever there's a requirement. They do this by two methods: by direct purchasing, by field personnel and regular purchasing of the Purchasing Branch.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: Is a supplier struck off the list if they do not supply any services after a certain length of time?

HON. H. HARAPIAK: I am advised that the suppliers continue to be invited until such time as they do not tender and then they are struck off the list and they have to notify us again that they are interested. Once they notify again, they are back on the list.

MR. G. CUMMINGS: In the tendering process, I realize automobiles and items of that nature could not be tendered to come from Manitoba, but do you have a Manitoba preference?

HON. H. HARAPIAK: We have a Manitoba preference - manufactured in Manitoba is where our Manitoba preference is; supplies that are manufactured in Manitoba.

MR. G. CUMMINGS: Also, is the Minister saying then that for suppliers who do not sell manufactured-in-Manitoba goods, that they could come from anywhere, provided they are the lowest price FOB Manitoba or FOB the point of order?

HON. H. HARAPIAK: Yes, the process is that the lowest supplier can bid, but it's FOB the point of use, because

then it gives the local supplier a preference by being in a position to deliver it, rather than having it delivered from an outside area.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. D. ROCAN: I wonder if the Minister can tell us, have there been any purchases from Southwestern Manitoba, say, within the last year?

HON. H. HARAPIAK: We don't have that information with us here, but we can certainly get that information for the member.

MR. D. ROCAN: Can we get it broken down, like southeast and north, and whatever?

HON. H. HARAPIAK: We presently don't have it broken down by region, but I imagine if you have some supplier's name in Southwestern Manitoba, then we can see if that supplier has been successful in receiving a tender. Maybe that might be the best way to work it. If you've got some specific name you'd like to give us, then we could check if there were successful.

MR. G. CUMMINGS: On that same line, Mr. Chairman, for department vehicles, for example, that is something that could be designated by region. Is there a policy there, or are they all purchased within the City of Winnipeg, or are they purchased in Lac du Bonnet?

HON. H. HARAPIAK: There has been a change in policy in the last year. Prior to this previous year, it was that all interested dealers and manufacturers were invited to purchase from the Purchasing Bureau to submit tenders. The manufacturers advised the discounts available for a tender, and dealers would then submit direct to the Purchasing Bureau for quotations including their markup.

Then for 1987-88, the vehicles purchased and tendered are submitted to each manufacturer's zone office. The zone office then requests tenders from their dealers, since zone offices are required to coordinate pre-delivery service and I guess that's what has really made the system much fairer is pre-delivery. So the people from Ste. Rose now can tender on it, as well as the people from Winnipeg, because the pre-delivery is done and this requirement makes it possible for all dealers in the province to participate in a tender process rather than just to Winnipeg dealers.

So it's made it a much fairer system and put the dealers, who are in the rural part of the province, on more of an even footing than they were previously. The number of dealers interested in receiving tender requests in 1986-87 purchase was 44, and 12 bids were returned and none of them were from rural dealers.

For 1987-88, the manufacturer contacted all 136 of the dealers for tenders; 61 tenders were submitted, 40 were from rural dealers.

MR. G. CUMMINGS: Were any of them successful?

HON. H. HARAPIAK: Yes, some of them have been successful from the outlying areas.

MR. CHAIRMAN: Item 3.(d)(1)—pass; 3.(d)(2)—pass.

Tuesday, 16 June, 1987

3.(e)(1) Salaries, Materials Supply - the Member for Turtle Mountain.

MR. D. ROCAN: I wonder if we can get the total cost of all the new furniture purchased by the government within the last three years, and also a breakdown by government departments as to where this new furniture is allotted.

HON. H. HARAPIAK: For purchasing of furniture for the year 1985-86, the actual was 1.3294 million; for '86-87, it was 1.0344 million; and for '87-88, it is the Estimates, 1.0758 million.

MR. DEPUTY CHAIRMAN, M. Dolin: The Member for Turtle Mountain.

MR. D. ROCAN: Where is the old surplus furniture stored? Is it stored here in the building or . . .

HON. H. HARAPIAK: There are four ways we dispose of our furniture. The first is some spare furniture is kept in each building that we are occupying at that time. We try and redeploy or reuse furniture as much as possible to other departments when it's not required. We dispose of it for sale. I guess there's a list of the completed sales during '86-87. It's a lengthy list. Maybe I could just give the member a copy of that list, rather than reading the whole thing into the record.

MR. D. ROCAN: The reason I ask, Mr. Chairman, is that I was fortunate enough to come across a bunch of blueprints of existing furniture which was to come into the new Legislative Building, which I donated to Archives, and I was just wondering how much of that existing furniture was still around.

HON. H. HARAPIAK: Some of the furniture is stored. Some of it that can be restored is stored in the Legislative Building here, and some is stored in the warehouse on Dufferin. We are refurbishing it or recovering whatever is suitable for recovering.

MR. D. ROCAN: Are there guidelines established for the disposal of vehicles and office equipment, such as typewriters, computers or whatever?

HON. H. HARAPIAK: We keep track of about when the office equipment is in need of repair. After which time the repairs are becoming too frequent, then we dispose of them through The Public Works Act and the General Manual of Administration and the power of the Minister of Government Services to dispose of surplus material and equipment by donations to other governments or charitable organizations. Most donations are comprised of surplus office furniture, which is no longer suitable for government, and donations of value - if there is a donation of value of over \$25,000, it must be approved by the Lieutenant-Governor-in-Council. All the fleet vehicles are disposed of by auction.

MR. D. ROCAN: The fleet vehicles that are disposed of by auction, are they all given a complete checkup through our garages before they are disposed of?

HON. H. HARAPIAK: They tell me that fleet vehicles are all sold as is. At the time of the auction, we inform the people that they are being sold in that condition, and they are informed that they are also subject to being recalled by the Licensing Bureau. We also give them a complete history on any of the overhauls or any of the servicing that has been done on the vehicle. They keep track of when the vehicles are all serviced, so they give them that complete history at the time of auction.

MR. CHAIRMAN: The Member for Turtle Mountain, noting that smoking is prohibited at the meeting.

3.(e)(1)—pass; 3.(e)(2)—pass; 3.(e)(3)—pass.

3.(f) Telecommunications: (1) Salaries - the Member for Ste. Rose.

MR. G. CUMMINGS: Mr. Chairman, can we deal with (1) and (2) together. We have some general questions.

MR. CHAIRMAN: Sure.

MR. G. CUMMINGS: I'd be interested to know if it would be practical for individual members of the Legislature, particularly Opposition members, to have two lines into their offices with the present equipment?

HON. H. HARAPIAK: Two lines can be provided. However, this would increase existing costs by about \$240 per annum, and a one-time installation cost of \$50 for each MLA. I guess the cost-effectiveness of this option should be considered, and it's worthy to note that existing MLA telephones do provide the user with a capacity to place an outgoing call while holding any call that may be in progress.

MR. G. CUMMINGS: Mr. Chairman, I apologize for not having brought this letter to the attention of the department sooner or privately but a constituent of mine - in fact the lady who works for me in my constituency office - encountered a great deal of difficulty to the point where she refused to use the 1-800 number anymore because of the treatment that she received on the end of the line. That has not been repeated lately, but I would like to ask the Minister and the department to express, or I'd like to have a chance to express to them my concern that we would have someone in there who would be unpleasant and belligerent to someone who calls in on the public line. That happened to have happened to a person employed by myself but, if someone from the general public were to receive the same treatment, I think it would be inappropriate. I hope that it would be pointed out to the individuals that is not condoned by government when we're trying to serve the public as best we can.

HON. H. HARAPIAK: I couldn't agree with you more. We recently had a meeting with staff at which I didn't encounter a belligerent person at the other end of the line but it just took a long time for me to get through, and I was calling in from when I was out in the country. It seems that it took a long time to get through, and I just shared with staff that it would be appropriate for someone in a time like that to say, sorry to keep you waiting, rather than just say hello. I guess the staff have

Tuesday, 16 June, 1987

been informed of this, and they'll certainly be taking it up with the people, and there will be some corrective measures taken.

MR. G. CUMMINGS: I'm finished now.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. D. ROCAN: Thank you.

Making reference here last night to one of your assistants or famous MTS with their high tech and whatever, they've come up with a system which they call "call waiting" that can be just added on to the line. I wonder if the Minister has looked into giving us a price on what it would cost us for such a set-up.

HON. H. HARAPIAK: I happen to be one of the fortunate people who are living in a part of the city where that feature is available at home, and I found it very convenient. I guess this feature is available in this area, but I guess they found that the experience shows that it's just as annoying to the person who is currently on the line to be left on hold while the MLA takes the call, and this aggravation is made much worse for the first person who was on the call. So I guess individuals may be better off served if the call is automatically forwarded to the caucus or the secretary to answer their call, rather than have the people waiting, be put on hold. Our communications staff would be pleased to discuss any concerns with individuals who are dissatisfied with the telephone services they are getting right now and, if they wanted in their particular case to get the call waiting, we could see whether they could have it.

MR. D. ROCAN: This is already done, Mr. Chairman. It says, under your Activity Identification, it's supposed to evaluate the requirements. Now, even members opposite, they are telling us that they, your backbenchers, would like to have more than one line coming in because they do an awful lot of work on the phone just like we do. I can't expect anybody to call me when I'm always on the phone trying to get out. There's no way they're going to get back in.

It also says, "provides technical support." Now the Member for Kirkfield Park that night, she told you that she went ahead and she paid out of her pocket and she got another phone in.

Now is there any reason at all why we may not get multilines to all the MLA's?

HON. H. HARAPIAK: The Legislative Management Committee deals with that and your budget is dealt with through theirs. If you feel there is a requirement for more phones, then I guess you would have to find it within your budget and it can be provided. You would have to prioritize it as a service that you require within your caucus.

MR. D. ROCAN: I wonder if the Minister could tell us then: Cabinet Ministers - how many phone lines would they have into their offices?

HON. H. HARAPIAK: Two lines.

MR. D. ROCAN: How many unlisted phone numbers do you have in your offices over and above your two lines?

HON. H. HARAPIAK: One.

MR. D. ROCAN: So now we have three lines. True? Do all Cabinet Ministers all have unlisted phone numbers in their offices?

HON. H. HARAPIAK: I don't believe so.

MR. D. ROCAN: Well, I believe so, but anyway.

MR. DEPUTY CHAIRMAN: 3.(f)(1)—pass; 3.(f)(2)—pass; 3.(f)(3)—pass.

3.(g) Postal Services - the Member for Ste. Rose.

MR. G. CUMMINGS: Mr. Chairman, there was an identification program started last year for mailings. Is it fully implemented now or where is it at, to identify the source of mail and the cost from various departments?

HON. H. HARAPIAK: Yes, we can identify all the mail. We are in the process of figuring out the costs for each department and each area the mail is coming from.

MR. G. CUMMINGS: Can the Minister tell me then: There's a seniors' mailing that comes consistently under the "Premier of Manitoba" letterhead on the envelopes, official Manitoba logo, obviously from the Legislature and the office of the Premier. The recent one includes this missal, which is Manitoba's natural gas policy, "Energy and Security at a Fair Price," four pages, not even filled but at least bulky. It includes a letter from the Premier defending his announcement of the natural gas policy: I've enclosed information on our natural gas policy, and if you require information to contact me. There are several paragraphs in the middle where we talk about 200,000 Manitoba households, community institutions and small businesses rely on gas. Basically, what we have is a promo, an initiative, that the government has taken. The meter number is 163005.

Can the department tell me who is paying the bill for this meter?

HON. H. HARAPIAK: I will have to take that under advisement and get back to the member.

MR. G. CUMMINGS: Can the Minister or the Deputy Minister tell me if this is one of the identifiable letters that goes through the system to be credited to a department?

HON. H. HARAPIAK: If you had the left-hand corner of the envelope, that's where the identifying part would be. So if you've got the left-hand corner, then . . .

MR. G. CUMMINGS: Is that right? There's no marks on it other than the official envelope that I can see.

HON. H. HARAPIAK: It was mailed as a bulk mailing. So we'll have to take that as notice and get back to you, where it came from, but it can be identified.

MR. G. CUMMINGS: Okay, the Minister says it can be identified. I presume he means through the postage

meter number. He indicated that the left-hand corner of the envelope should have indicated which office this was attributed to. Mind you, the return address is the Premier's Office, so we would make the assumption that that's where it's being attributed to.

But is that where the identifying mark would have gone or should have gone on this envelope?

HON. H. HARAPIAK: When letters are mailed individually, they have an individual marking on them; but when they are delivered by bulk, then we have an identification of the bag, and the first and last one are punched in and then they would still have a record of where it came from.

MR. G. CUMMINGS: Then I guess I'll have to wait for confirmation from the Minister as to where the cost of this would have been attributed.

But I would like to say for the record that there has been a flurry of letters addressed to senior citizens, and I'm not sure if they all come from the same postage meter, but I would have to say that it seems to me that unless this has gone out as a franking piece, and it certainly doesn't appear to have been that because the computer indicates that it's S-2, which I would presume is Seniors 2 list, that what we are seeing here borders on being an abuse of mailing privileges, unless the funds that are used to pay for the cost of this mailing are coming out of party coffers. If they are, then they should not be going out on "Premier of Manitoba" identified, official envelopes.

What I would like to know is what is the cost to the taxpayers of this province for this mailing? Because I can narrow it down to this one, I don't need to know how many, of this particular mailing, who is paying for the envelopes, and under what appropriations the funds are being made available.

HON. H. HARAPIAK: We can get that information for you. All we can say is that everybody has a budget, they have to live within that budget, and they are distributing information that is government policy and government information.

MR. DEPUTY CHAIRMAN: The Minister of Education.

HON. J. STORIE: Mr. Chairperson, I wouldn't want the Member for Ste. Rose to leave on the record some, I think, rather unfortunate remarks about the nature of the information that's being passed out to Manitobans.

The government has an obligation to inform people of its policies and its programs and its legislation. And although the member didn't have the fortune or misfortune of being part of the Lyon administration, I recall some rather glowing and glossy advertising that cost Manitobans some \$300,000 - advertising that was not directed towards a specific . . .

A MEMBER: Just like the Jobs Fund advertising.

HON. J. STORIE: It wasn't even as concrete as the Jobs Fund. It told Manitobans we were sitting on a gold mine, and what Manitobans knew was it was a land mine, not a gold mine.

The fact of the matter is that this is announcing a policy that's going to save Manitobans some \$50 million a year. It's good legislation, it's good policy, and it's important that the people of Manitoba be informed about it, because, Mr. Chairperson, there are people who would distort and misinform people about the nature of the proposal and the intent, and that would be very unfortunate. We, as a government, must work hard to make sure that doesn't happen and that people are well informed.

This is neither an abuse nor a misuse of funds. It is, in fact, informing the people accurately of our proposal and our intention, and every government undertakes, from time to time, to advertise and to communicate with the public. This is a very inexpensive way of doing that, and yet it's obviously quite effective.

MR. G. CUMMINGS: Mr. Chairman, I only want to make a brief comment.

When I talked about the disappointment that I have in seeing this kind of use of mailing, it's very much like the former Minister of Education, and I'm sure that this Minister has cleaned up his act, but the former Minister of Education not only sent Christmas cards out of the Minister's office to the chairman of the school boards; it got down to where the principals and the vice-principals and the vice-vice-principals were receiving Christmas cards compliments of the taxpayers.

I think that it's an abuse that both sides of the House have to work towards cleaning up if we're ever going to return some credibility in the eyes of the public about how we're spending their money.

MR. DEPUTY CHAIRMAN: The Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Mr. Chairman.

I think that's something one could look at overall. I know that every Christmas, I get Christmas cards from across the country. I know - that is from Conservative politicians who also send them to large numbers of constituents.

I know when Sterling Lyon was Premier of Manitoba, you could hardly go into a household in Winnipeg where people hadn't received a picture of Sterling, which was sort of frightening when you realize that it wasn't really Santa Claus at all.

A MEMBER: It destroyed your whole outlook on Christmas.

HON. V. SCHROEDER: Well, basically, most of them tended not to last too long. It sort of lasted between the mailbox and the garbage can. But, you know, one can look at those things.

Now that the member has raised a number of letters here, I think it would be appropriate to have them tabled so that the members of the committee know what the contents are of these letters.

Again, for history, let no one think that governments previously in Manitoba have not let their citizens know about government projects; and when they have not let people know about their projects and policies and so on, people get rather annoyed when they discover there's something happening that they're not cut in on, not told about.

I think we have a responsibility, as government, to let people know about what it is that the government is doing. Certainly, I've seen a fair bit of misinformation coming out over the last while out of the Conservative caucus.

A MEMBER: I made no comment on the contents.

HON. V. SCHROEDER: Well, the member says he makes no comment on the accuracy of the contents. I think there are so many changes going on in this Chamber, constantly, that without us notifying people, there's no way people will know what those changes are, and I think it's appropriate for us to be able to do that.

HON. H. HARAPIAK: I think it's recognized that one of our most important roles as members of the Legislature is to communicate with our constituents, and we have recognized that. The committee of the Legislature has recognized that by giving us some additional franking privileges and others have to live within the budget that we have established.

So if those are going out within an established budget and clearly it's a message, a program that the government is involved with, I don't think it's a message that isn't appropriate for that type of mailing.

The Member for Turtle Mountain asked some questions on bidding for security contracts, I've got a copy of the sample here for him.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. D. ROCAN: 1, 2, and 3 pass. That's it.

MR. CHAIRMAN: (d)(1)—pass; (d)(2)—pass?

MR. A. KOVNATS: Excuse me.

MR. CHAIRMAN: Oh, I'm sorry.
The Member for Niakwa.

MR. A. KOVNATS: Yes, I have a few questions I'd like to ask on Santa Claus inasmuch as it's been brought up in the debate and I don't imagine it's been ruled out of order.

We get down to a point where everybody is trying to defend everybody else and we were criticizing the government for selective advising of the public. I can accept that criticism from the government members at this point, but I think that there's also got to be some criticism to the government in hiding a lot of things, particularly what's happened in Workers Compensation over the years.

We've had some problems and I don't think that they should be hidden. They shouldn't be hidden any longer. There are going to be some questions on some of the facts and figures on Workers Compensation and the manner in which the last three Ministers, including this Minister, have involved themselves in the operation of Workers Compensation.

I think it should be on the record that, when the member across the way made some mention about Sterling Lyon being Santa Claus or mistaken for Santa Claus, there's no way that the public of the Province

of Manitoba can mistake Howard Pawley for Santa Claus under any circumstances, because Santa Claus is supposed to be a

A MEMBER: With the natural gas policy we can. He'll give them back \$150 a family.

MR. A. KOVNATS: I beg your pardon. Santa Claus is supposed to be a benevolent person, an honest, hardworking and trustworthy person. I'll tell you the Premier of this province fits none of those categories, whereas the former Premier of the Province of Manitoba, Mr. Sterling Lyon, fits them all.

A MEMBER: Ho, ho, ho!

MR. CHAIRMAN: The Minister for Industry, Trade and Technology.

HON. V. SCHROEDER: . . . - (Inaudible)- . . . other than to say there would be none . . .

A MEMBER: Could you turn on his microphone so it could be recorded for posterity?

HON. V. SCHROEDER: That we can have the Opposition please make up their mind. We have one member saying don't send material out and we have another member saying send it out. But when they have a unified position on this one, maybe they could come back to us and tell us what they would particularly want us to do.

In the meantime, if I'm correct, although the document still hasn't been tabled, if I'm correct and the document has to do with the issue of natural gas pricing and the whole issue of how we are dealing with standing up for Manitobans, while the Opposition Conservative Party is busy standing up for Albertans, busy standing up with Trans Canada Pipeline, busy meeting with the people who are keeping prices unfairly high in Manitoba, then, Mr. Chairman, I think that it's appropriate for us to be letting Manitobans know what it is that government policy is and specifically what it is that we are doing.

We don't apologize for that and I know I've had constituents contact me and tell me they appreciated the information, that it was put together in a way that was quite informative and made sense. They were hoping that things would go well for the government because, if they went well for the government, they would go very well for consumers and small business people in Manitoba.

MR. A. KOVNATS: Mr. Chairman, the Honourable Minister just made a remark about that we should reach a unified position. Mr. Chairman, we do have a unified position. Our position is unified more than I can state at this point. We are unified to the point where we are going to do everything in our power to see that there will be a change in government, so that the people in the Province of Manitoba can have good, reliable, responsible people representing them in government, not the ones that are in government right now.

So we do have a unified position, Mr. Chairman, and that is a unified position to change the government in

Tuesday, 16 June, 1987

the Province of Manitoba from a New Democratic Party Government to a Progressive Conservative Party Government.

HON. H. HARAPIAK: I guess I would like to get back to the comments the Member for Niakwa made on the Workers Compensation. Normally the Workers Compensation is discussed under the Minister's Salary, so I would prefer to leave that portion of our Estimates until we get into the Minister's Salary.

The Member for Niakwa said on several occasions that we can't have it both ways because we're in Opposition, and I guess that's what the Minister for Industry, Trade and Technology is referring to when he says that you haven't got a unified position because, on several occasions, he said we can have it both ways when we are in Opposition. I guess that's what he was referring to.

MR. A. KOVNATS: Yes, I did say we could have it both ways, but the Minister is making it very selective on which ways are the both ways. I say that you spend money where it is needed, where it is required and you cut back where it's wasted. That was the reason that I said that you could have it both ways and those are the two ways I'm talking about - spending monies where required, needed, and cutting back where it's wasted. This government knows where it's wasted, because they are professionals at wasting money.

HON. H. HARAPIAK: I guess this is touching in the area of our Estimates of the Department of Government Services, because we have been very efficient in the delivery of our services. I don't think we have been wasting or cutting back in areas where it's not needed. I think he can point at any department that we've got, including the Department of Finance where there has been responsible administration in the use of our funds. So, I don't think you can, in all fairness, point out and say that we have been wasting money and not cutting back where the programs aren't. We are committed to maintaining the services in the area of social services; that we have maintained and kept those services up; that we have cut back in areas where there haven't been requirements.

MR. D. ROCAN: Under what section are you discussing right now?

MR. CHAIRMAN: We are now on Appropriation 3, and we are discussing (g) Postal Services.

HON. H. HARAPIAK: That's all been passed.

MR. CHAIRMAN: Okay. So we have a Resolution then. Resolution No. 78: Resolved that there be granted to Her Majesty a sum not exceeding \$3,270,700 for Government Services, Supply and Services, for the fiscal year ending the 31st day of March 1988—Pass.

We are now on Appropriation 4.(a)(1) Project Services, Executive Administration: Salaries—Pass; 4.(a)(2)—Pass.

4.(b)(1) Design: Salaries—pass? - the Member for Turtle Mountain.

MR. D. ROCAN: Can the Minister tell us how big is our Manitoba Government art collection and what is its estimated value?

HON. H. HARAPIAK: We have hundreds and hundreds of Manitoba, primarily Manitoba paintings, and we haven't done a recent evaluation of the paintings, because many of them have increased in value because of artists who are no longer with us and who have received national acclaim, so some of the pieces of art collection have become very valuable.

We don't have a total value of our art collections that belongs to the Province of Manitoba, but we can get you a list. We have approximately 1,000 pieces of art that is the property of Manitoba Government. So if the member would like a list of all the 1,000 pieces, we can get you a list, because I don't think you'd want me to be reading into the record all the numbers of the thousands of pieces of art that is in our property at this time.

MR. D. ROCAN: I asked the Minister what was the value, and now I'd just like to know - this art collection, is it insured?

HON. H. HARAPIAK: No. We do not carry insurance on our art. We have very good security that we are very proud of and they are looking after it.

MR. D. ROCAN: Just like the Louvre.

HON. H. HARAPIAK: It is self-insured. I am advised that we are covered under the government insurance policy, that they are part of that coverage.

MR. D. ROCAN: Up to what value, though?

HON. H. HARAPIAK: The Department of Finance would have that information. We don't have that information.

MR. D. ROCAN: I will pass.

MR. CHAIRMAN: 4.(b)(1) to 4.(e)(2), inclusive, were each read and passed.

Resolution No. 79: Resolved that there be granted to Her Majesty a sum not exceeding \$3,256,500 for Government Services, Project Services, for the fiscal year ending the 31st day of March, 1988—pass.

Okay, we are now in Land Value Appraisal Commission, 5.(a) Salaries—pass? - the Member for Turtle Mountain.

MR. D. ROCAN: Did you pass all of 5 or 5.(a)? You can pass 5 in its entirety.

MR. CHAIRMAN: 5.(a)—pass; 5.(b)—pass; 5.(c)—pass.

Resolution No. 80: Resolved that there be granted to Her Majesty a sum not exceeding \$55,600 for Government Services, Land Appraisal Commission, for the fiscal year ending the 31st day of March, 1988—pass.

We are now in Appropriation No. 6. Emergency Measures Organization, 6.(a) Salaries—pass; 6.(b) Other Expenditures—pass - the Member for Ste. Rose.

MR. G. CUMMINGS: Mr. Chairman, I'm not going to spend a lot of time on this, because we've just spent a fair amount of time on the new bill. I guess we were a little startled at the number of changes and

Tuesday, 16 June, 1987

amendments that were brought in, in connection with the new bill.

I see there was an announcement that there was federal funding. I haven't got the announcement in front of me, but we recently received a cheque from the Federal Government on the funding to go towards emergency preparedness. Is that related at all to the emergency preparedness position that we are putting ourselves in as we set up the new EMO Act? Or is that the \$249,000 that's alluded to under Recoverable from Canada?

HON. H. HARAPIAK: Yes, that is related to it for the preparedness of the emergency measures, and the Federal Government pays it to us on a quarterly basis. It is dealing with the preparedness for the Emergency Measures Organization, the new bill.

MR. G. CUMMINGS: The expenditures of those funds, are there any strings attached to the expenditure of those funds, or does that come as discretionary spending within this program?

HON. H. HARAPIAK: We submit a budget at the beginning of the year. This isn't the first year it's been going. It's been going on for several years. We submit a budget annually and, at that time, we submit a list as to the projects that we will be funding under that program, and then we are tied to that commitment.

MR. CHAIRMAN: Resolution No. 81: Resolved that there be granted to Her Majesty a sum not exceeding \$673,200 for Government Services, Emergency Measures Organization, for the fiscal year ending the 31st day of March, 1988—pass.

We are now on Appropriation No. 7., Expenditures Related to Capital, (a) Acquisition/Construction of Physical Assets - Government Related—pass; (b) Vehicle Replacement—pass; (c) Office Equipment Replacement—pass; (d) Departmental Capital—pass.

Resolution No. 82: Resolved that there be granted to Her Majesty a sum not exceeding \$16,497,100 for Government Services, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1988—pass.

We now revert back to the Minister's Salary.

HON. H. HARAPIAK: We were making such great progress in the last little while. I wonder if we could just keep going and pass the Minister's Salary.

I'm just wondering if the Leader of the Opposition will give me a few moments to go and get my books. I did not think we would finish Government Services, so I've got to go and get my material for Workers Comp. Can you wait for a few minutes?

MR. G. FILMON: Certainly, Mr. Chairman, I'd like the Minister to be prepared.

MR. CHAIRMAN: I declare a five-minute recess.

(RECESS)

HON. H. HARAPIAK: Mr. Chairman, I would like to make a few brief remarks prior to the opening of the Estimates for the Workers Compensation Board.

As is customary, I've asked the senior staff of the board to join me this afternoon to assist in responding to any of the detailed or technical questions which members of the committee may have.

I would like to introduce to you the Chairperson of the Workers Compensation Board, Sonny Arrojad; the Chief Executive Officer, Ken Kurbis; and the Secretary of the Board, George Davis.

Prior to my remarks, I would like to thank all the staff of the Workers Compensation Board for their hard and dedicated work over the last while. The past year, as well as the years facing us, indeed present a challenge through the compensation system. On the positive side, an expanding economy has provided more industry-covered employees in our province but, on the negative side, this has led to an increasing number of workplace accidents. These increased accidents not only add to the costs of the compensation but, even more importantly, reflect the immediate need for a doubling and a redoubling of efforts to prevent those human tragedies.

The prevention of accidents is a subject that exceeds all political boundaries, but we are certain all members will wish to work cooperatively with us in our effort to reduce and prevent as many of these devastating injuries as is humanly possible. My colleague, the Honourable Gerard Lecuyer, the Minister responsible for Workplace Safety and Health, will be releasing a report in the near future which proposes a variety of approaches which can be taken to reduce accidents in the workplace. It is a report which will go a long way towards the prevention of injuries, and one which I feel confident we can all support.

Mr. Chairman, we have recently received a draft copy of the report of the legislative committee which has just spent the past 20 months reviewing The Workers Compensation Act and the Workers Compensation system. This is the first time the act has been reviewed in 30 years and, as could well be expected, the committee had numerous concerns and recommendations on how to improve the system for workers and for employers.

In spite of the fact that final printing of the report is not yet available, we were determined to make the draft copy available to members of the Official Opposition and to all of the members to facilitate them in bringing any issues which may concern them to our attention during the Estimates process.

In looking back at the evolution of the compensation system during the past decade, it is obviously in retrospect that changes should have been occurring in a pro-active, rather than re-active manner. Assessment rates should have been regularly and uniformly increased to keep pace with the rest of the boards in Canada, and they were not. Consequently, increases had to be levied over the past four years to bring the level of services to workers and employers in Manitoba in line with other boards throughout Canada.

However, in spite of these increases, the board is still in a position of unfunded liability, which the auditors have stated as being \$84 million. There are a variety of reasons leading to the current situation, the foremost being that:

1. The compensation rates were kept artificially low in previous years.

2. The government and the board introduced the majority of recommendations of four government reports. The recommendations in the Lampe Report carried significant cost implications to the operations of the board.
3. The fact that we are attempting to provide injured workers with meaningful rehabilitation, and that is a question that has quite often been raised in the Legislature and been debated for the last little while about the rehabilitation that is going on. We know that there's been a lot of progress being made, but we also recognize that there is a lot of reform to be carried out at this time.
4. Also, the increased number of accidents, because of the recovery of the economy.

(Mr. Deputy Chairman, H. Smith, in the Chair.)

There are many other reasons leading to the increased costs, including increased medical and chiropractic costs, computerizing the Workers Compensation Board but, in the interests of brevity, I will only highlight a few.

Moving compensation from the 19th to the 20th Century has major cost implications, and we acknowledge that we have a major responsibility in analyzing and measuring the cost-effectiveness of our programs. This is specifically why, when we appointed the legislative review committee to review the act in 1985, we asked them to evaluate board policies and procedures as well.

Twenty months ago, we struck the Workers Compensation Legislative Review Committee, chaired by Mr. Brian King and composed of Ms. Lisa Donner, the labour rep, and Mr. Tom Farrell, the industry rep. The chairperson, Mr. Brian King, has experience with the Workers Compensation system, both as an injured worker and as an administrator. In 1967, he was seriously injured in an industrial accident in Saskatchewan. He received assistance from the compensation system in the form of benefits and rehabilitation and, from 1979 to 1984, he served as the chairman of the Saskatchewan Workers Compensation Board.

Ms. Lisa Donner, the labour nominee on the committee, is a graduate of the University of Manitoba School of Social Work and, since 1982, she has been Executive Director of the Manitoba Federation of Labour Occupational Help Centre, and has assisted injured workers with claims for Workers Compensation benefits and services.

Mr. Tom Farrell was appointed to the committee to reflect the views of Manitoba industry. Since 1977, Mr. Farrell, in his position as superintendent of safety and protection with Inco Limited, Manitoba Division, has been responsible for coordination of employee rehabilitation programs, for development and coordination of safety and health programs, and for the administration of The Workers Compensation Act as it applies to Inco Limited.

Throughout those 20 months, they have met with workers, compensation claimants representative of both business and labour, personnel of the Workers Compensation Board and other interested Manitobans. They have dealt with many complex issues and are now

offering many useful suggestions on how to make the system work even better. They have analyzed what is happening in other provinces, so that we can compare our system against the general norms and learn from the experiences, the successes and mistakes of other jurisdictions. Most importantly, they have provided a comprehensive report which will serve all Manitobans as a key building block for further reform of our Workers Compensation system.

We asked this committee to review and critique our system from a number of different perspectives. To their credit, they have reached a consensus on most issues they analyzed. On occasion, they have come to differing opinions as to how to proceed, but that occasional lack of consensus is overshadowed by their common understanding and aspirations for future development of the Workers Compensation system.

The report contains 178 far-reaching recommendations and a considerable amount of important thought-provoking background information. As a relatively new Minister in the Workers Compensation field, I welcome this opportunity to take an in-depth look at directions we can take to reform the system, particularly the directions that have strong support from representatives of both labour and management, under the guidance of an experienced and able chairperson.

This government's aim in setting in motion this strong-minded committee and the public process that accompanied its deliberations was to get clear insight as to where the problem areas in the complex machinery of Workers Compensation might be, and to find possible solutions to these problems.

The report is both detailed and forthright, as we hoped it would be. While it supports strongly the government's contention that change was needed in 1981-82 and generally approves the government's direction and philosophy, it raises a number of areas where implementation fell short of our aims.

As the review committee indicates, Workers Compensation systems across the country in every province are undergoing significant change in respect to new challenges. Manitoba is not alone in wanting to make the system more effective and more efficient.

Secondly, the review committee acknowledges that significant change has taken place within the Workers Compensation system during the past number of years. Most of the people in this room will remember the major complaints and criticisms of the existing system, which peaked in 1981. Since that time, a number of areas have undergone significant change. Many of those changes have resulted in positive benefits, and even more change can be brought forward on that foundation. At the same time, there are areas where the results of the change have not been as anticipated and it is necessary to chart new directions in order to deal with those unanticipated problems. The review committee provides a number of recommendations in those instances.

The committee identifies several themes in the executive summary. I would like to respond briefly to each of those themes. Of course, the government will be reviewing each of the 178 recommendations contained in the report over the next number of months with the intention of implementing major reforms to the system as required.

The committee, as their first theme, identified the need for rewriting The Workers' Compensation Act to make the system "more open and accountable" to its clientele. It is also suggested that this new legislation be developed in a "language, format and style that makes it acceptable to the average reader."

The government has long recognized a need for changes to the existing legislation which, coincidentally, has not had a major rewrite since its first draft in 1916, and, in fact, that was one of the primary reasons for the establishment of the review committee in the first place.

It is my hope to bring forward major amendments to the legislation during the next Session of the Legislature. In the meantime, the specific recommendations of the review committee and other suggestions will be reviewed by the government within legislative context. Consultations will also be undertaken on possible legislative changes with clientele of the Workers Compensation Board.

The review committee also calls for a more open, cooperative and less adversarial Workers Compensation system. The Manitoba Government has already undertaken significant steps to provide for that more open environment. Minutes of Workers Compensation Board commission meetings are made available to the general public upon request. The review committee has suggested that these earlier reforms must now be followed, and the government will be working with the Workers Compensation Board of Commissioners to determine how that can best be accomplished.

At the same time, we recognize the critical importance of continued support of the Workers Compensation system by the community of employers. To maintain and strengthen this report, we recognize the need to ensure fair, consistent and efficient administration of the board.

We welcome those recommendations that suggest ways to make the interpretation of policies more straightforward and predictable. We will, of course, view favourably those suggestions aimed at guarding against delays, abuses or misunderstandings. We want to increase the accountability of the Workers Compensation system to both employers and workers. We also want to improve the efficiency of its internal lines of communications and decision-making. Since Workers Compensation is an example of employers and employees working together for the benefit of all, the credibility of the system is important to everyone.

The committee has also recommended major changes in the structure of the board which will be reviewed in detail. I expect to be able to announce a more definitive response to that recommendation once that analysis has been completed. The board's structure will not be altered until the work is accomplished.

While the review committee is critical of the rehabilitation process in Manitoba and makes several strong recommendations for change, it does acknowledge that significant changes have been brought forward in this area during the past number of years. It must be remembered that prior to 1982 there was very little rehabilitation. Since that time, major changes have been made which resulted in a number of successes as well as a number of continuing problem areas. The review committee has helped to identify where those problems might be dealt with in future activities.

The rehabilitation of injured and ill workers is a major goal of the Manitoba Government, and we are looking forward to implementing significant changes in this area through both legislative and program delivery opportunities.

While it may not be possible to follow all of the recommendations of the review committee in this regard, they will certainly provide a strong focal point for discussions on what changes may be accomplished and I expect that many of them will be established as the nucleus of future changes.

The review committee also provides a number of specific recommendations on making the administrative and adjudicative process of the Workers Compensation more effective and efficient. The government will be meeting with the Workers Compensation Board to determine specific actions that can flow from the recommendations of the committee in the near future.

As I have indicated on many numerous occasions, the matter of financing a system like the Workers Compensation Board is a challenging task. As the review committee suggests, the financial condition of the Workers Compensation system in Manitoba compares favourably with other jurisdictions. But there are many problems throughout the country, and specifically in Manitoba, that must be dealt with in the near future. Work is already ongoing in this area and will continue now, with the benefit of the overview and recommendations of the Review Committee to assist in analyzing the specific problem areas and identifying possible solutions.

Clearly, our commitment to the continued strength and success of Workers Compensation is strong. Our review will be far-reaching and deep. We will not shrink from making significant changes in the system where they are warranted, especially when support for such changes comes from both the employers' and employees' representatives.

At this point, I personally believe it will be necessary to rewrite The Workers' Compensation Act and I look forward to the opportunity to be one of the architects of a new and improved Workers Compensation system.

Before we turn it over to the Leader of the Opposition, I would like to point out that two of our present board members are here: Don Bulloch, who is the representative of industry; and Al Fleury, who is our labour representative, is also present at our committee hearing.

MR. CHAIRMAN: The Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Chairman.

I appreciate the opening statement by the Minister, and I just want to say to him that, unfortunately, we were having difficulty, as well, planning for the time in which this would occur; and I will give a brief response to his opening statement and have to wait to debate many of the issues with him on Thursday when we continue the consideration of the Workers Compensation Board, and my other colleagues have a number of issues they want to raise.

The Minister, in his opening statement, has given some acknowledgement of direction from the report of the King Review Committee and has painted a very rosy picture, of course, in his view, of positive aspects

not only of that report but of the operations of the Workers Compensation Board.

I suggest, Mr. Chairman, that the Minister is in some land of make-believe when he sees only the positive side of the Workers Compensation Board achievements over the past while, because this major report, this 500-page report which we have anticipated for quite some time, follows on, as I have pointed out, I think, over the past number of weeks, many internal studies and reports, many that this Minister should have been aware of.

This Minister obviously was kept in the dark because he referred to all of these reports as being simply internal documents of the board and nothing that should be made public, nothing that should be dealt with by the Legislative Assembly, because it was all internal documents, whether it be the review that was prepared by the Director of Finance, Mr. Wiebe, sometime late last year; whether it be the document that was prepared by Mr. Cormack into the rehabilitation problems, the rehabilitation program problems at the Workers Compensation Board, many of the things that had been done before, the analysis that was done by the actuaries, all of these things that the Minister should have been well aware of. In fact, I would think that his predecessor should have been well aware, certainly, Mr. Lecuyer, the previous Minister, should have been aware of the fact that the board was not being well operated and it wasn't just the kinds of things that were investigated by the auditor last year when he investigated matters, I think, that concerned nepotism and a few other things.

There were massive problems with respect to the administration of the Workers Compensation Board, with respect to its dealing with all of the problems under its administration and the huge changes that had taken place over the past three or four years in policy, in direction, huge changes that were occasioned by political direction, in my view. All of those things have resulted in the turnaround of the Workers Compensation Board, from being in the position at the end of 1981 of a \$36 million surplus, to today being in a deficit position, that if you believe the King Report and the Wiebe Report, is probably close to \$184 million.

I believe that this Minister is totally irresponsible, Mr. Chairman, if he suggests that this is all news to him, that he's only been waiting for the King Commission to give him a blueprint for future action and that he needs three to six months to begin the massive task of implementing some imperative new changes in direction that have been laid out for him by the King Commission and others that have been laid out for him by the so-called internal reports that were done by Wiebe and by Cormack and by the actuaries, Mercer, and others.

This Minister persists in carrying on in a mode of political damage control and I see that he's got his chief advisor on political damage control, Mr. Balagus, sitting in the back row there - very interested in the proceedings of this whole event because this is the whole objective of this exercise, is political damage control.

This Minister is not going to solve the problems of the Workers Compensation Board anymore than his predecessor and the predecessor prior to that did because, quite frankly, Mr. Chairman, there is plenty

of evidence whether it be from the King Commission Review or from other reviews, that it is the political interference and the political decision making and direction of this administration that have caused the massive problems at the Workers Compensation Board. And when, in 1982, Mr. Cowan moved in as then Minister and utilized the complaints that were being made at that time, and let's make no mistake about it, there were problems at the Workers Compensation Board that should have been addressed, but he changed everything, Mr. Chairman, on the premise that the problems were in communications and management, and he made massive changes without having any idea what the long term costs would be.

This Minister sits here and he repeats the same kinds of statements that were made by Mr. Cowan and by Mr. Lecuyer as they were Ministers in charge of the Workers Compensation Board, saying that they have fixed up all of the problems and complaints and he utilizes as his major answer - no matter what the question is - that the surpluses had been built up in the past on the backs, or at the expense of injured workers, of widows and orphans. And quite frankly, Mr. Chairman, that is an absolute crock because what he is saying, is that the system that was put in place and that was carried through by the Schreyer administration of having long term public servants, non-political people operating and managing the Workers Compensation Board with an equal balance of representation of people from both the employer groups and the employee groups administering the board carefully, wisely, without political interference, and following a system by which they lived within their means. The set rates would allow them not only to cover their current costs, but to build up funds for the long-term liability of the Workers Compensation Board so that they could settle their claims and pay them off and had the funds in place to do that.

Replace that in fact with a politically appointed board of three people, three people given much more power, because they were put in a full-time position. So he wiped out the long-term civil servants who had administered the board, wiped them out completely and replaced them with politically motivated, politically appointed people to operate in the form and in the function and in the direction that the government chose to go, ignoring of course totally the fact that there was an appeal process under the old system. But that appeal process was, of course, administered by a board that was equally representative of workers and employers and wasn't a politically motivated and politically appointed appeal board.

That system changed entirely to the stage that now those staff who are still at the board - and I believe that there are many people at the board who are committed civil servants - who want to do a good job, but they find themselves in a position, Mr. Chairman, that their decisions, their judgments - and they are people who are professionals in many cases - whether they be doctors, whether they be workers who are trained to assess the insurance costs and indeed the results of claims and accidents and put forward their recommendations, they're finding that in 75 percent of the cases, when something has appealed to the board, it's overturned.

So over the process of years under that kind of situation, they now find themselves perhaps being in

a position of not wanting to be embarrassed, not wanting to be rebuked by the board overturning their judgments, so more and more they're settling all claims more easily. Even to the point that claims are being settled, as we know from the Wiebe report, that there is no mandate for under the act at the present time, Mr. Chairman. We're finding that claims are being settled out of the new fund that's been established, the Rehabilitation Fund, which has now become almost a political action fund because it can be accessed by ministerial influence, or indeed the Minister's liaison representative, or indeed by the board acting in a way that says that if there isn't a way to settle this under the terms of the act we'll settle it under the overall aegis of a rehabilitation program that we've now created for this purpose, to give us far more political control.

I mentioned the Minister's liaison officer, I believe his name is Mr. Carroll. Mr. Chairman, not only is this board politically appointed by this administration, but this Minister needed to have, or at least he and his predecessors needed to have a liaison person to the board who would give further political input into the decision-making of the board. That is the reason, Mr. Chairman, why the board has now gone from a \$36 million surplus, to a \$184 million deficit in a period of five years, not because the previous board was being unfair to injured workers.

As I said earlier, Mr. Chairman, there may have been instances that should have been addressed, but there certainly weren't instances that would warrant changing the entire purpose of the board and the entire direction of the board so that it was under total political control of this administration, indeed, so that it was out of control in an administrative sense. So that, as things stand today, during that period from 1971 until, for instance, 1975, a four-year period, the income of the board went up 104 percent, resulting in employers paying just about a doubling of rates on average to the board over that period of time. Yet the same number of claims are being settled by that particular board, Mr. Chairman.

Payouts are up 78 percent, but administrative costs are up 111 percent, Mr. Chairman. A huge increase in the number of staff who are employed by the board. Are these benefiting the workers, Mr. Chairman? For instance, during the period of 1982 to 1985, the staff of the board went up 54 percent. Is that giving more benefits to injured workers? To the widows? To the orphans, that this Minister says he's interested in? No, it's adding to the bureaucracy; it's adding to the administrative cost.

It's the same kind of nonsense that we talked about in this committee about the new carpets in the senior administrative offices, the panelling on the walls, the new automobiles, all those kinds of things that are done on the backs of injured workers, Mr. Chairman. That's the reality of what has been done by this Minister and his predecessors at the Workers Compensation Board. Those are the reasons.

Of course, we even look at the premise under which the King Commission reported, and the King Commission has brought forward a number of useful recommendations, and a number of areas that obviously are going to require attention. But the King Commission, of course, used as its basis of decision-making a number of things. Input from the public, many, many groups,

organizations and individuals came to the King Commission and told of their problems and concerns with the Workers Compensation Board. But it also went through and examined a number of files.

As I recall it, we had to change the act in order to allow them access to workers' files. There was a suggestion that there was all too much in the way of secretiveness on the part of the administration at the board, on the part of the senior administration, that they required access eventually to the Legislature to allow the King Commission to be able to have as free and open an access to the Workers Compensation Board's administration so that they could do the proper job.

But even today, looking at the executive summary of the Workers Compensation Review Committee, they talk about the lack of openness on the part of the board. They talk about the need for the board to be more open and accountable. They talk about a need for more openness, because they couldn't get at a great deal of the information. But what information did they target on? They targeted on an examination of approximately 1,000 files of workers who had been turned down for Workers Compensation by this administration.

They didn't target on files of people who had been awarded benefits after their appeal was taken to the board, and was overturned by the board on appeal, to find out whether or not there was undue influence from this Minister or the previous Minister or his political liaison or anybody else. Why? Were they afraid to expose some political interference? Were they afraid to expose that awards were being given and made perhaps without legal justification under the act, that the board has placed the staff in a position of not having confidence in its judgement and ignoring the act? Were those the reasons why they didn't examine files of people who actually had been given, on appeal, awards?

Mr. Chairman, these are the kinds of things that we have concern about with respect to this administration. We have concern that this Minister and each of his predecessors have made changes or allowed changes in policy and procedure with no idea of the implications of the costs of those decisions, or no idea of the results, such as in that rehabilitation catch-all that's been set up. They were flying blind as they made major changes in board policy along the way in uncharted waters, just as they were at MTX, just as they were when MPIC went into the exotic areas of reinsurance, an act of faith, that all they were doing was trying to be better workers.

That was the thing that they said publicly but, in reality, there isn't a great deal to support what they've said. The areas of concern have to do with communication, with administrative procedures, with a board that wasn't in control of the destiny of injured workers and indeed the responsibility that they had for injured workers in this province. They had no idea of the administrative responsibilities that they had under their jurisdiction and they weren't prepared and they weren't capable of handling it. That's why, primarily, this board has gone into the deficit that it has. That's why we have 178 recommendations from the King Commission and countless others in internal reports that have not been dealt with. I'm not sure that this

Minister is prepared to do it because all he's been given by Mr. Balagus and the others who advise him are certain slogans that he has to keep repeating about the board having built up surpluses on the backs on injured workers and all these other people, things of that nature without being in a position to answer the concerns and the problems that are there in the Workers Compensation Board.

Mr. Chairman, we're going to want to know a great deal more from this Minister as we examine the Workers Compensation Board, but we're not prepared to accept the rosy picture that he has put forward in his opening statement.

MR. CHAIRMAN: Mr. Minister.

HON. H. HARAPIAK: I guess the reason I put forward a rosy picture is I knew what would be coming from the Member of the Opposition and he didn't disappoint me. He's come out with all the possible negative connotations that can be connected with Workers Compensation and I guess it's no wonder that Workers Compensation staff are feeling uncomfortable, because the Leader of the Opposition said we should be depoliticizing the whole process, but yet he continues to come and attack the process and attack everybody who works within Workers Compensation and, if we're going to be making the Workers Compensation more humane in the delivery system, certainly we have to get away from politicizing it the way the Leader of the Opposition has done.

It is unfortunate that he chooses to leave at this time, so I'll just leave all these other comments. He's made them all on record before and I will be refuting them as we go along in the Estimates process. We should just go ahead with - he said some of the other Members of the Opposition have some questions so I'll just throw it open for questions at this time.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman.

I don't think that the Minister was expecting any compliments when we came here today to review the Workers Compensation activities, but I would just like to bring to the attention of the Minister that I'm not going to compliment him in any which way at all.

It seems that there's almost a conspiracy inasmuch as there have been various reports over the years - there's been the Lampe Report, the Cooper Report - and every one of the Ministers responsible has chosen not to take any of the responsibilities of these reports and put them into actions where some of the problems that have occurred in the past could have been corrected.

I think that we have to look at the political activities of what has taken place during the last few years. We've tried to bring it to the attention of the Minister and the Minister is aware of it. He's had liaison officers that are always appointed politically. There's no reason at all for us not to believe that they weren't political appointments, but everything was selective. It was selective as to what was going to be considered political and what was not going to be considered political.

But the Minister and the previous Ministers have chosen to disregard everything and all

recommendations that have taken place in the past, and we have the Minister working in a deficit position which is absolutely illegal. We have, in the deficit position, where The Workers Compensation Act states that the class fund - the Provincial Auditor has stated that the report has indicated that, in the last year's report, the deficit financing is not in compliance with section 66(1) of The Workers' Compensation Act, which states that the board shall, every year, assess a levy upon and collect from the employers in each case sufficient funds to meet all of the expenses.

Deliberately, the Minister has refused to comply with the regulations of the act, absolutely refused to comply with the regulations of the act. Now I can't understand why not, and to put the blame on previous administrations when you had the opportunity of correcting the situation but refused to do so because of the political implications.

All of these reports state the indications of areas of deficiencies. They have been stated to the Ministers, these areas of deficiencies of the Manitoba compensation act. I can't understand why we didn't get the advice as to the deficit which the Minister prefers to call an unfunded liability, but whatever you want to call it, it's still a deficit, and we are looking at the point of \$184 million. The King Report states it at \$84 million, but with the obvious intention that it could be as high as \$184 million.

You just can't turn your back on it and the Minister keeps making remarks that it's always somebody else's fault; it's always the responsibility of somebody else. There's been mismanagement through the Minister's department, through the Workers Compensation, and this mismanagement through the Workers Compensation could have been a direction of the Minister's department. We're really not sure. The Chairman of the Board has always stated that she does what she has to do as compliance of The Workers' Compensation Act, but there has been influence. When it comes to maintaining your job, you have to listen to the powers that be when they give you those type of directions.

The Minister, through the group that he represents, the New Democratic Party - and this Minister and the previous two Ministers - have got the SADIM touch, which is the opposite of the King Midas touch. You know what King Midas touched, everything turned to gold. The New Democratic Party touch, everything turns to garbage.

A MEMBER: Come over here, let me touch you.

MR. A. KOVNATS: I give them credit for accepting that it's a truthful statement that I just made because some of the other problems they've had with the MPIC and with the Manitoba Telephone System and MTX, they have the King Sadim touch, it turns to garbage.

I do have to criticize the Minister in the King Report when it's coming, and it's the first criticism that I'm ready to bring up about the Minister, but I have to criticize the Minister in the review. We've got another six months before we're going to do anything. We have to be sure. For six darn years - and I almost said something else - this group has had to be sure - five years - about making these changes just so that they

Tuesday, 16 June, 1987

weren't going to make a mistake. We are looking into the possibility; we are checking into it. There was one other that I had marked - I've lost it now - to make changes, it's on hold.

We get all kinds of different terminology, but it's the same darn thing. This government is sitting on their chairs waiting for political opportunities to make changes and it's strictly a political thing at this point. They're just waiting for political opportunities to make changes and it's costing many millions of dollars for the Minister to sit there for another six months before he even endeavours any of these changes. He should be implementing some of the problems immediately. You know, jumping right into it, but there has to be a price factor cost - a cost factor that has to be considered - and I know that the Minister is considering the price factor. But I think it's about time that something more solid is done so that we can take the action. I know the Minister is not an inactive person, he's an active person and he will take action.

But I think he's receiving some bad advice from somebody telling him, "Wait, maybe it'll all blow over and in six months time people will forget." People won't forget. I don't know how you forget \$184 million deficit. I think that I would give the Minister a chance to respond to some of the remarks and at this point if he can come up with some remarks that there isn't total incompetence in the Workers Compensation scheme and through the Minister's department and through the liaison officer and through workers advisors. I think that the Minister will be able to at least express his views. I don't think he's going to be able to change my mind. I hope that the Minister can express his views.

We've gone through three Ministers in a short time. The previous Minister was relieved of his responsibilities when he had only a lesser deficit. But for this Minister to be replaced so that he doesn't have to come up and explain \$184 million deficit. The Minister was kind of thrown into it and I guess he's got to sink or swim and he's not going to get any help and any of the other people going to teach him how to swim. The Minister's really on his own because the others don't give a damn about the Minister. They're looking to protect their own problems and this Minister has been thrown into the breach and he's not going to be able to correct this problem on his own, he needs the help from the others, but he doesn't seem to be getting that help, at least it doesn't appear that way.

I was just getting used to the other Minister, he gets fired and we've got a new one. I hope that the Minister will be able to stick around for at least a little bit of time so that we can get to know each other. I have a special affiliation; it seems that whenever they pick a Minister they always pick one from my area and that's kind of close to me. But, because he comes from my area, doesn't give me any of the responsibilities of accepting the responsibilities of the mismanagement of this corporation.

HON. H. HARAPIAK: I was disappointed in my MLA that he didn't give me some words of encouragement. I thought that he would be a little more supportive in his opening remarks than he was at this time. But he is consistent, he has mentioned on several occasions that he would like to have it both ways and, once again,

with this report, he's saying that we should implement it right now, but you'd better have figured out what the costs are going to be. So I guess it's not possible to implement the report immediately and know what the costs are going to be. So we need to have that analysis carried out of the review committee to see what the implications are going to be.

We want to tell you, right to begin with, that we're not going to be taking one of the recommendations in isolation and saying: Okay, here's one that we can move on right now. The whole 178 recommendations are a package, and if we implement the entire package then there will be very little cost. The review committee, with all their years of experience, have shared with us that in their opinion there would be a cost neutral if all the recommendations that the review committee made were implemented. So we're looking forward to doing our own analysis of it so we can have that information before we move on that. But I don't think it's asking too much to be asking for three to six months to have an evaluation done on just what the cost implications of that review committee would be.

The member talks about mismanagement and that the Minister has directed the mismanagement to go on. I think that the Member for Niakwa should look at other jurisdictions as to what is happening in Workers Compensation in Quebec and Ontario and the cost of orders in the States, what's happening to Workers Compensation in the other jurisdictions. Our circumstances are much better than many of the Workers Compensation systems that are operating in Canada.

He continues to insist that there is a deficit of \$184 million. I guess we have had the actuaries' report and the Leader of the Opposition chastized us for not sharing the information. We tabled all of the information that the actuaries gave us as to the reasons why they made the decisions and how they came up with the figure of the \$184 million deficit, or unfunded liability.

You're saying there's a \$184 million deficit. There won't be any additional deficit until such time as we make the decision to implement some additional policies. If we implement all of the policies as recommendations, once again, it will be a cost neutral, but we are looking at that to see if that is a fact or not. So we're not going to be implementing any decisions until such time as we do.

You also make mention of the fact that we're breaking the law; by not following the laws, under Section 66(1), we are breaking the law. I guess, ideally and legally, the compensation system should be fully funded at all times as required under Section 66(1) of the act. However, it was felt that a temporary abrogation of the unfunded liability would be preferable to the 57 percent increase in compensation rates.

And you should be aware that it was at the insistence of the industry who came to us and asked us not to give them that one big increase because it would be difficult for an economy that was in a recovery stage. I guess there was political interference at that time. We could have said, yes, have a 57 percent increase. What would that have done to our economy? Would we have had as healthy an economy as we have at this time? I doubt it.

We were in discussion. The previous Minister had consultations - wide consultations - with many members

Tuesday, 16 June, 1987

of the business community, and they urged us not to give them a 57 percent increase. They wanted instead to have a series of 20 percent increases which would bring the board to an operating break-even point by 1989.

The unfunded liability is something that any government, the Compensation Board, or any industry sector would hope to avoid. In fact, section 66(l) of The Workers' Compensation Act specifically provides against unfunded liability. The government decided to permit the situation to currently exist again as it did last year only because of the government's concern that a large increase in rates might have a negative effect on the job creation.

I think you will admit that the economy was in a recovery stage at that time, and it has recovered; so I think that was one of the things that helped the economy recover at that time.

You make the comments that the boards are making political decisions in appointing the liaison officers, or the Minister is making political decisions. I want you to know that all the liaison officers have been recommended by the board and they did come from the Workers Compensation staff. So they are not politically motivated; they did come from recommendations that were made by the board.

MR. A. KOVNATS: The Minister says that this deficit position is on a temporary basis. We've been at it for five years now, or four years. If it's going to last forever, that doesn't sound like a temporary position. You know, the Minister said we'll be in a break-even position in the next two years, and we keep changing the statement. It's two years; it's twelve years. But I guess it's all right to make these statements because we're two or three years away from an election. I hope we're not two or three years away from an election. But maybe the Minister, in his wisdom, is making these statements knowing that there'll be an election fought without us having to prove that it's going to be more than a two- or three-year time before we reach a break-even position.

But the Minister has known all this stuff, and some of this stuff has been covered up, has been hidden intentionally or otherwise, where the deficit had to be known prior to the last election. But it was held off until such time as you didn't have to explain to the people who were going to do the voting what kind of a deficit that we had. I can't believe that the Minister, this Minister or a former Minister, didn't have some sort of an idea of what the problems were at Workers Compensation prior to two or three years ago.

For the Ministers not to take any action to find out what the cost - sure we have a King Report and the King Report has been in the process for 20 months and the Minister was cooperative in giving us a copy of that report before - but you couldn't be naive enough to sit there for all of this time before and not know that there were problems. You didn't have to have a King Report to know that there was mismanagement and incompetence all the way along the line, except that the mismanagement and the incompetence fell back on the people who had to make the decision.

I point that out to the Minister. You know he's sitting back and saying we're not going to take any action

for six months because we don't know what the cost factor is going to be. I would hope that the King Commission gave them some sort of an idea what the cost factor was going to be, and I would hope that the Minister had some idea what the cost factor was going to be prior to the King Commission.

HON. H. HARAPIAK: You talk about not knowing the facts about the unfunded liability prior to the election. We have tabled all of the information that is connected with the actuaries' report, all the information that we've had. We first learned of it in January. We have tabled that information, all the information, that the actuaries gave us at the time we tabled our annual report. It very clearly indicates in there that when we were first informed that there was a higher unfunded liability than had previously been stated.

The Member for Niakwa should know that really what happened is the rules were changed. The actuaries changed the rules on us. In previous years, they would accept us dealing with the rehabilitation on a year-to-year basis, but at this time they said there was a history developed which showed that after four years of rehabilitation there was a cost trend developed and the actuaries used that information that was in place, which showed that there would be an \$84 million unfunded liability.

The member wants to argue that it's a deficit and I guess it's a matter of interpretation. To my way of thinking, a deficit is when you have spent some money, then you have to go out and borrow it. This money has not been spent. It is a liability that we'll have to be paying in future years, over the next 25 years, when those funds are going to be needed. Surely, the member can differentiate between a deficit and an unfunded liability and he doesn't have to continue to be harping back on the fact that it is a deficit. It is not; it is an unfunded liability.

MR. CHAIRMAN: The Minister of Education.

HON. J. STORIE: Thank you, Mr. Chairperson.

A question to the Minister or I'll ask the Minister for a comment. We've heard the Leader of the Opposition and the critic for the Workers Compensation Board talk about the . . .

MR. A. KOVNATS: Mr. Chairman, on a point of order.

The Minister had made some remarks about how the rules were changed on Workers Compensation just a short time ago, about how deficits were included. Are the rules changing now? Is somebody given the privilege of continuing their questioning, or is it the choice of the Minister to point out who he wishes to make statements?

MR. CHAIRMAN: I had a mark on his name, so I'm not listening to the Minister who I'm choosing.

MR. A. KOVNATS: I just wanted to be on the record that I protest very vehemently that we have changed the rules, and if that's the way you want to play it because the rules have been changing all along, Mr. Chairman. I saw how the rules were changed in the Legislature yesterday about, in the spirit of cooperation,

Tuesday, 16 June, 1987

and I just wanted it to be known and I'm not threatening anybody because I'm not big enough to threaten anybody. You people are the government, but I just wanted to go on the record as showing that you have changed the rules and I don't like it.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: . . . this committee that when a member is on a series of questions to a Minister during the Estimates process, that that line of questions is pursued. Recognition of someone, even another person from the same political party, has not been done because the individual has a line of questions which he wishes to pursue.

Now, Mr. Chairman, if you have changed those rules so that members on our side can no longer pursue a line of questions, then please, Sir, tell us that you have changed the rules of committee.

MR. CHAIRMAN: The Member for Kildonan.

MR. M. DOLIN: On the point of order.

What the Member for Pembina is describing is what has been at the discretion of the Chair. Now, having chaired this committee last year, this was discretionary; it is not the rules. The member keeps suggesting that it is the rules of this committee. It is nothing of the kind. It has been a tradition. It has been the usual practice of the Chair.- (Interjection)-

MR. CHAIRMAN: Order please.

MR. M. DOLIN: That does not mean it was within the rules and for the Members for Niakwa and Pembina to imply that somehow the Chair is abusing the rules or changing the rules is balderdash. The reality is the Chair has the discretion to decide on who the Chair recognizes, Mr. Chairman, and that is your discretion.

MR. CHAIRMAN: The Minister of Education.

HON. J. STORIE: The Member for Pembina, I don't know whether intentionally or unintentionally raises a point of order which obfuscates the whole purpose of this exercise, and that's to get information.

Mr. Chairperson, I don't think anybody could hardly conclude from the Member for Niakwa's comments that he had a line of questioning. Mr. Chairperson, the comments that were being made were certainly across-the-board and open-ended comments. He concluded. I had raised my hand and asked for an opportunity to speak which is a right that all members of the committee have. I had no intention of monopolizing on the time, or trying to talk it out and prevent other members from talking as happened yesterday. So I wish I would have been given the right and perhaps my remarks would have been over and my comments and questions to the Minister would be completed.

MR. CHAIRMAN: Order please, order please.

If I might, perhaps the Chair could settle this because we are doing important business and we're just wasting time of the House. I would have recognized the Honourable Minister for the two or three minutes that

he wanted to speak and I would have gone right back to the Member for Niakwa. So if there was a brief change in tradition, I take the responsibility for it because I did have mark down beside his name. I will let the Minister of Education continue for a minute or two and I'll go right back to the Member for Niakwa, with the indulgence of the committee.

The Member for Pembina.

MR. D. ORCHARD: To the same point of order, Mr. Chairman.

Even though the Member for Kildonan may not appreciate the traditions of the way this committee has operated, and I've been here 10 years which is longer than many, equal to some, and not as long as the Minister of Agriculture. But I think, Mr. Chairman, you will find in checking the records that when a member, particularly in Estimate time - which is the time that Opposition has to question the government - Cabinet Ministers can sit with the Minister responsible for the Workers Compensation Board and ask questions. They sit around a Cabinet table. Any attempt by the government, which is quite apparent now that they don't want this Minister on the hot seat, and you, Sir have inadvertently played the game plan of the government in breaking the tradition of this committee by recognizing someone when one of our members was on a line of questions.

Mr. Chairman, that is entirely your discretion because as is correct, there's no rule that says such should be so. But let me tell you, Mr. Chairman, Deputy Speakers and others have made mistakes in their rulings in the past, as was pointed out yesterday after the fiasco with the Member for St. James, where points of order one day by one Deputy Speaker are deducted from a person's time and then reinstated the next day by the Speaker for a Cabinet Minister. Mr. Chairman, those slips of Chairmans' rulings are happening from time to time and I suggest you, Sir did it this afternoon, inadvertently.

MR. CHAIRMAN: If I might perhaps try to settle this, because I don't believe that if you research the records that I give undue time to the government members. As a matter of fact I think if you researched the records they're lucky if they get 10 percent of the time. If you research the records.- (Interjection)- Any member of the committee has as much right to ask a question as anybody else.- (Interjection)- Would you let me finish? All I am saying to you is that I recognize that there has been a tradition that the Opposition should be the ones to do most of the questioning and if I'm giving the government 10 percent of the time, and if you think that is undue, I think it is not so I think to save time I'd let the Minister of Education, I will make that ruling that he will finish his remarks and I will go right back to the Member for Niakwa.

The Minister of Education.

HON. J. STORIE: Thank you.

MR. A. KOVNATS: Mr. Chairman, on a point of order. Just for clarification - and I'm not that responsible when it comes to being critical of the Minister but I just want to bring up a point where the Minister said that my

line of questioning was not responsible, that it didn't appear to be any line of questioning. I would apologize to this group that maybe I'm not quite competent enough to be posing questions. If the Minister would care to criticize me for not being capable of posing questions in the manner in which he would like them to be posed, then I would apologize because I'm really, Mr. Chairman, I really am trying my best and I wouldn't like to be criticized by this Minister for not being capable or competent in posing questions. I feel that I am capable and competent, possibly more capable and competent than some of the people connected with the Workers Compensation and I would just like that to go on the record.

HON. J. STORIE: Mr. Chairperson, I appreciate the comments from the Member for Niakwa. I think that the Member for Niakwa has had probably two opportunities, or three in the last hour on a continual basis, to make his comment.

The Leader of the Opposition and the Member for Niakwa, raised a number of concerns about the cost of the Workers Compensation system. I would like to ask the Minister responsible: What percentage of the total costs of the Workers Compensation Board go to administration and what percentage goes to the injured workers and their families in this province?

HON. H. HARAPIAK: The figures that we have is that about 10 or 12 percent of the costs are for administration and the balance of the dollars that are in the Workers Compensation system go towards benefits for widows, injured workers and their families.

HON. J. STORIE: Mr. Chairperson, if I understand you correctly, that out of the \$84 million which has been identified as a part of the unfunded liability of the Workers Compensation Board, \$70 million of those dollars would be going to injured workers, to their families, to support the needs of injured workers. So the cries from members opposite about the need for reducing that, as a matter of incompetence - if they were going to rectify that problem it could only come by taking money away from injured workers.

Perhaps the Minister can advise that if we were to move to a funded liability position, how many injured workers would we have to take off compensation? How many injured workers would the Member for Niakwa take off compensation; deny them their due? How many would it take to help us reach a funded liability situation?

HON. H. HARAPIAK: I guess we could use the example that is going on in British Columbia at this time where three years ago they had a \$300 million deficit and all of a sudden they have got a \$100 million surplus. So I guess it all depends on the conditions that you would impose on the system that is in existence in your province. But the Minister makes a reference to the \$84 million and that \$84 million is all for benefits, it's for rehabilitation. The entire \$84 million would be for benefits of the injured workers and their dependants.

MR. CHAIRMAN: We will now interrupt the proceedings for Private Members' Hour.
Committee rise.

SUPPLY - HOUSING

MR. CHAIRMAN, C. Santos: The Committee of Supply will please come to order.

We've been considering the Estimates of the Department of Housing. We are now on Item No. 2.(a)(1), 2.(a)(2), 2.(b)(1), 2.(b)(2).

The Honourable Minister.

HON. M. HEMPHILL: Mr. Chairman, I'd just like to take a couple of minutes to start off to clarify a couple of answers that were given and to provide some additional information that was requested.

The first one, I think, was a question that came up from the Member for River Heights, and I'll provide her with the information later, but I'd like to put it on the record. When she looked at the figures, it appeared to her as though we were giving significant salary increases to our administrative staff and giving almost no or very minimal increases to the support staff whom she believed would be largely female.

The answer is that it is coming as a result of our reclassification of positions that were vacant, and we have put them into lower classifications because we found that we did not have enough support staff. So we reclassified vacant positions. The classifications are lower, the salary ranges are lower. It appears that the overall dollar is not as large, and she was assuming that it was because their salary increases were not as high, but it is because of the lower classification. So I think that's the first clarification.

Mr. Chairman, there was another question where a member asked how many units did we have to upgrade for the fire by-law, and I said between 20 and 25. The full answer is that it's 25 that are being upgraded this year, but the total is 75. The total number is 75, but we are upgrading 25 of them this year. So I feel that's a more complete answer than we gave last night.

In terms of the Bluebird Lodge, we were unable to confirm any cuts in services or in health services when we called and checked this morning. In fact, what we did find is that we have enhanced services by putting them on what is called the "fast system," which is an emergency call system where every individual unit is connected to a central location. If they have any problems at all, there is an emergency call. It's monitored 24 hours a day. As soon as it buzzes, they call back to that unit to see if the people are okay and, if they don't get an answer, they send help out immediately, assuming that they're in some sort of problem.

So we've enhanced in that way and, if the member has specific information about a specific cut, perhaps if he provides us with that, we can check into it further, but we were unable to confirm any problems there.

In Aspen Park, the question was: How much did it cost the province to correct the deficiencies with respect to underpinning an exterior door replacement? The answer is, the underpinning is \$75,000; the door is \$34,000; for a total of \$109,000.00. We're still hoping that we may be able to recover some of the monies through litigation. There is still a possibility.

In the Meadows West - (Interjection)- yes, as one of my staff have indicated, we slipped a zero. It was a

poor reading. To the Meadows West question, there were two phases, and the member was asking about a phase that had 57 units in it and asked how many we had sold. The first phase has 66 units in it. Our answer was that we had sold all of them, we believed, or almost all of them. The 66 units in the first phase have all been sold. The 57, the second phase with the 57 units, which is what we now believe you were actually questioning on, have not been sold yet, but they are to be put up for sale the first part of July pending signing of the development agreement. So I think we were confused about the two phases and which one you were asking for.

In terms of the question that we kept going back and forth on about the Ladco land and our land, and inside or outside the urban limit, and whether there was a condition there that required us to wait until 75 percent of the basements had been sold, both our land and the Ladco land are included in the urban limit line as of an amendment that was put in place in April, and that means they are not subject to the 75 percent basement rule.

I believe that those bring up to date the questions that were raised and some clarification and expansion of answers that we gave.

MR. CHAIRMAN: The Member for Charleswood.

MR. J. ERNST: The Minister - I'm sorry, I didn't quite hear her explanation with respect to the John Bruce subdivision land. Could she repeat that again?

HON. M. HEMPHILL: I believe the suggestion was that we should not be marketing or developing the land that we held because there was a condition there that required another parcel of land to be developed to the tune of 75 percent of the units. What I am saying, with the information I'm given, is that, because of the amendment in April that put both our land and the Ladco land inside the urban limit line, it removed us from the 75 percent condition.

MR. J. ERNST: While she checked into it then, could the Minister advise if the Ladco land is also now not subject to any condition of development from Island Lakes?

HON. M. HEMPHILL: That's our understanding, Mr. Chairman.

MR. J. ERNST: Mr. Chairman, the question with regard to the Bluebird Lodge, I'll provide more specific information to the Minister and subsequently she can check into that.

We were dealing with the question of residential apartment upgrading last night, I think, near the time that we concluded our discussions. Mr. Chairman, can the Minister - and it doesn't obviously have to be today - provide a complete list of buildings under her control that: a) have been upgraded; b) are in the process; and c) still needs to be upgraded, and the various stages they are at. Again, that can be provided at some subsequent time so that we're aware of where the whole matter stands with regard to residential apartment upgrading.

HON. M. HEMPHILL: Yes, we'll provide that information.

MR. J. ERNST: The Landlord and Tenant Review Report was tabled a month or so ago. Can the Minister advise where she's at in terms of reviewing that report, what recommendations she has accepted or hasn't accepted, and generally speaking, what she intends to do with the report now that it is in her possession?

HON. M. HEMPHILL: First of all, I would like to take this opportunity to go on record as thanking the committee with representatives of landlords and tenants in our department who did a herculean job in a record length of time in terms of bringing in the report. They have brought in a report that has 139 recommendations and, if followed, will give us I think one of the most progressive pieces of legislation in the country. It was very far- and wide-ranging, and dealt with all really outstanding issues related to this area that will give us legislation that will not only be streamlined but will deal with abuses on both sides of the ledger, either violators or abusers who are in the tenant arena or in the landlord arena, will expand the education and information role, and will spell out and delineate rights and obligations more clearly.

We were very pleased with it; it took longer for them to complete than we anticipated. We expected originally to receive the report early in the fall and had hoped to have it as a major piece of legislation in this Session. However, by the time they presented it to me, I think it was about mid-February and, even in terms of physical ability, it was of translation and preparing the legislation. We were unable to deal with it in this Session.

When I announced and released the report, I indicated that we would be studying it over the summer, making decisions on the recommendations and preparing it as a major legislative package for the coming Session. It is going to be, I think, one of our major pieces of legislation and a very important piece of legislation. We wanted the appropriate amount of time to deal with 139, as I said, very wide-ranging and complex recommendations and to do it properly.

MR. J. ERNST: Mr. Chairman, is the Minister going to - I appreciate that the report is very large and there are, as she indicates, 139 recommendations in that report - first of all, to float a White Paper with regard to those proposed actions? Is she prepared to hold further public hearings on it once a legislative package has been determined but in advance, let's say, of the next Session of the Legislature, so that there's ample time for both the public and government to assess the impacts of any proposed changes that would come about?

HON. M. HEMPHILL: Mr. Chairman, the full process for handling it has not been completely determined yet, but the point that the member makes is one that I am sympathetic with, and that is that there be some mechanism for people to provide some additional input or feedback or suggestions to us prior to making the final decisions. I have, by the way, communicated to the committee, although they are formally disbanded, that it is quite possible that, as we get down the road to making the decisions, we may want to bring them

back into play and have some additional consultation and discussions with them.

The report is available now. It is widely available for anybody who is interested in receiving it and we're certainly open to any feedback or communication from individuals or groups or organizations. So we will try to put that principle into the process that we're following without necessarily committing ourselves to a White Paper.

MR. J. ERNST: Mr. Chairman, I thank the Minister for her response.

Very often committees, no matter how widely representative they are, tend to become a little insular in their outlook when dealing with these kinds of issues. Their own experience cannot always address the kind of impacts that these recommendations could well have on a variety of different accommodation or variety of different procedures that take place. So I would hope the Minister would consider that there would be, rather than putting people under the pressure of a bill and under pressure of legislative committee and those kinds of things, more free-flowing exchange of information, exchange of impact, as it were, of the recommendations that are going to be considered.

Again, if history is any measure of these kinds of reports, maybe half of the recommendations actually wind up in terms of being implemented. So there need not be the necessity of scaring the pants off a lot of people by floating all of the recommendations, but rather only those that the government may be prepared to deal with.

So, Mr. Chairman, I would hope the Minister would take that advice and deal with it in due course so we can try and ensure, as much as possible, harmonious relationships between the affected parties.

Mr. Chairman, I want to dwell for a few minutes on one of my favourite topics -(Interjection)- and you're ready. I want to talk about Logan Woods for a few minutes. For your information because you may not recognize the name, Logan Woods is a residential subdivision located north of Logan Avenue, south of the CPR Yards, east of the Slaw Rebchuk Bridge approach, and west of Main Street. Mr. Chairman, that's very close to your riding.

This little residential enclave, not one person involved in either social housing planning or any other kind of activity in that area ever recommended should take place, but it happened in any event. But I would like some information perhaps, and the Minister being now well prepared for this question may now be able to answer.

Perhaps you could give me a brief rundown of the total number of new units that were constructed, the total number of renovated units that were renovated, how many of these were sold - well, the balance presumably are rented. Mr. Chairman, that will do for starters, and then I have some further questions in that regard as well.

HON. M. HEMPHILL: Mr. Chairman, to begin the questions and not accepting the premise that was given prior to it -(Interjection)- ah, but another fact is that the purpose for which the neighbourhood was going to be destroyed was that of bringing in big industry,

to destroy an entire neighbourhood for industry that never existed, didn't then when they were ready to expropriate and destroy the neighbourhood, and hasn't surfaced in the four or five-year interval is another fact.-(Interjection)- No, that's a fact. There was no industry there ready to go in and, although they combed the Canadian and the U.S. market trying to find one, they never did find one that was ready to go in.

There have been 20 homes that were renovated and were sold, and five homes that were renovated and that have been rented. The project is almost coming to completion. The organization is in the process, the Logan Community Committee, of winding down their activities this year, I think, and we believe that there was a unit that sold last week and we believe that was the last one, but I would have to confirm that. If there are any left, it is perhaps only one or so.

We have also had 10 infill units that went into the area; all of those have sold. In fact, I believe there was a waiting list. There are 18 new rental units that have gone into the area.

MR. J. ERNST: Mr. Chairman, I don't want to take inordinately long on the subject matter, but the Minister indicated that the fact was there was no new industry located there. The premise of the Logan Industrial Park, which included that area, was to first of all put a training centre in there for Core Area residents. The training centre was to go there to train Core Area residents to participate and be able to work, and go from the training centre on-site into business on-site. What was left, Mr. Chairman, was not 28 acres of industrial land, but 8 acres of industrial land now separated from the balance of the site by the Salter Street Bridge, now the Slaw Rebchuk Bridge. Mr. Chairman, it was never given the chance to become that kind of a community, that kind of an industrial-based community with a school, with an educational facility upon which to train workers in order to go into the industries that would locate on-site. It was never given a chance.

So, Mr. Chairman, the Minister can't say that they combed North America and couldn't find anybody to go there. As a matter of fact, Mr. Chairman, the present company on-site there actually went and begged the implementing authority, in this case Canada and the Core Area Initiative, to go onto that site. He came to see me, Mr. Silver, two-and-a-half, three years ago, saying, I want to go there, I'm going to build a blue jean plant. I want to employ 350 workers, but nobody wants to look after me. Mr. Chairman, that was a tragic note, both for the Core Area Initiative and all of those involved because, when an industry has to come seeking out, trying to find people, someone to talk to them in order to move onto that site, I thought it was very tragic indeed.

But I thank the Minister for her information. I would like to know in addition, Mr. Chairman, what kind of financing was provided, if any, for the sold units, what the selling prices were. With respect to the rental units, Mr. Chairman, what the vacancy rate is, if any, and what the turnover rate is for tenants in those properties.

HON. M. HEMPHILL: Mr. Chairman, the selling prices were based on appraised value and range for the homes that were sold from \$15,000 at the bottom up to, it

appears, \$37,000 at the top - individual prices for individual units.

What was the second question? -(Interjection)- Oh, the financing. Mr. Chairman, the financing that was arranged was done consistent with the financing rates at the time and consistent with the rates that were applied to the infill houses. Our recollection is that, at that time, they would have been in the range of 10 percent to 11 percent.- (Interjection)- Yes.

MR. J. ERNST: Mr. Chairman, the Minister indicates that in fact the government did do the financing on the sale of those units at market interest rates. Could the Minister advise what debt-equity ratio there was with respect to the financing of those units?

HON. M. HEMPHILL: Mr. Chairman, it was the normal 10 percent equity requirement - "minimum" is a better word - minimum 10 percent requirement.

MR. J. ERNST: Mr. Chairman, I'd asked as well the vacancy rate and the turnover rate in the rental units of that district.

HON. M. HEMPHILL: Mr. Chairman, we'll have to get the most up-to-date figures on the vacancy rates and the turnover rate. I just wanted to add a bit of additional information on the units that were sold while we were talking about what might be a minimum 10 percent equity, that there has been no default on any of the units. All of the mortgages are all being paid fully.

MR. J. ERNST: Actually, Mr. Chairman, I'm pleased to hear that. Can the Minister advise - and I don't have to have an answer today - what the total cost of this project follow-up has been. I was going to ask the question on what costs are not included, because there's some dispute over whether costs related to servicing of the streets are, in fact, part of the development costs or they are not. So, if there are costs that were expended on-site that are not considered costs of the housing, I would like to know what they were as well. But again, the Minister can respond at some later date. That's not necessary to respond to that at the moment.

The premise, Mr. Chairman, for that entire development was the preservation of a neighbourhood. I can remember Mrs. Helen Schultes, for instance, being one of the leaders of that community, coming forward and saying, we have to save our neighbourhood and we would like to live here. It's a great place to live underneath the bridge beside the CPR yards, where cars are blowing up and where, as a matter of fact, the whole community there wanted the yards moved in the first place.

Mr. Chairman, the whole concept of turning this back into a residential district was the preservation of that neighbourhood, that people in that area were so concerned that they have their own neighbourhood left to them. All they needed was a little upgrading and a little government money in order to enhance their housing, to fix up the services that were deteriorating, roads, sewers, water lines, etc., and that then they would have a very nice neighbourhood in which they would be delighted to remain.

Can the Minister advise how many of the people who were residents at the time the decision was taken to turn this back into a residential community, how many of those residents still remain in this area?

HON. M. HEMPHILL: Mr. Chairman, the exact number, I'll have to take that as notice, I believe. I'll take it as notice and provide the information for the member.

I think the important point to recognize though is that there was a waiting list. There were a lot of people who wanted to live there. There was a long waiting list, and there were a lot of difficult choices that had to be made about who could go into the area. Those people, I think, were largely people who resided in the inner core. Whether or not they resided in that particular little community, they were residents of the inner core and wanted to stay in the inner core and saw the Logan community as a very desirable place to live.

And I can report to the member - and I'm sure he'll be glad to hear this - that is that the people who are there and who have chosen to go there are very happy with their community and are working very hard to make it a very good neighbourhood, a good community and a good place to raise families. I see only positive growth and development by the individuals and by the community since they have moved into that development.

MR. J. ERNST: Mr. Chairman, I thank the Minister and I would ask that she could, if at all possible, get me that information. My information is that only four out of 35-some-odd families remain in that area and, in fact, the leader of the charge at that particular time, Mrs. Schultes, herself no longer lives in that neighbourhood. I understand, Mr. Chairman, that she lives on the other side of Logan Avenue in an MHRC property, which is then outside the neighbourhood, to which she could have moved whether that became an industrial park or not.

But, Mr. Chairman, can I take as a signal then, by the government's insistence that this area be turned back into a residential area and the fact that they have expended some hundreds of thousands of dollars, if not greater, to turn it back into a residential area, that they have forgone any desire now to see CPR yards moved out of the centre of Winnipeg?

HON. M. HEMPHILL: Mr. Chairman, that as a goal is something that, I think, everybody who lives in the Inner City - in fact, I was going to make the point when he was trying to say that these people were dying to go back and move into this area, right next to the tracks and right next to the Slaw Rebchuk Bridge, if you had everybody who lived in the Inner City who wanted the tracks to go or everybody who lived adjacent and had some problems with the tracks move out of the Inner City, you'd have nobody living there.

As a goal, certainly we are interested in having, I think, full consideration given of moving the tracks and have been, I think, in discussions with the Federal Government on this, because we know it's a very expensive matter and one that a province cannot handle alone. I guess what we'd like to find out is whether or not the Federal Government might give the same consideration to us as, I believe, they gave to

Tuesday, 16 June, 1987

Saskatchewan where millions of dollars were poured into - I think it's the Province of Saskatchewan. Millions of dollars of assistance were provided, in fact, to do exactly that, to move the tracks outside of the city and outside of the residential area, and move them to the outer limits, the outside limits of the city.

Now I can tell you that, if we would get that kind of dollar offered and that kind of support, the real possibility of that dream coming true is something that actually might happen. But in the event that we're told that, any change like this, the province would have to go it alone, we know that it's an impossible financial task for any Provincial Government to take on.

So I would say that we'd love to see it happen. If we get some indication of support and financial help from the Federal Government that they've given to other provinces, we'd be delighted, I think, to participate in the process.

MR. J. ERNST: Mr. Chairman, I'm certain that, if an application were made to the Department of Transport, certainly Winnipeg would be treated no less differently than other centres. The fact of the matter is, the last time an application was brought forward, it was a Liberal Government in Ottawa. At that time UTAP funding, which was all that was available for transportation initiatives, Mr. Chairman, was exhausted and the program had, by and large, terminated. But if an application were brought forward, I'm certain that it would be entertained in a similar manner to Saskatoon.

Unfortunately, Mr. Chairman, and this is getting a little off topic, but Saskatoon itself was in a different and rather unique situation compared to Winnipeg as far as the rail relocation was concerned. Rail relocation in Winnipeg - we've had the railways tell us and we've had municipalities surrounding Winnipeg tell us - railways, first of all, that they don't want to move, and municipalities surrounding Winnipeg saying they don't want them to move. So it's not a cooperative situation. It will be a confrontational situation when you have the municipality of East and West St. Paul, the two bordering municipalities to the north of the city, saying they don't want CPR to move out there and, in fact, have allowed development in their municipalities to a point where it would be almost impossible to put them out there anyway, similarly municipalities south of Winnipeg. But again, Mr. Chairman, I don't want to prolong that particular matter.

I seek a little guidance at this point with respect to how to deal - I have questions with regard to the social housing program; I have questions with regard to the Home Repair Program; I have questions regarding several other areas which I assume come under Program Delivery, by and large.

Mr. Chairman, would it be appropriate then to proceed to that area and we can either pass Section 2. If there are no questions from anyone else, or just leave it in abeyance until we complete the matter, in case we don't - perhaps it would be better, Mr. Chairman, if the Minister agrees, that we simply go through the rest of my questions and then we'll pass the whole works at the end if you like. Is that acceptable, Mr. Chairman?

MR. CHAIRMAN: If it's agreeable, we'll proceed to Item No. 3.?

MR. J. ERNST: Yes.

MR. CHAIRMAN: Program Delivery, 3.(a) Administrative Costs, Salaries; 3.(a)(2) Other Expenditures; 3.(b) Grants and Subsidies.

We might as well call 4. too?

MR. J. ERNST: Mr. Chairman, I'd like to discuss for a few minutes the province's social housing policy. As I understand it, there have been some changes in the province's social housing policy in the last little while. I think the Minister alluded to that last evening during her opening statement. I think she said they were now attempting, rather than to stimulate the entire market, to focus in on special needs groups and so on.

Can the Minister advise if all new housing now or certainly the majority of new housing now is going to be subjected to rather stringent income limits?

HON. M. HEMPHILL: If the member is talking about federal-provincial non-profit housing, the answer is yes. Just as a general statement, I indicated before we will not be providing general stimulus to the housing market, but targeting into geographical areas and to other groups where the needs are high.

The priorities for the coming year will be: northern housing, where we're working closely with the Federal Government and hoping to have some changes in the building codes so that we can start building houses that are going to both withstand the climate and are appropriate for the lifestyle of residents of the northern community, and will not be as costly as they are presently for us to build the southern-style homes that can't be maintained properly in the North; they will be the inner core; a special needs area, handicapped.

We're building into a lot of our funding of facilities a percentage of the units that will be made available to the handicapped or disabled. A great example was the Prairie Housing Co-op that was just opened last weekend, where 7 out of the 27 units were provided for the disabled. They have a sort of a fully integrated residential community with disabled people and those who are not disabled living very compatibly and very well together.

The homeless is also a top priority where, working with social service agencies and groups that share responsibility to try and get a handle on the number of homeless, and then develop an integrated program that will help address what is a growing problem for Manitoba and indeed throughout Canada and the world.

MR. J. ERNST: Previously, Mr. Chairman, I think the Minister began her answer with respect to the income requirements. Previously, Mr. Chairman, there was an income-mixing arrangement in these kinds of projects where you had people of different income stratas being put into the same building to avoid ghettoization of people all on low income closeted in the same premises. The intent, Mr. Chairman, was perhaps to mix some lifestyles, integrate the lower-income people into a community, as opposed to having them labelled and having more particularly, I think, their children labelled as from the local ghetto, the local MHRC low-rental housing project where they weren't able to mix and

compete, perhaps because of those social problems that they've experienced, with the children in the rest of the neighbourhood.

By the income-mixing arrangement that was in place, I think to some extent that was mitigated, that there were opportunities for families living in the same building, now not to be labelled necessarily the same. They were living in a public housing project, yes, but they were not necessarily limited to being or stamped with the image of being totally low income. Has this income-mixing program now been abandoned? Can we expect to see now low-income ghettos created as a result of this policy of the stringent limits on income?

HON. M. HEMPHILL: Yes, Mr. Chairman, there are, under the agreement that we have with the Federal Government, the changes that were brought in, in 1986. There will not be the mixing in those units, but it will be targeted to people in low income. That is a requirement and a change that has been brought in by CMHC but one that we do not follow in our own programs, the ones that are provincial jurisdiction where we fund completely.

I might just mention a number of the programs where we not only allow the mixture that he's talking about, but we encourage it, our Co-op Program, for example. An excellent example of that is the Warwick Co-op which opened up a few months ago and which has the marvellous mixture of young, old, of professional people, of people who cannot handle the rent themselves and are on subsidy, and some handicapped people.

So that is the kind of mix that I believe is very healthy and we are encouraging in all of the programs where we have control. Our RentalStart Program, where we allow rent supplement that will allow people who couldn't ordinarily go into units or rental accommodation without the subsidy, we provide that to them and that allows them to live in an integrated rental facility where there is a great range of income levels.

Our infill houses are directed along the same lines where there is a range and a mix of people who are going into the infill houses in terms of level of income, and our shelter allowances also allow people to participate in what would be a mixed and integrated living arrangement. So I think that we're in agreement with the points that the member makes. I think that we want to have as much integration as possible and as much mixing of people whether the mixture is related to culture, income or background.

MR. J. ERNST: Mr. Chairman, can the Minister advise what the CMHC total allocation of units is for Manitoba for this year and how that's broken down between rural Manitoba and Winnipeg?

HON. M. HEMPHILL: Mr. Chairman, the '87 allocation, the total is 921 units. The breakdown is 333 urban, 400 rural, and there are a further 188 that are not yet assigned and that will be determined by the take-up of the units in the different areas. We presently have proposal calls out and we will be waiting to see where the bulk of the proposal calls and activity lies before designating the final 188 units.

MR. J. ERNST: Can the Minister advise, of the 330 urban units, first of all, can she clarify what's an urban

unit? Is it Winnipeg? Is it Winnipeg, Brandon, Thompson, Dauphin?

HON. M. HEMPHILL: Winnipeg.

MR. J. ERNST: Then, of the 330 - well for that matter, I guess all of the units, but more particularly I think probably in the urban or Winnipeg units, what would be the distribution between MHRC and private or other types of non-profits, what the allocation is going to be for this year?

While the Minister is at it, perhaps she can add how many will be for co-ops as well.

HON. M. HEMPHILL: Out of the 333 units, 171 of them would be ours, 90 urban and Native non-profit, 72 rent supplement. Those are all in Winnipeg. The 188 that are left will all be in the private non-profit and co-op sectors, and we assume that probably about half of them will be in Winnipeg, but it will depend upon the proposal calls.

MR. J. ERNST: Can the Minister advise, Mr. Chairman - and she's covered the CMHC allocations for units in Winnipeg, that the government has some units that are fully funded - are they planning on building any fully funded units?

Fully funded, Mr. Chairman, is not an appropriate terminology. It's fully funded by the Province of Manitoba, as opposed to it being funded by some other body.

Will there be any allocations of units for this year under that program and, in fact, can she tell me how many?

HON. M. HEMPHILL: Mr. Chairman, there are provincial programs that we fund directly. They are the Senior Citizens RentalStart Program where there will be 500 new units; the Core Area Infill, there will be 75 new units; Cooperative HomeStart Program will be 115 units; Emergency Shelters Community Residence, 200 units.

MR. J. ERNST: Mr. Chairman, I thank the Minister again for her response.

The whole question, particularly of Infill and, as a matter of fact, of MHRC or other social housing construction, causes me a little concern, particularly in the north-of-Ellice neighbourhood. The north-of-Ellice neighbourhood traditionally, in terms of planning, Mr. Chairman, had never contemplated family housing. I shouldn't say never, as obviously at one time it did, but in latter years had not contemplated family housing.

As a matter of fact, Mr. Chairman, the City of Winnipeg planning jurisdiction and the Winnipeg School Division No. 1 made a conscious decision that they would not deal with peripheral downtown areas for family housing. They were of the view, and it happens to correspond with mine, that downtown is no place to raise kids. Unfortunately, Mr. Chairman, both MHRC, the Department of Housing, through other non-profits, and the City of Winnipeg Housing and Rehabilitation Corporation have all chosen to build family housing, shoehorning it into a relatively small area in the north-of-Ellice neighbourhood.

Mr. Chairman, that has now necessitated the construction of a multimillion dollar school that will,

from all expectations, be instantly full when it opens its doors. Mr. Chairman, because of an unenunciated policy, if you will, of attempting to cram in all kinds of social housing right adjacent to the downtown, for whatever reason, but primarily I think because it was highly visible and the people could see now that the City of Winnipeg housing preparation was providing social housing and the province was providing social housing, and because a lot of people working in the downtown area could now see that these projects were going ahead, it appeared then that somebody was doing something - what other reasons, heaven only knows, Mr. Chairman.

But I have a very great concern that any more MHRC, City of Winnipeg Housing Corporation or anybody else trying to shoehorn additional development into that area now is going to create an enormous explosion at some point in the future, an explosion of social problems that I don't think anybody or any amount of money will be able to control or address because of the very dense concentration of people in that area. I'm concerned, Mr. Chairman, that doesn't happen.

I don't know. There may well be too much as it is now, but certainly to put any more into that area, I think, would create all kinds of difficulties, particularly when another initiative, the North Portage Development Corporation, is attempting to construct and attract high-end rental unit people right adjacent to that, notwithstanding the fact that there was a concern about mixing the two lifestyles.

On the one hand, you want people in North Portage with larger disposable incomes to support the commercial. That was the intent, that was the idea, was to try and attract a higher-end rental area with people with larger disposable incomes. At the same time, that higher-end rental housing is placed in-between the social housing north of it and the commercial that attracts everybody. Mr. Chairman, the two may well become compatible and we may see the failure of at least one, if not both, of those programs, unless something is addressed and addressed quickly.

Perhaps the Minister can advise. In dealing with these kinds of situations, do they discuss the long-term objectives with the City of Winnipeg Planning Department? Do they meet there regularly to try and discuss the kinds of impacts that would happen from this kind of housing being built in some of those areas - not just here, Mr. Chairman, but perhaps all over the city?

I have this real concern, and I would hope that the Minister is able to address that and to allay the fears that I have.

HON. M. HEMPHILL: Mr. Chairman, just before I deal with the last fairly simple question after a long discourse of philosophy, I think, about development in the Inner City, I'd like to make a few points along the same line.

I suppose it would be fair to say that they are two completely different philosophies. The one that was just espoused by the member opposite is not one that I or my government hold, nor indeed the people of the Inner City, people who have been living there for decades and want to continue living there and, as a matter of fact, not I think the conventional wisdom of a lot of people now who are being attracted actually

from the suburbs into living in the downtown area. You've got a choice, I guess.

I must say that the long-term deterioration that was allowed to go on of the Inner City support facilities, such as schools, streets and parks, certainly discouraged people from wanting to live there. Schools that were inadequate when the parents were going to school were still as inadequate 50 years later when their children and grandchildren are going to those schools. That's very discouraging for people who want good education, want good quality living and education for their children. But they persisted in spite of a lot of sort of inattention and I believe an inadequate share of the resources that were being put into the city.

For decades, the money all went out into the suburbs - new schools, new parks, new streets, whatever they needed - while the deterioration of the Inner City continued.

I think we have a choice. We can have an Inner City where people work by day and leave by night, and that's all it is, or it's a ghetto of senior citizens where only the elderly stay downtown to be close to the facilities. But that's not what I think is a healthy, vibrant city and a healthy vibrant Inner City.

I think a healthy, vibrant Inner City is a place where people live, where families live, where they raise their children, where they go to school. I think there's a growing number of people who agree with that. One of the groups that agree with that, I believe, are the private sector who were not in there originally because they saw a high-risk market and one that they thought there was not a lot of interest in. They're now not only willing, but beating down our doors to develop and build in the Inner City, and they're interested in profit so they don't want to go where there isn't a market.

They don't want to go where the people don't want to be. They want to be there now because they know that there's a growing interest of not living in the suburbs, but living downtown close to facilities and amenities. I said the Warwick is an excellent example of that. Our Infill Housing Program is a good example, too.

We wanted our programs like that to be addressed largely for Inner City people who are already living there, but we're finding that about 20 percent of the take-up is with people who have previously lived outside of the Inner City who now want to come downtown to live.

I think that's a very good mix. It means you're maintaining the area and the community for the existing residents. We don't want to be like other cities that have revitalized their Inner City and driven all the people who lived there out and made them go somewhere else while they made it a very highly expensive place for people who had money to live. We don't want that. So we've tried to maintain it for working people and people who have and want to continue to live there.

The Warwick, for example, was sold out long before they opened their doors and has a really interesting mix of, as I've said before, professionals, people on subsidy, handicapped, young and old. On all of these units that are coming up - the other one I mentioned was the Prairie Co-op, where a building that was a warehouse for years has now been converted back to absolutely beautiful housing and the people are coming in from all over the city. The waiting list for those facilities

that have been renovated is getting longer all the time and, as soon as new ones are on the books, people are lining up and saying we want to come there.

When they were looking at warehouse conversion, they had an immediate list of people who were interested in moving into that kind of facility. So I think that we're following the philosophy that it makes for a healthy city and healthier family living and one that I believe a growing number of people support. I would not like to see the decay continue so that families didn't want to live there, people didn't want to raise their families, and everybody was forced into the suburbs and we had no life and no character to our Inner City.

I'm noticing the example given by some of the community groups who are involved in developing, and a very good example is the Chinese community who have taken a lot of initiative in bringing money in to improve the commercial Chinatown area to make it a place where they enjoy coming but that will be a place for others, and we believe a great tourist attraction, including their Cultural Centre.

They included in their development a residential component. They included in that something like 120 units of family housing, and they did that for a reason because they know that, to be successful, we have to have the combination of business, commercial, cultural and residential where people live, play and work. That's healthy.

To get around to answering his specific question which was do we consult with the city, I would say that a large part of the discussions that take place and the consulting that is done is through the inner core which has the participation of all three levels of government, and all I can say there is that we are being pushed continually by the inner core to develop more and more residential units and more and more family units for the Inner City.

MR. J. ERNST: Mr. Chairman, on the question of the philosophy, what the Minister says, by and large, is correct and, by and large, I agree with. There's only one major flaw, Mr. Chairman, and what she's doing is confusing the Inner City with downtown, and that was my premise was that downtown - and I'm speaking now immediately around the central business district - is in fact in my view - and I think it was a conscious decision made by both the city and the school division in years past. There was no question of neglect or any question of funneling the money off somewhere else. The question was it was a conscious decision that said we will not put small children in family situations immediately adjacent to the central business district.

It's not a question of attracting young married couples or older married couples without children or empty nesters or any of those kinds of people and on occasion, from time to time, there will be products of family relationships and children will happen in those kinds of developments, but the intent was not to attract that specific segment of our society because of the problems that are associated with being adjacent to the central business district.

So, Mr. Chairman, because there weren't the kind of environments - there was heavy traffic, there was noise, there was lack of educational facilities, proper open-space opportunities for imagination development,

if nothing else - imagination development takes place in surroundings somewhat different than the back alleys of the central business district, and I think those were the kinds of concerns that were expressed by people in those times.

Getting back to the planning situation and the consultation situation, the City of Winnipeg is responsible under its mandate to deal with all of the planning for the entire city. They are the principle authority. They have the mandate under The City of Winnipeg Act to carry that out.

Notwithstanding the fact that the Core Area Initiative is available as a tool on a short-term basis for dealing with a variety of issues in Inner City redevelopment, the city still has that ultimate responsibility, will have that responsibility after the Core Area Initiative has concluded. I would hope, Mr. Chairman, that there is some ongoing consultation - a great deal, I would hope - between MHRC, or the Department of Housing and the City of Winnipeg Planning Department because, without that, I think it leads to confrontational situations.

I know from my own experience, having been the chairman of the City Planning Committee for four years, I have faced a number of confrontational situations that could well have been avoided, I think, if that cooperative consultation process had taken place. The Minister for Cooperative Development, no pun intended, Mr. Chairman, indicated yesterday in debate that people got along a lot better with the cooperative approach as opposed to a confrontational one.

History over the last while, in the last number of years at least, has indicated that there was more confrontation between public housing and planning than there was cooperation. I would hope that the latter may now, under your good direction, Madam Minister, perhaps now proceed on a more cooperative basis and perhaps see that we can have a more harmonious relationship and some good planning at the same time.

HON. M. HEMPHILL: Mr. Chairman, I just want to make a couple of points.

One is that I think that there probably have been some policy changes and those are being endorsed by all three levels of government participating in the Core. We, as I said previously, are being constantly pushed to increase the residential component and to increase our family units that we are developing, and north of Ellice is considered not a commercial area but it is considered a residential area by all three components.

It was interesting that I just recently had a meeting with a community group that wants to build housing for seniors in the north of Portage and had along with them, for support and lobbying, the mayor of our city who has been very supportive and very encouraging. He was there to give support to the project and encouragement to the approval of the project. So I think there are policy changes, and that they are reflecting lifestyle changes and interests of the people in lifestyle and where they want to live.

MR. J. ERNST: Well, my fears have not been allayed by the Minister.

Can she tell me: Are there any MHRC, non-profit or cooperative housing units slated for the north-of-Ellice neighbourhood in this fiscal year?

HON. M. HEMPHILL: Mr. Chairman, we have recently completed a 24-unit addition on Kennedy. We presently have no present plans and no plans in the foreseeable future to add any additional public housing into that area. However, if the non-profit cooperative program can be picked up by people, and they may decide, we would have to consider their proposals.

We have no plans ourselves, but other community groups or organizations in applying for project approval or proposals may designate or apply for any land or any area that they wish and we'll have to give them consideration.

MR. J. ERNST: Mr. Chairman, there was a perceived or real conflict between, I believe, a Native women's co-op and the Winnipeg No. 1 School Division regarding open space for the new Sister MacNamara School that's going to be built in the north-of-Ellice neighbourhood. Can the Minister advise if there's been a resolution to that playground situation?

HON. M. HEMPHILL: Mr. Chairman, I'm not sure that there is a final resolution of it right now, although the resolution will have to be determined between the cooperative and the Winnipeg School Division.

It's my understanding that the Public Schools Finance Board has recently communicated to the Winnipeg School Division that they will be providing additional monies that would allow the school division to acquire the property. It is therefore in their ballpark or their lap to communicate with the cooperative what their intentions are, and to see if they can work out a resolution.

MR. J. ERNST: Can the Minister advise, just in a general way, how needs are determined for location of infill housing units, a variety of other different programs? Do they have waiting lists, for instance, on existing projects in various neighbourhoods that would determine an additional need? Are they based on family types, specific interests, specific need groups and things of that nature? Can she give me a little overview of how that occurs?

HON. M. HEMPHILL: Mr. Chairman, in terms of the infill program, the biggest determination is the availability of property. When the program was first being instituted, we began to have discussions with the City of Winnipeg immediately and determined from them what suitable property they were prepared to make available to us.

We were able to get this property at a very reasonable cost because - (Interjection) - One dollar. Well, I might make the point that initially, before we went into the program, the city couldn't give those properties away for \$1 because nobody would touch them. In fact, when we first went into it, there was a fairly widespread belief that the houses would not sell and that there wouldn't be any interest in moving into a new house in the Inner City. The idea was, well, if you want a new house, why would you move into the Inner City? Surely you would go somewhere else.

We have disproved that perception, as we have begun to disprove many other perceptions about life and living in the Inner City; and what we did was buy up the

properties that they would make available. So you might find that on one street there might have been three or four empty pieces of property, and we would buy those and put infill houses on them. I think the general outcome was that we put infill houses into almost every community in the Inner City.

I might say that on every street where I have seen those infill houses go, we have seen some improvement in the neighbourhood. In other words, the people next door have decided to fix up their homes. Other people had decided to move to the street or the neighbourhood, based on seeing new housing going in. So it has been really one of our most successful programs, recognized even by those who aren't generally lovers of government programs that this is a real success story because it is not only providing affordable housing to people who couldn't ordinarily perhaps have a home of their own, but is acting as a catalyst for renovation of the streets and neighbourhoods that they are going into. So availability of property was the main key.

We're now running out and finding it more difficult, because we've bought up a large part of the property that they had. We're now finding that we have to search a little harder to get empty lots and properties that we can continue to build the infill on.

We also have another consequence that's very healthy, and that is that the private sector is now interested in putting in their own infill. We've had some approaches made from some developers who are saying that they would like to identify some properties and go in and put in infill housing. So I think that shows: (1) that the program has worked; (2) that the market is getting much less risky and healthier because of the growing interest of people from all over and living in the Inner City.

MR. J. ERNST: Well, Mr. Chairman, the Minister is quite right. In the beginning, as it were, certainly the demand and the desire for infill housing, new housing in the Inner City was, particularly in the deep core as it were, again it was very limited. But mind you, Mr. Chairman, it's not difficult to make a success out of a program of building houses for \$60,000 and selling them for \$30,000.00. That kind of a program I think anyone can make a success of over a period of time; that's changing.

We're now into a situation where things are getting closer, hopefully, to the actual cost of construction and with available financing, with preferential situations occurring, certainly we're slowly moving toward a market situation where at least costs are recovered and we're not dealing solely with a large subsidy.

With respect, the Minister indicated her number of infill housing sites availability is limited. Mr. Chairman, I want to ask some questions and that can be part of it, if you will. Does the department have a land bank for these kinds of situations? Do they have a land bank for infill lots, for multifamily sites, for other kinds of program sites? We're not talking now John Bruce subdivision-type situations or Meadows West-type subdivision locations, but rather smaller types of property where the potential for future construction would be preserved.

At the same time, perhaps the Minister can advise what the inventory of land is that the department has,

both split between Winnipeg and rural Manitoba. Perhaps maybe the easiest thing would be, presumably have an inventory somewhere, that you could table that at some future time and that would answer my concerns if that's acceptable, Mr. Chairman.- (Interjection)- The Minister has indicated she will be prepared to do that.

With respect to infill housing, can the Minister advise how many infill houses were built last year? I think she did say at some point how many were built. How many were sold, what their costs were per unit, what their selling price was per unit, what the criteria is for qualifying a purchase, and what kind of financing arrangements were provided on those housing units?

HON. M. HEMPHILL: Mr. Chairman, I thought we answered at least half of those questions previously. I hate to give the same answer twice in a row.

Mr. Chairman, there were 150 units since the beginning of the program, 72 additional units last year, another 75 units slated for development this year. The average price range of the last batch was about \$52,000, selling price \$52,000.00. The range was about \$40,000 to about \$60,000.00. And the subsidy you asked for?

MR. J. ERNST: What was the criteria for qualification?

HON. M. HEMPHILL: Mr. Chairman, we handle those in a normal market purchase way. So that in fact we advertise them in the way a developer normally advertises units, and they were sold on a first-come, first-served basis.

MR. J. ERNST: What about financing?

HON. M. HEMPHILL: Mr. Chairman, it was in the range of the level of interest at the time. It was about 10 percent, 5-year period. They have to keep the units for five years. Mr. Chairman, the average cost of the unit for us was approximately \$7,000 more than we charged for the units and, if there are any other questions that he asked, we've forgotten what they were.

MR. J. ERNST: As I understand it then, there's a \$7,000 capital subsidy? Is that your indication?

HON. M. HEMPHILL: Yes.

MR. J. ERNST: In addition to that, can the Minister advise if there were preferential financing arrangements provided for financing these units, not so much in terms of interest rate but in terms of debt-equity ratio? In other words, did they get a much larger mortgage from the government than they would in a normal private sector arrangement?

HON. M. HEMPHILL: Mr. Chairman, as I indicated before, it was the normal financing package that was made available at the time to building of other units other than the infill. So we used the normal financial level for the interest rate, which was about 10 percent at that time. The equity is about a minimum of 10 percent equity. And I'm just confirming, but I don't believe we have had any defaults of any mortgages on any of our infill homes either, which is also I think very good news.

Mr. Chairman, I'm just informed that the normal equity requirement was for new construction, the same as other new construction.

MR. J. ERNST: Perhaps if the Minister has a report with respect to the Infill Housing Program and provide some more detailed information, if she could make that available to me at some point in the future, I'd be interested to see that.

Mr. Chairman, I'd like some information with regard to both mortgage subsidy, mortgage provision and other related mortgage programs that the government has. If your staff are ready, I'll indicate the kind of information that I wouldn't mind receiving.

Firstly, what are the present arrears; number of loans and dollar value of arrears; the average length of time that they are in arrears, those mortgages; how many foreclosures this year over last year; how many foreclosed properties are in inventory; and what plan do they have for disposal or repurchase of those properties? Again, I don't expect the answers today, Mr. Chairman.

We're rapidly running out of time here, Mr. Chairman. I do have one other area I'd like to cover. I suppose it really comes under Expenditures Related to Capital, and that deals with the Home Repair Program. So, Mr. Chairman, with the concurrence of the Minister, if we could slip over to that program.

The New Democratic Party in 1986, Mr. Chairman, promised the Home Repair Program. It was to be a program, as I understand it, similar to RRAP, which has been the most successful housing program I think in terms of revitalization of communities that's ever been devised and ever been implemented. Certainly Winnipeg leads the country in terms of RRAP take-up, in terms of RRAP success, in terms of making a program about as universal as you can get it but, at the same time, targeting neighbourhoods so that there is the biggest bang for the buck, Mr. Chairman, available out of the implementation of those programs.

The old CMHC RRAP Program was broadly available to everyone living in those neighbourhoods, or almost everyone. Some got more benefit than others, Mr. Chairman. Some people got forgivable grants and loans, others got purely loans. But as a result of that - landlords got it, owners got it - and as a result, we saw a marked improvement in many, many neighbourhoods in Winnipeg.

Some weren't as successful as others, predominantly because I think that the question of home ownership maybe wasn't as widespread as it might well have been. That seems to be the major impetus for pride of ownership and maintenance of neighbourhoods.

Mr. Chairman, I want to know, first of all, when the government intends to bring forward this election promise, this home repair program. Will they, in doing so, target the program to specific neighbourhoods, as opposed to the broad brush or broad scattergun approach? What restrictions do they anticipate being levied for eligibility, and what will the general focus or direction of that program be? Perhaps the Minister can comment on this.

HON. M. HEMPHILL: Mr. Chairman, I'm pleased to have put on the record, and I'm pleased to join the

member opposite for making the comments he did about the RRAP Program and its success and what it achieved.

That's one of the reasons why the province and the city banded together, I suppose you could say, to fight what we considered were some very serious changes being recommended to the RRAP Program in the last year by the Federal Government. I think the beauty of it was that it was universal, and that we were able to target it into neighbourhoods. There was very definite neighbourhood improvement because of that targeting, because you could make sure that a number of people on a street or in a neighbourhood received the benefits.

The changes that were recommended were to put ceilings and limits on, I think, in the range of \$14,000 to \$19,000, depending on the size. We all considered this to be making a major change in the program that would not allow us to target, No. 1, so that we would lose the neighbourhood improvement benefit; and, No. 2, would discriminate really against a lot of people who needed and should qualify for the program, but who would not because of the arbitrary and inflexible ceilings that were put in. You might have a situation where somebody on one side of the street had \$14,000, and somebody on the other side of the street had \$14,001.00. The one would get the full grant, the other would get nothing at all.

We spent, along with other provinces, I might say - this was such a serious issue for us that special meetings were called and a special committee was set up by the Federal Government and the provinces to look at this issue, and to try and deal with what we thought were very, very negative changes from the program.

Since then, they have raised the ceiling. We indicated and I think the general feelings were that there should not be ceilings, that the way it was handled before as a universal program was a better way to handle it, allowed us to target it better.

The new ceilings are an improvement. They raised it from \$16,000 to \$26,000, but we still do have the problem of - we think a number of people who should still qualify will not, and there is no gradation, there is no grading. The levels are there and they're arbitrary, and people either qualify or they don't qualify. However, it is an improvement and we are going to continue, I think, both the city and the province, to try and make the point to go back to the program the way that it was. That was our position, and we haven't changed our position from that.

However, we want to work and tie into the RRAP Program for the programs that we are designing. So to his specific question about what are we doing about our election promise, I'll tell you in one moment. Provision has been made in our capital and operating budgets for a new Home Repair Program along the lines that were promised in the last election, but it will be targeted to the Core Area.

We haven't been able to finalize the details of it, because we're waiting for the final details of the Core Area funding and the housing components of the new CAI Program by the tri-level partners, so that we can make sure that our program is compatible with their programs.

In other words, when we design the program, we don't want to set it up so it's incompatible with the RRAP Program and with the other programs that are

being brought in. I think we're expecting finalization of these other programs, so we can give final determination to the elements of our program in the very near future.

MR. J. ERNST: I thank the Minister for her response.

Can the Minister indicate what approximate funding level this program would have, once implemented?

HON. M. HEMPHILL: We're projecting approximately \$4 million to \$5 million in loans over the next couple of years, few years.

MR. J. ERNST: Is that the amount in total or on an annual basis?

HON. M. HEMPHILL: Mr. Chairman, the five year is not on an annual basis. It's over the period of seven years.

MR. J. ERNST: Is it \$5 million over five years? Is that a fair estimate?

HON. M. HEMPHILL: Five million over probably a three- to five-year period.

MR. J. ERNST: I have just two or three more questions on some specific items that have been raised in the past with our Housing critic, Mr. Nordman.

Firstly, with respect to the Lynn Lake Housing Authority, the Minister - a group of people in Lynn Lake have been attempting to create a housing authority for Lynn Lake. They try and tap into some money from MHRC or CMHC with respect to creating some social housing in Lynn Lake. Unfortunately, to date, they've written to the Minister, they've written to CMHC, the local manager here, and they've had no response and are becoming concerned that they're being ignored. Can the Minister undertake to contact - and I'm prepared to table the information - these people and assist them in creating their own Housing Authority?

HON. M. HEMPHILL: Yes, Mr. Chairman, we have hired a consultant recently who has gone up to the community and has consulted with everybody there that is interested in establishing a housing authority. He has just filed his report with our department, and I expect to be receiving it and recommendations on it very soon.

MR. J. ERNST: Good, I'm happy for the people there that action is being taken.

Mr. Chairman, the Member for River Heights raised a question with Churchill yesterday and the Minister provided a copy of the letter, for which I thank her.

There were a couple of other concerns raised and those are with respect to the financing of a 20-unit apartment building in Churchill for a Mr. Jack O'Connor. I gather we have government funding of this apartment building, although it's in private hands. There is a question of whether it was feasible to start with to build that building, and then the question of what its value would be. Can the Minister table the feasibility study that was done with respect as a part of the perspectives for the loan on that building and, subsequently, the appraisal upon which the loan was based?

HON. M. HEMPHILL: Mr. Chairman, we'll have to take that question as notice and take a look to see what

documentation we have. I can just make the point that this is part of a RentalStart program that has been designed for the whole province, the purpose of which is to help make financing available for rental accommodation in areas and communities where there might not be private sector development. In other words, it is to encourage private sector development and alternative housing options for rural communities and northern remote communities where public housing may be the only game in town. It was a \$1.2 million loan and the principal put up, I believe, about \$250,000 equity - 20 percent equity - in the unit. It's my understanding that the facility came in at a reasonable market rate, but we'll have to look and see what additional information we have.

MR. J. ERNST: I think that the concern is, notwithstanding the fact the private sector investor is prepared to put in money if it's not a feasible project, then why is anybody getting involved in it? Presumably the government would determine that before it puts up any money. I'll accept the Minister's taking it as notice and advising me subsequently.

Also with respect to that area, I understand that a great deal of the public housing maintenance work is conducted by a Mr. Pat O'Connor, who is the son of this investor. Such work has apparently from time to time been unsatisfactory. Can the Minister advise if the work was tendered, that Mr. O'Connor would receive this work, or was he on contract, or what arrangement was there?

HON. M. HEMPHILL: Mr. Chairman, it's my understanding that work like that is handled through the local housing authority. They would have done the hiring, and it is generally the practice that they would call for prices within the local community, which is where you usually want the work and the business to go.

MR. J. ERNST: Mr. Chairman, I thank you for your indulgence and I thank the Minister for her cooperation in dealing with these Estimates. The leapfrogging, shall we say, from section to section and from area to area has been unfortunately a little more frequent than I would have liked. However, given the short period of time that we had available to prepare, I do appreciate both the Minister's cooperation, Mr. Chairman, and your own cooperation in this regard. I'm prepared now to pass the Estimates.

MR. CHAIRMAN: 2.(a)(1) to 2.(b)(2), inclusive, were each read and passed.

Resolution No. 99: Resolved that there be granted to Her Majesty a sum not exceeding \$3,444,200 for Housing, Property Management and Landlord and Tenant Affairs, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 3.(a)(1) to 3.(b), inclusive, were each read and passed.

Resolution No. 100: Resolved that there be granted to Her Majesty a sum not exceeding \$12,453,900 for Housing, Program Delivery, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 4., Transfer Payments to the Manitoba Housing and Renewal Corporation—pass.

Resolution No. 101: Resolved that there be granted to Her Majesty a sum not exceeding \$26,844,400 for Housing, Transfer Payments to the Manitoba Housing and Renewal Corporation, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 5.(a) to 5.(b)(3), inclusive, were each read and passed.

Resolution No. 102: Resolved that there be granted to Her Majesty a sum not exceeding \$1,200,000 for Housing, Expenditures Related To Capital, for the fiscal year ending the 31st day of March, 1988—pass.

Back to the Minister's Salary, Item No. 1.(a).

The staff can be excused now.

The Honourable Minister.

HON. M. HEMPHILL: I'd just like to also thank the member opposite. I think he did a herculean job on very short notice. I would like to indicate to him though that a number of the questions he has asked are very simple for us to get the information. Some of the other requests require a fair amount of work and gathering together of information that we have, but that has not been compiled.

So I would just indicate to him, that which is readily available, we'll get to him immediately and the other, we may indicate to him, might take a little bit longer to complete.

MR. CHAIRMAN: 1.(a) Minister's Salary—pass.

Resolution No. 98: Resolved that there be granted to Her Majesty a sum not exceeding \$3,927,400 for Housing, General Administration, for the fiscal year ending the 31st day of March, 1988—pass.

That completes the consideration of the budget of the Department of Housing.

The committee will now proceed to consider the budgetary Estimates for the Department of Finance.

We can have a recess, if the members of the committee wish, for a short while. (Agreed)

SUPPLY - FINANCE

MR. CHAIRMAN, C. Santos: Committee, please come to order.

We shall now begin the consideration of the budgetary Estimates of the Department of Finance with an opening statement from the Honourable Minister responsible for the department.

HON. E. KOSTYRA: Mr. Chairman and members of committee, I am pleased to present the 1987-88 Estimates of the Department of Finance for your consideration and approval. I previously tabled, on May 20, the Estimates Supplement for the Department of Finance, which should have provided answers to most of the detailed questions which are normally asked during the Estimates review process.

As Minister of Finance and Chairperson of Treasury Board, I wish to reconfirm the government's commitment to improving both the financial management within the Manitoba Government, and disclosure to the Legislature and public.

With the public's growing expectations of government, Manitoba's Budget must now address a broader and more complicated range of societal and

Tuesday, 16 June, 1987

economic issues. It has become increasingly important, therefore, that the governments undertake to do a better job communicating the choices which must be made to meet these expectations.

To that end, our government has attempted to open up the budget process through pre-budget consultation and participation, and other initiatives designed to seek input and participation from those who will be affected.

Equally important to an understanding of the Budget and the initiatives it contains is the manner in which the information, particularly the financial information, is presented. In considering what could be done to improve financial disclosure, three objectives were established:

To present the financial position of the government in a fashion which could be more easily understood by all Manitobans;

To improve the nature of financial information made available to members of the Legislature; and

To address the concerns of the Provincial Auditor regarding the government's accounting policies and disclosure of financial information.

The 1987 Budget Address introduced a number of initiatives to present the financial position of the government in a manner that will encourage more informed review by the public, the Provincial Auditor, and members of the Legislative Assembly.

These initiatives include separate displays in the Budget Address for net budgetary requirement and the government's net operating position. Each display highlights a different facet of the government's financial position. This will also address a concern that the Provincial Auditor has expressed regarding presentation of the net operating deficit in our financial statements.

A provision for anticipated year-end savings resulting from unspent funds has been made in the 1987-88 Budget in the amount of \$30 million. This has been done in order to estimate more accurately the government's year-end financial position, since each year some departments find that for a number of reasons they will not spend all the funds in their budgets. As required by The Financial Administration Act, any such unexpended balances must lapse.

Beginning with losses incurred in 1987-88, a government appropriation will be used to recognize and fund the non-recoverable operating losses of Crown corporations and for other recorded allowances, so that these are reflected in the Statement of Revenue and Expenditures.

These losses will be incorporated into government expenditures and the public accounts in the fiscal year immediately following the year in which they are incurred. This will also address a concern that the Provincial Auditor has expressed regarding disclosure of these losses.

During the past year, the Department of Finance has directed considerable effort to making improvements in the fiscal management and accountability of the government. In doing so, we have closely followed the work being done by the Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants. This committee has been working for several years now to develop general reporting principles and standards of disclosure that are appropriate for governments. Our Deputy Minister of Finance is a member of the committee and has been

able to give us some very valuable insight into developing standards and principles.

In November of 1986, the committee issued Public Sector Accounting Statement 3, which is entitled, "General Standards of Financial Statement Presentation for Governments." This statement is the second of three interrelated projects designed to establish a comprehensive framework for generally accepted accounting principles and financial reporting standards.

The first project, Accounting Statement 2, "Objectives of Government Financial Statements," was issued in November 1984.

Work is proceeding on the third major government financial statement, accounting and reporting framework project. It will make recommendations defining government as a financial reporting entity and on consolidation and accounting for long-term investments.

Work has also begun on development of recommendations appropriate for pension obligation accounting and reporting in Federal, Provincial, and Territorial Government financial statements.

Due credit should also be given to the Provincial Auditor, whose good counsel and advice has been available to us and who has used his report to the Legislature as an effective means of improving fiscal management and accountability.

I would like to briefly summarize the major areas in which progress has been made in the disclosure of the government's financial position and in raising the level of accountability of the government and its managers.

Public Sector Accounting Statement 3 which, as I indicated, was issued in November 1986 by the Canadian Institute of Chartered Accountants, provides 35 recommendations on general reporting principles and standards of disclosure for information in government financial statements. Certain of the recommended practices were already being followed by the province, and others were incorporated insofar as practical in the 1985-86 Public Accounts. Details regarding each of these recommendations have been tabled with the Public Accounts Committee.

New Summary Financial Statements were developed for section 1 of the Public Accounts. Since many of the recommended practices were already being followed by the Manitoba Government, they were simply carried forward in the Summary Financial Statements. These statements now better serve their intended purpose of presenting the financial position in operating results of the province at an aggregate level in order that the statement user can obtain a clear understanding of the financial affairs of the province.

An improvement was also made in the presentation of Supplementary Information published in Volume 2 of the Public Accounts. The format of the statement of cash payments to corporations, firms, etc., has been changed to present the information on a departmental basis, therefore making the statement more informative.

A number of significant changes were made to the government's accounting policies in order to further establish the accounts of the province on a thorough basis. This is the method of accounting preferred by the Public Sector Accounting and Auditing Committee because it results in a more complete matching of revenues and expenditures of the fiscal year to which

they pertain than is possible under the cash basis of accounting.

Five accounting policy changes were made, and these are described in some detail in Volume 1 of the Public Accounts.

The first four of these policy changes relate to the adoption of accrual accounting principles for investment in debt-related transaction. Although accrual accounting has been partially followed in the past for these transactions - that is, accruing interest payable in public debt at fiscal year-end - these further changes were required to do a more complete matching of these costs with the fiscal year to which they pertain.

The most significant change in this regard is the recording of an annual provision for unrealized foreign currency losses or gains pertaining to the public debt. The estimated losses or gains that could occur at maturity, because of fluctuation in currency values between the debt issue dates and maturity dates, is now amortized over the life of the debt issue, instead of being fully absorbed in the year of maturity.

The fifth policy change was the expansion of evaluation allowance to include all loans, advances and long-term investments. Previously, it was only used for advances and investments in Crown corporations, agencies, boards and commissions. The expanded allowance now provides for changes in the reported value of all this type of financial asset.

Our government has established a new precedent in accountability by submitting a formal response to Public Accounts Committee regarding significant concerns raised in the Provincial Auditors'85-86 report to the Legislative Assembly. Submission of this information to the committee prior to the committee's first meeting is considered a means of strengthening accountability and improving communications.

On April 21, '87, I forwarded a submission to the Public Accounts Committee describing the progress made and/or current status of significant matters highlighted by the Auditor in his'85-86 report. The Auditor has responded positively to this submission and more particularly to the action initiated by the government in addressing certain matters covered by this submission.

All line departments have prepared Estimate supplements for the 1987-88 Estimates. As well, the Estimates for the Manitoba Jobs Fund have been expanded to describe more fully the activities undertaken in several key sectors. It is planned that the Jobs Fund Program will be included in supplementary documents of the delivery departments commencing with the '88-89 Estimates. All line departments will be required to provide annual reports to the Legislature during their current Session.

The Department of Finance presently issues an annual report regarding overall government operations, but also plans to develop another report on its own operational activities to cover the '86-87 fiscal year.

Delivery departments will incorporate Jobs Fund expenditures in their annual reports commencing with the '88-89 fiscal year. These changes have strengthened management accountability to the Legislative Assembly and will be beneficial in encouraging operational effectiveness.

A Management Practices Guide has been developed and distributed to managers in each government

department to serve as a policy reference document for staff in the Manitoba government. The guide is based on the government's ongoing commitment to improve government-wide management. It communicates standards and sets expectations for all levels of management ranging from Deputy Ministers to first-line managers.

An orientation seminar is currently being presented to department managers to aid in understanding the guide and to provide a framework within which to apply the policies and practices in their own organization.

Mr. Chairman, I've also agreed to provide to this House a more detailed description of our own source revenues. This material is currently being prepared and I will table it as soon as possible, likely early in July. This will provide members, for the first time, with a catalogue of revenue sources from areas such as licences, fees for service and so on, to provide better information on those revenue items now included in the Estimates as Current Operating/Other Revenue.

As members no doubt recall, in 1986, our government commissioned a major study to recommend ways of strengthening our expenditure and revenue management process. One of the main recommendations of the report was that the Treasury Board process should be strengthened. I am pleased to report that this recommendation is now being implemented.

The importance and priority we place on a stronger Treasury Board is demonstrated in the additional resource we have devoted to this goal as detailed in my Estimates Supplement.

A full-time secretary, with Deputy Minister status, has been hired and has been working closely with existing Treasury Board staff to develop an enhanced capacity for the Treasury Board Secretariat. We have established a new function called, in the Estimates Supplement, "Long-term Expenditure Management and Program Review," but now given a less clumsy name, "Office of Expenditure Review." This office will be responsible for ensuring mechanisms are in place to identify lower-priority programs and further develop program evaluation in departments.

I am also pleased to inform members that two existing units of the Treasury Board Secretariat will be combined to form a fiscal planning office with a mandate for overall fiscal planning, strategy and systems. In implementing these changes, the secretary has been consulting with my Deputy of Finance and ensuring that the two parts of the Department of Finance continue to work as closely as always. The Treasury Board secretary will also be working closely with the support group for the Planning and Priorities Committee of Cabinet.

There has been some confusion by some members of the House about the relationship between the two former committees, Social Resource Committee and ERIC, and the new Planning and Priorities of Cabinet and the expanded Treasury Board. The Social Resources Committee of Cabinet and the Economic Resource Investment Committee of Cabinet have been dissolved. Responsibility for major priority and policy items will be with the Planning and Priorities Committee of Cabinet. All remaining responsibilities will be with the Treasury Board, including of course all its regular responsibilities such as Estimates preparation.

There was a secretary of the former ERIC and secretary of the SRC committee. There is now a

secretary of each of the Planning and Priorities Committee and Treasury Board, although for ease of administration one of the new staff years established for the Treasury Board was used for the Treasury Board secretary position since the previous ERIC secretary staff year is still in the Industry, Trade and Technology Department with the incumbent working on a secondment with Treasury Board.

I have also mentioned a number of initiatives undertaken by the Department of Finance to improve the government's fiscal management systems and to improve disclosure to the Legislature and the public. In summary, these initiatives include:

- revisions to presentation of the government's financial position to show net budgetary requirement and net operating position;
- identification of anticipated year-end savings resulting from unspent funds;
- identification and funding of non-recoverable operating losses of Crown corporations;
- adherence to general standards of financial statement presentation for governments as recommended by the Committee of the Canadian Institute of Chartered Accountants;
- improvements in the format and content of Public Accounts;
- changes in accounting policies to further establish the accounts of the province on an accrual basis;
- provision of a formal response to Public Accounts Committee regarding significant concerns raised in the Provincial Auditor's Annual Report;
- establishment of a requirement for Estimates Supplements and annual reports from all line departments;
- planned enhancement of Jobs Fund program detail and departmental Estimates and annual reports;
- completion and distribution of a Management Practices Guide for the use of each department of government;
- planned enhancement of own-source revenue detail to be provided to the Legislature;
- strengthening of Treasury Board to enhance our expenditure and review management process.

Mr. Chairman, these initiatives clearly demonstrate our determination to further improve our financial and management systems and to improve disclosure to the Legislature and the public. Our goal is to ensure that we can continue to meet the social and economic needs of all Manitobans, despite increasing financial pressures on government.

With these comments, I commend the Finance Estimates for consideration of the Committee of Supply. Of course, I'd be pleased to invite questions from the members regarding these Estimates.

Thank you.

MR. CHAIRMAN: We shall now hear from the Finance critic of the Opposition in reply to the Minister's opening statement.

MR. C. MANNESS: Mr. Chairman, thank you for that formal invitation to rise and address this illustrious

Committee of Supply and, yes, I at times don't take it as seriously maybe as I should, as I say to the Minister for the Environment.

Mr. Chairman, much of what the Minister puts before us is commendable. I have no argument with many of the items that somebody within his staff has painstakingly tried to bring forward in a fashion that is easily discernible, in a fashion that of course reads well, and a fashion that will be understood by people outside of this House because, Mr. Chairman, this wasn't prepared - the comments by the Minister were not prepared for members of this House. Let's put that on the record, Mr. Chairman.

Who were they prepared for? Mr. Chairman, they were prepared for a public who is calling into greater question, because of a number of reasons, not the least of which is our tax measures, the tax meetings that the Conservative Party of Manitoba - the caucus, I should say - is holding throughout the Province of Manitoba, not the least of which is the budgetary moves that have been brought forward by this government in such a desperate situation, and not the least of which, of course, is the growing concern of Manitobans fully realizing that the financial ship of government is at sea.

It's because of all of these reasons, quite frankly, that Manitobans are beginning to hone in onto the finances of this province and are beginning to ask some very direct questions. Quite frankly, the Minister of Finance and the First Minister and members of the Treasury Bench are having great difficulty answering. Mr. Chairman, what the Minister has provided to us today by way of opening remarks in his Estimates is basically a review of some of the accounting changes which, in themselves, Mr. Chairman, are relevant, and I will not be critical of many of them.

Quite frankly, they're important, as the Minister says, in a whole host of areas. Yes, there have been some accounting changes that have been brought forward by the government to make our financial statements more readable in comparison to other provinces. That's important, Mr. Chairman. I can't be critical of that.

The government has brought forward some other measures as requested by the Auditor of the province, specifically dealing with greater evaluation allowances in all areas of loans and in borrowings and investments. Also, Mr. Chairman, the Auditor has requested that the government take into greater account and more direct account Crown corporation losses, firstly; and, secondly and as important, losses associated with currency depreciation, borrowings in foreign markets where our dollar has lost such considerable value.

These are noteworthy moves in a sense forced upon the government by a Provincial Auditor who is the servant, as you know, Mr. Chairman, of all of us here and indeed therefore indirectly all the taxpayers in the province, who have asked the government to be more candid in its representation of those losses.

Mr. Chairman, I'm not critical of the government bringing forward those types of changes in the accounting procedure. Yet, Mr. Chairman, I find it passing strange that when the Minister, in closing his remarks, talks about an attempt to improve disclosure, again as an aside I tell you that the spoken words of the Minister are of course, in my view, a failed attempt to try and convince many Manitobans that the government is trying to disclose more meaningful information.

Tuesday, 16 June, 1987

I say to you, Mr. Chairman, that the real important information that Manitobans are seeking today and the questions that they want answered are not and have not been addressed by the Minister of Finance. Nowhere in the words just offered by the Minister of Finance does he address the issue of a multiyear budget. Nowhere does he address the issue of bringing into some type of balance expenditures and revenues. Nowhere does he address, through the various restructurings of committees of Cabinet, the problem of Crown corporation losses not only in the past, but indeed what hard-line mechanics are in place to prevent them from occurring in the future.

Well, Mr. Chairman, what the Minister of Finance presents to this House, and I dare say to the people of Manitoba, is basically a litany of accounting changes which are relevant in themselves, I suppose, which do provide to some individuals who would have the time and the wherewithal to try and bring out some semblance of understanding when they go through the Public Accounts, because it is a most difficult area as you are well aware. In bringing forward some semblance of a better understanding, those very few people who do take the time to look at it now will have an opportunity to, I suppose, have a little deeper insight into the information as provided.

So, Mr. Chairman, I find it strange that in some of the areas that the Provincial Auditor has suggested be included, that one Michael Decter who did a fair amount of literature review in preparing for the government his recommendations with respect to expenditure control and with respect also to taxation measures, I find it passing strange that the Minister of Finance would see fit to use elements of the Decter Report which talked about the greater significance that Treasury Board should have, for instance, whereby a group within government - particularly the Treasury Board - should pass greater judgment on every spending decision, something that occurred formerly for the most part within the Lyon government. If the Minister sees fit to draw that out of the report - and we're glad he has, Mr. Chairman - I'm not critical of it. Yet on the broader, more important recommendations, not only as addressed by in a sense the former Minister's colleague, one Michael Decter, but indeed, Mr. Chairman, all the people of this province who know where we are heading if we don't bring into some type of balance expenditure with revenues.

The Minister's words, Mr. Chairman, his opening comments are mute. There is no commentary offered with respect to some of the major, major recommendations as brought forward.

Mr. Chairman, in these Estimates there are a number of issues that we want to address over the next few hours and days. We want to, for instance, find out what revenue is going to be in place three or four years from now so that the Minister of Health, whoever it is at that time, doesn't have to close more beds, Mr. Chairman, because of the fact that \$500 million are going out in expenditures within the area of interest, because the Minister of Health has a dilemma.

I know he has a dilemma, Mr. Chairman, and I understand his dilemma. I understand his dilemma, Mr. Chairman. But the point being, how much greater is that dilemma going to be in three years from now if we are going to merrily move along in time without

some understanding of how it is going to be that this economy, which on one breath we say is doing well and yet on the other breath we say, we're fully cognizant is supported completely by public investment - how is this economy going to produce the necessary windfall in the form of taxation, in the form of profit, then taxation? It's going to allow the Minister of Health, whoever it is of that day, to try and provide, as the Minister of Finance says in his last few words, "To meet the social and economic needs of all Manitoba" - quite a dilemma, Mr. Chairman.

Maybe the members opposite and maybe the Minister of Finance is content to say around the Cabinet table or one of the committees of Cabinet - and believe me, I'm not terribly impressed with the reshuffling of Cabinet responsibilities in a committee sense, Mr. Chairman. But maybe the Minister of Finance is saying around those councils, inner councils of government, I'm not too concerned about these .5 billion deficits. I'm not too concerned if the interest portion of the expenditure, which was 4 percent, Mr. Chairman, in 1981 and which today is 12 percent, which indeed in five or six years could be 18 or 20 percent. Maybe he's not concerned, Mr. Chairman, the Minister of Finance. A year ago, I would have said he was concerned.

But today I stand in my place and I question how concerned and whether he brings that concern forward at all during those times. He can't, Mr. Chairman. He boasts about these pre-Budget consultative meetings he had with people within the business and indeed with our community as a whole. That's a valuable exercise, Mr. Chairman. It's valuable the first time and, I dare say, it could have been valuable the second time, but I wonder how valuable it will be the third time. I wonder how many people are going to show up, people who are asking the questions. How is it the Minister of Health and the Minister of Education and the Minister of Community Services and the Minister of Highways, how are they going to have the dollars that they need in support of those very vital services? How are they going to have it if the revenues aren't there? How are the revenues going to be there if we continue to increase taxes and/or secondly, if we do tax, and a larger proportion of that revenue is to be directed towards growing interest payments?

Mr. Chairman, in spite of some of the comments that I made, I know the Minister of Finance has to be bringing - indeed if he's doing his job at all - some of those concerns to the Cabinet. But I find it strange that within these remarks - and I thank the Minister for a copy of them - the broader issues of the economy, the broader issues of where it's going to be in three or four years, the broader issue as to what economic spinoff there is going to be so that taxes, tax revenues, will continue to increase not at a level that creates a penalty, such a significant penalty on those people who want to invest, indeed those professionals, indeed all working people who want to live within this province who become so punitive that they don't want to continue to work and live here, Mr. Chairman. But how it is that the economy is going to rise in a steady fashion whereby there's going to be new wealth created which will cause greater revenues to flow?

Mr. Chairman, that's the great failing of the opening remarks of the Minister of Finance. It's not within the area of accounting changes. They are important, they've

been done and I give the Minister credit for them. I'm not at all critical of some of the cosmetic changes. Yet, as these Estimates continue, I will ask him specifically to tell us how it is that Manitoba Properties Incorporated will be wound down a few years from now. I'll ask him to tell us the \$30 million year-end savings.

Again, I don't quite understand, Mr. Chairman, the principle, particularly on behalf of a government that's overrun its budgetary expenditure year after year, how all of a sudden at the end of this year can plug in a year-end surplus, so to speak, as a net expenditure item.

Mr. Chairman, you signal that I have one minute left, I believe. I'm fully cognizant of it. I thank you.

Mr. Chairman, I must say for the record, I thought these were starting a week from today, these Finance Estimates. So some of my comments may appear to be a little bit off the cuff. But nevertheless, they're seriously meant.

Mr. Chairman, I think the will of the committee is to call at five o'clock.

MR. CHAIRMAN: The time being 5:00 p.m., it is time for Private Members' Hour.

Committee rise.

Call in the Speaker.

IN SESSION

The Committee of Supply adopted certain resolutions, reported the same and asked leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Member for Kildonan, that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

MADAM SPEAKER: The Debate on Second Reading on Bill No. 30, standing in the name of the Honourable Member for Emerson.

MR. A. DRIEDGER: Stand.

MADAM SPEAKER: Stand? Is that agreed? (Agreed)
Second Reading, Bill No. 55.
The Honourable Member for Inkster.

MR. D. SCOTT: . . . - (inaudible) . . .

ADJOURNED DEBATE ON SECOND READING

BILL NO. 17 - THE MUNICIPAL ASSESSMENT ACT

MADAM SPEAKER: Debate of Second Reading, Public Bill No. 17, the Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I move, seconded by the Member for Gladstone, that debate be adjourned.

MOTION presented and carried.

MADAM SPEAKER: Second Reading, Public Bill No. 54.

The Honourable Member for Lac du Bonnet.

MR. C. BAKER: . . . - (inaudible) . . .

PROPOSED RESOLUTIONS

RES. NO. 1 - INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS

MADAM SPEAKER: On the proposed resolution of the Honourable Member for Burrows, Resolution No. 1, the Honourable Member for Kildonan has 14 minutes remaining.

MR. M. DOLIN: Thank you, Madam Speaker.

Madam Speaker, I approach this resolution with two minds; there are two resolves in the resolution. The first resolve which says, ". . . Legislative Assembly officially recognize and declare the year 1987 as the Manitoba Year of shelter for the Homeless in recognition of this basic human need." I think that goes without question, Madam Speaker, that this would be supported by all members on both sides of the House, as it has been supported internationally.

However, the second resolve which says, "BE IT FURTHER RESOLVED that this Legislature commend the initiative of individuals and local organizations in their attempts to resolve this pressing social problem," which of course I have no difficulties with, "and in the hope that further public awareness will assist them in their efforts."

Madam Speaker, that is a matter of some concern to me. It is a matter of some concern to me, Madam Speaker, because I do not feel that it is a private responsibility to take responsibility for the homeless in our society or in the world. To say that private organizations and private individuals such as the Salvation Army or men and women of goodwill should take the responsibility of their fellows in society who are less fortunate and do not have adequate shelter or a roof over their heads, Madam Speaker, I find is an imposition and a reneging on the responsibility of ourselves as a government and governments all over the world, if we supported that part of the resolution.

I would like to point out some of the initiatives that this government has taken. I have a list which I think is somewhat extensive and something of a list that we as government and we as Manitobans can be proud of.

We have an excess of 16,000 subsidized rental units. Manitoba has amongst the highest per capita number of low-income rental units in Canada. Madam Speaker, we have made commitments to support various program initiatives. We have committed to some 3,000 social housing units in recent years; we have senior citizens' RentalStart Program, Madam Speaker. We sought a new federal-provincial agreement in which social housing units under a number of programs, such as targeted non-profit, urban Native non-profit, rural and northern programs are to be financed and delivered by the province, with CMHC providing 75 percent of ongoing financing.

Manitoba Housing also, Madam Speaker, has been active in supporting shelters for abused women which are certainly housing for homeless. Women who have been driven out of their homes by abusive husbands, Madam Speaker, do require shelter.

We see community residences and emergency shelter programs which have financed some 230 beds thus far to complement the institutionalization and group home initiative the Department of Community Services under its Welcome Home Program.

We committed \$4 million to financing 200 new units of shelter for the Salvation Army here in Winnipeg, Madam Speaker. One of the problems that we see here in Winnipeg is we see that the private sector has taken no responsibility. The private sector, to some extent, the profit-making private sector certainly has taken limited responsibility because the private sector basically operates on a profit motive, Madam Speaker.

I don't condemn the private sector for saying it is not our responsibility. It is not the responsibility of the private sector in a competitive industry, such as housing, to be involved in a situation where they are not going to be competitive by taking social responsibility, which we as legislators and we as elected representatives of the people should be taking.

It bothers me, Madam Speaker, the last "RESOLVED" in this resolution which sort of encourages the charitable private sector and charitable individuals to take this responsibility. Madam Speaker, I think it is out of a goodness of will and a fullness of heart that people, such as the Salvation Army, such as Main Street Project, do take this responsibility. I think, as the resolution mentions, they should be encouraged. But certainly they should not be encouraged to a point where we, the governors, we the people who control taxpayers' dollars in this province and in this country and in this city, tell them that it's your responsibility and we will renege on ours and dump the responsibility on you, Madam Speaker.

I think this is unfair; I think it is unfair to them. I think what they deserve is kudos, Madam Speaker - not you, Madam Speaker. They deserve kudos for their yeoman work in helping the homeless, the poor, the abused women who need shelter, the younger and younger people who we see as homeless - drug addicts, alcoholics, people who are thrown out of a family unit that has disintegrated. Madam Speaker, these people should get all the praise that we, as legislators, can give them. But, Madam Speaker, this does not allow us to renege and abdicate our responsibilities as government.

Madam Speaker, today I am wearing a black crepe and the reason I am wearing this black crepe, and some others in this caucus will be supporting in other ways, is because the Government of Canada has proposed Bill C-55. Bill C-55 is designed to tighten up immigration regulations. However, one of the things that Bill C-55 also does is build a Berlin-type wall on the Canadian border for refugees.

Madam Speaker, these people are also homeless people. I will give you an example, a personal experience, Madam Speaker. Within the last few months, Canada has turned back refugees at its border, sent them back to the countries of origin or had them sitting on the other side of the Canadian-U.S. border, Madam Speaker.

This, to me, is an appalling policy. I realize, as members opposite realize and oft want to remind us, is there are certain unscrupulous scam artists who are bilking illegitimate refugees to try and get them into this country by passing themselves off as refugees from foreign countries and where their lives, their families are threatened.

I also realize, Madam Speaker, that to take a whole basket of eggs and step on them all because there is one bad egg in there is not the way to deal with this problem. The fact that it has been a constant fact in this country that legitimate refugees, people whose lives have been threatened, in places like El Salvador, in Chile, in various countries around the world, who are fleeing from right-wing dictatorships, where their lives have been threatened - the term in South America has become a common term, the "desaparecidos" - people who disappear in the night and are never seen or heard from again by their families, their friends, or their relatives. This is a reality.

What the Canadian Government is now doing is making it more difficult for those families, those people under threat of disappearing from right-wing governments, such as the Pinochet Government in Chile, Madam Speaker, that these people are now going to have it made very, very difficult for them to enter Canada; Canada, where most of us in this House, where our grandparents, our parents, or ourselves came to this country because we were coming here for greater benefit. We were either fleeing a despotic regime in another country, be it the Ukraine, be it Eastern Europe, be it Chile, be it wherever, that we wanted to come to a country where we could be free. This country basically in the Twenties and Thirties and in the Forties and Fifties had its doors open to legitimate refugees, to these homeless people, on a worldwide basis.

I had an experience, Madam Speaker, three months ago, I was in the country of Belize, which is formerly British Honduras. This is a small poverty-stricken Third World country in Central America, Madam Speaker, which is a sister country in the British Commonwealth. This is a country about one-and-one-half times the size of El Salvador. Where El Salvador has a population of 4.5 million, Belize has a population of 150,000, Madam Speaker. Driving from the City of Belize to the capital of Belmopan, I passed a place called "The Valley of Peace." In the Valley of Peace, they have a resettlement program for 4,000 refugees in a country of 150,000 people, 4,000 refugees fleeing from El Salvador, from Guatemala, from Honduras, from the regimes which threaten their families, which threaten their lives.

I don't see 4,000 refugees from these countries being allowed into Canada. The equivalent, Madam Speaker, for a poor Third World country to take in and integrate in their society 4,000 people is the equivalent of Canada taking in 600,000 people. I had a meeting with the Prime Minister of that country, and I asked him, Mr. Esquivel (phonetic), how can you afford, as a poor Third World country, to take 4,000 refugees into your country? You know, certainly Canada is a much more wealthy country, Madam Speaker, and his response was, what were we supposed to do with them? We have a moral obligation. What are we supposed to do with these people who are fleeing for their lives and regimes, where their lives are threatened, we have a responsibility. And what are they doing? They are sharing with them. They

Tuesday, 16 June, 1987

are helping them clear land so they can farm in that country and become citizens in that country, the same way our forebearers, who came from the Ukraine, who came from Germany, who came from Eastern Europe, who came from the Philippines, who came from Latin America, the same opportunity they had in Canada, Madam Speaker, which we are now denying them.

The Federal Government, in this country, must be reminded of its moral obligations. I understand perfectly well some of the complaints about dishonest people using refugee status - and we have seen examples on the front pages of the paper - to better themselves economically or to commit crimes or to get into some kind of deals in this country. I understand, but that is a criminal act that can be controlled by criminal law.

To deny all refugees and to tighten up on all refugees when there are people in this world who are legitimately in fear for their very lives strikes me as an immoral act, and I would suggest that all members of this House at some point should tell the Federal Government it's okay to clear and have a good honest policy and a fair process for immigration and control of refugees, but closing the doors and building Berlin walls on the Canadian borders is not the way of doing it.

I am suggesting, Madam Speaker, that we, as a government in Manitoba, have a responsibility. We have a responsibility to assist refugees, legitimate refugees, coming into this country. We, as a government, have a responsibility to assist them with housing, to make sure that they are not homeless when they come here, that they have the kind of assistance our grandparents and our parents had when they came to this country - perhaps better, because we have created a better society. Let these people benefit from the gains we have made.

We should also be taking legitimate governmental responsibility for our own homeless, the people who are lost in society, the losers the yuppies forget. The people who, through no fault of their own, through family break-up, through drug use, through alcoholism, do not have legitimate roofs over their head. We, as a government, have to take responsibility for these people.

I do not support the last part of this resolution which says that private organizations should be encouraged to do that. I disagree with that most strongly. Yes, we should take responsibility for International Year of the Homeless and support it unanimously. We should most certainly give encouragement and support to those organizations and individuals, Madam Speaker, who have taken the moral responsibility to assist less fortunate individuals. But we, as a government, should certainly not renege on our responsibilities to provide those services to people who require them.

I think in this International Year of the Homeless we should do our part. This government has done a great deal; there is a great deal more to be done.

Thank you, Madam Speaker.

MADAM SPEAKER: Are honourable members ready for the question? The question is proposed Resolution No. 1.

The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

I apologize for not being in my seat. I did intend to speak on this resolution. I think it is very timely. As a former Minister of Housing, I also wanted to put on the record, I guess, a perspective from the Provincial Government and the Department of Housing that perhaps hasn't been addressed in this particular debate.

Madam Speaker, shelter for the homeless is not a problem that is uniquely associated with other parts of the world. We are constantly bombarded with messages - media messages via television, via newspaper reports - about the situation that faces many of our brothers and sisters across the world in terms of shelter and accommodation.

What isn't acknowledged as often is that problem is with us in Canada, not to the same extent, but it is nonetheless a problem that faces governments in this province and other provinces and jurisdictions throughout North America.

Madam Speaker, the television program, 20/20, did a program on the homeless in the United States, and the figure for the number of homeless ranged in the millions of people - a staggering number. I suppose that if one was going to do estimates of the number of homeless in Canada, it would range in the hundreds of thousands. That means, Madam Speaker, that in Manitoba there are many, many homeless. Not only homeless in what is perhaps the popular vision of the homeless - bag people, people who live on the streets, people who are transient, Madam Speaker - but also people who are underhoused, people who live, not because of any desire to live with relatives, with friends in permanent accommodations, in abandoned houses, in many, many locations which are not adequate from any perspective for the needs of the people of the province.

Madam Speaker, the difficult problem is not to talk about the need for shelter for the homeless. The difficult problem comes in dealing with that issue. Madam Speaker, I know that Ministers of Housing from this province and other provinces have wrestled with the difficult problems that are faced by governments and municipalities in dealing with this issue. I think that there are some solutions, and they are solutions that should be put into effect.

Unfortunately, they require something that is extremely uncommon sometimes amongst levels of government, and that is cooperation. I recall, when I was Minister of Housing, attending a Housing Ministers' Conference in which the issue of low-cost housing, housing for low-income Canadians was raised and to my surprise, I suppose, although each of us around the table could identify a number of possible solutions to that problem, there always seemed to be impediments to delivering those solutions.

One example, Madam Speaker, which was proposed by Manitoba, and which has been considered by other provinces, was to move away from the building codes, the restrictions that the building code imposes in terms of housing to something that some people might call more practical housing.

I guess, Madam Speaker, by a process of development, by a process of improvement, by bureaucratic decree, we have come to a point in Canada where there is a standard of housing which is defined by the number of nails, the number of square feet, the number of inches of window, the number of square

Tuesday, 16 June, 1987

feet of closet space, the kind of insulation that it uses and the R-value of the insulation that it uses, a requirement for a vapour barrier, and a whole series of other specifications, whether it's taxable or not, a whole range of specifications that may make sense from one perspective.

The problem is that there are circumstances in many of our communities in which these specific specifications don't make sense. I refer to one in particular, and that is the requirement that there be a vapour barrier and a requirement that the wiring, the electrical circuitry be installed in a fashion dictated by the National Building Code and Provincial Building Codes. What it effectively does, Madam Speaker, is to eliminate alternative styles of housing that are more appropriate for Northern living, more appropriate for large family living, more appropriate not in just a technical sense in that they withstand the rigors of having large families, that they withstand the rigors of cold weather, but also that they are superior in that they are less expensive to a great degree.

Madam Speaker, in 1983-84, the Department of Housing, with the Canada Housing and Mortgage Corporation, had developed some alternative styles of housing with the hope that if this form of housing proved to be an adequate alternative to standard construction, that in fact the provincial and federal levels of government would be able to support this despite the fact it didn't meet the requirements as they were currently defined in the National Building Code.

Unfortunately, Madam Speaker, change comes slowly and, despite the fact that those alternative styles of houses were effective, were warm, were obviously going to be long-lasting comfortable homes, the fact that they didn't meet specifications proved to be a stumbling block and, to this day, remain a stumbling block because the Federal Government, in its wisdom, suggests that they cannot change to accommodate alternative styles of housing because those changes have national implications for housing across Canada.

The argument is that they could not, in all fairness, support a style of housing in Manitoba which would not be acceptable to our sister provinces to the west or to the east. That is indeed unfortunate, and I think it is a mark of inflexibility on the part of levels of government that helps to prevent us from adequately addressing the needs of the homeless, Madam Speaker. So there are many, many instances where, if there was some good will, those problems could be addressed.

Another example, Madam Speaker, is in the establishment of hostel-style living. Some years ago the Provincial Government was eligible for federal support in the establishment of hostel-style living. Hostel-style accommodations, Madam Speaker, meet the needs very nicely of many transient individuals. It meets the needs of single individuals, unemployed individuals who, through no fault of their own, have no opportunity to acquire more permanent residences.

Madam Speaker, for a variety of reasons, I guess, because at one point in time of the decreasing importance of that kind of housing, there was a decision at the federal level to discontinue supporting the establishment or the construction of hostel-style accommodations, something which has a utility and, as we've seen over the past few years, has become increasingly in short supply and has meant that the

situation of the homeless in Manitoba is becoming more acute.

So, Madam Speaker, there are ways to resolve these problems and cooperation is only one. Obviously, it goes without saying that regardless of the style, regardless of the specifications that are used in the construction, it also requires financial resources, and that is clearly another problem which Manitoba faces along with every other jurisdiction in the province.

There are no simple solutions to accessing adequate financial resources. We all live on a day-to-day basis with the dilemma of establishing priorities within constrained circumstances. I think housing has to be at the top of the list or near the top of the list when it comes to the priorities of government, but clearly there are other priorities which also have to take precedence, and those include maintaining the health and welfare of people in other circumstances as well.

Madam Speaker, I think it's worthwhile to have the debate in this Chamber to examine the issues, although we, in the provinces, probably feel somewhat inadequate in our ability to respond because of the nature of the housing programs and their historical development in Canada. We have always, rightly or wrongly, relied heavily on support from the Federal Government. That development has occurred for almost two decades when the Federal Government first established its interest in cost-sharing housing programs across Canada.

The hope, Madam Speaker, is that the Federal Government, the Provincial Government and the municipal governments will, as a result of the importance of this issue, set aside some of those arbitrary, unnecessary barriers to the establishment of housing for the homeless; and that, in some form of spirit of cooperation, in fact we will tackle the dilemma; that Manitoba will with the cooperation of others construct some temporary accommodations for transient workers, for those who are unemployed, for the homeless; that municipal governments will assume another responsibility for another layer of the problem; and that we will continue to work with the Federal Government on programs like Cooperative Housing, Rural and Northern Housing, which support the needs of low-income families to acquire adequate housing. All of those things are possible, Madam Speaker.

The problem is a worldwide problem and probably if we looked at our problem in context of the housing problems of many other people in North America, South America and in other parts of the world, ours would pale in comparison. But the fact of the matter is that we do have too many people living in substandard, unacceptable accommodations and despite, I hope, the best efforts of this government over the past five years through Homes in Manitoba, through rental housing programs, through rural and northern housing programs and through alternative housing programs, we have done something to relieve the problem.

I think it's clear that more needs to be done and I would certainly be interested in hearing from members opposite on their views on the alternatives that are available to this government and to governments around the world.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Cooperative Development.

Tuesday, 16 June, 1987

HON. J. COWAN: Thank you, Madam Speaker.

I think I would be remiss if, as Minister of Co-operative Development, I were to allow this resolution to go by without commenting, at least briefly, on what the cooperative housing movement in Manitoba, in the country and indeed internationally can do as a part of the solution to the plight of the homeless.

Madam Speaker, a resolution that . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: If honourable members want private conversations, could they do so elsewhere.

The Honourable Minister has the floor.

HON. J. COWAN: . . . calls for in its resolve, and I'll quote directly from the resolution, calls upon, "this Legislature commend the initiative of individuals and local organizations in their attempts to resolve this pressing social problem and in the hope that further public awareness will assist them in their efforts," should in fact be addressed from the perspective of cooperative housing.

This 1987, International Year of Shelter for the Homeless, as declared by the United Nations, provides us with a focal point for those discussions, not only about the problems, the plight of the homeless, the despair they must face, the fact that they must live without the basic shelter that we all in this Chamber for certain take for granted, but it also provides us with an opportunity to talk about some of the solutions.

Madam Speaker, I believe that the motto of co-op housing provides a very strong solution to the problems of housing across the country and indeed internationally. If you take a look at the statistics and working off of the definition of the word, "homelessness," which has been defined in this, the International Year, to mean in a broad sense inadequate housing or slum-like conditions or indeed no shelter of any kind, or housing disadvantages due to low income, individuals not being able to provide themselves and their families with adequate housing, all result in inhuman despair and misery. You see a problem that in fact demands our attention, a problem that in fact requires this type of open debate and discussion.

Madam Speaker, there's a Canadian group called Rooftops Canada Foundation, which has been recently formed to advise individuals as to what the exact elements of that problem of homelessness might be and, at the same time, to promote the cooperative option in dealing with the problems. According to their statistics, Madam Speaker, and they are quite recent, across the world we find that one billion people do not have adequate shelter; 100 million do not have any shelter whatsoever. Imagine that for a moment if you will, 100 million souls, individuals, living out their lives in poverty, in despair and lacking even the most basic need, that is, one of shelter.

It's not surprising then, Madam Speaker, that we find that 50,000 people die daily from slum-related diseases, because you take those one billion people who are living in inadequate circumstances, or the 100 million who don't have any shelter whatsoever and you try to picture what their living conditions must be like. It does not come as a surprise, nor should it come as a surprise

to anyone that those conditions will have an impact on health, those conditions will have an impact on their ability to survive.

You know, the Member for Flin Flon, the Minister of Education, suggested that, while our problems in fact may pale beside those of other countries, the fact is there are problems, as he indicated, in Manitoba. The international figures, as astounding as they might be upon first reflection, are not borne out with provincial figures to the same extent, but there is in fact a housing problem in this province that we, as legislators, must direct our attention to and must work towards resolving. That is why this resolution is so important.

The international problem, of course, is being dealt with, with the international designation of the year by the United Nations, but this resolution reinforces what has to be done at a local level. I mentioned earlier that I believe housing cooperatives can be a part of the solution. Housing cooperatives, Madam Speaker, internationally, nationally and indeed provincially, endorse the action taken by the United Nations in their designation of this year as International Year of Shelter for the Homeless. They do so because they believe it is important to focus the public attention on the plight of the homeless, on the problems experienced by them and on the activities that cooperators can take to deal with those problems.

In respect to the actual activities of the International Year, co-ops have undertaken to participate in different ways. Their activities not only focus public attention to the homeless, but also are designed to inform the public as to what co-op housing is, and how it may meet some of those needs.

MR. S. ASHTON: What is co-op housing . . . ?

HON. J. COWAN: Well, that's an interesting question from the Member for Thompson and I'm certain he asked it in a rhetorical sense when he said, what is co-op housing, because I know not only is he very familiar with what co-op housing is, but he is a very strong supporter of the model that provides housing, democratically controlled housing, to so many Manitobans.

Housing co-ops really combine the better elements of both home ownership and tenancy. Housing co-ops offer, for the Member for Thompson, affordable quality housing, security of tenure, the ability of individuals living in those housing co-ops to control their own living environment and self-management.

In Manitoba, we have over the years developed a very proud tradition in the field of cooperative housing. The first continuing housing co-op in Canada is our very own Willow Park Housing Co-op which was incorporated in 1961, and many members here will be familiar with that co-op from one perspective or another.

Another first in Manitoba is the Prairie Housing Co-op, which is the first housing co-op of its particular kind in North America. It was designed, Madam Speaker, specifically to integrate the physically and mentally handicapped into our mainstream of our society, where you have people cooperating in a cooperative structure, living side by side, people with varying degrees of disabilities or handicaps, living with those with lesser degrees and perhaps those with no

noticeable handicaps or disabilities, and each helping the other, each learning from the other, each making the other stronger by their living arrangement and their involvement with the lives of the members of the co-op.

The Government of Manitoba has recognized over a period of time the importance of cooperative housing in meeting the shelter needs of many of our citizens. Nationally, responsibility for cooperative housing, of course, has rested with Canada Mortgage and Housing Corporation or CMHC or the Federal Government, but that does not mean that the Manitoba Government cannot, through its own programs, encourage and assist in the development of housing co-ops in this province.

We did exactly that several years ago when the Ministry of Housing and the Ministry of Cooperative Development worked together to develop the Co-op HomeStart Program. This initiative has resulted in the past number of years in a dramatic increase in the number of new cooperatives, housing cooperatives, being incorporated in Manitoba.

For example, Madam Speaker, in 1983, there were three new housing co-ops incorporated in Manitoba which brought the total number of housing co-ops up to 18. After the introduction of the housing co-op program in 1984, there were nine incorporated which is triple what there were in 1983. In 1985, there were 13 incorporated and, in 1986, there were another 13 incorporated. The total of housing co-ops that are incorporated in the province rose from 18 in 1983 to 53 in 1986.

So, what that does show is that a Provincial Government, even although it is not its area of main responsibility, can in fact through its programming and its involvement create an opportunity for Manitobans to provide for themselves through the cooperative model more decent and affordable housing.

Housing co-ops in Manitoba represent over \$106 million of investment in construction jobs and service industry jobs. Over 2,800 individuals live in housing co-ops in Manitoba. That program which was implemented several years ago by this administration has in fact resulted in the number of housing co-ops in Manitoba growing so rapidly that we now, this year, lead the rest of the provinces on a per capita basis in the number of housing co-op units under development.

Madam Speaker, we lead the nation. By our leadership, we are showing not only the rest of Canada what can be done and what should be done to provide this type of housing opportunity to residents who need shelter, to individuals who need housing, but we are also, through our connection with international organizations, through this resolution, through the other opportunities that are available to us, showing the rest of the world what can be done and what should be done.

It should be also noted, Madam Speaker, that in Manitoba none of those housing co-ops have any vacancies whatsoever, so they must be a model that is finding favour with Manitobans generally.

I'd like to, in the few minutes remaining to me, just touch very briefly on a matter which was gone over in some detail by the Member for Flin Flon, but I do want to reinforce what he had to say, and that is the problem we have with northern housing.

Madam Speaker, I spent a fair amount of time talking about co-op housing because that is my ministry, my

responsibility in the government. I want to spend a few moments talking about northern housing because, in every trip in my constituency, I see the types of conditions that this resolution is designed and intended to address.

Madam Speaker, there is too much overcrowding in houses, particularly in Metis communities and reserve communities in the North, where you may have 10, 15, 18 people living in a four-bedroom house. That is a problem that has to be addressed by governments of all levels. There is inappropriate construction taking place, which means that houses that should last for 20-30 years only lasting for 5, 10, 15 years, not because of any negligence on the part of the occupant, but because of the design, the construction and the way in which those houses were built was wrong. It was not built for the climate; it was not built to allow for those houses to be maintained in an adequate fashion.

Madam Speaker, it is unacceptable today that in Northern Manitoba we have people living in houses without running water, without sewer infrastructure, without appropriate heating. Those are the types of problems that this resolution is intended to address. I understand, from earlier discussions with members opposite, that they in fact support this resolution. They put on the record their support for this resolution, so when this resolution comes to a vote in a few moments, I hope that we will go beyond what has been said here today and begin the hard, difficult work on making the good intentions and the sentiments that are contained within the declaration of 1987 as International Year of Shelter for the Homeless by the United Nations a reality, making certain that those people who deserve the most basic right of humankind, the right of decent shelter, have an opportunity for that shelter but, more importantly, have an opportunity to be a part of the solution that brings them that shelter.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Madam Speaker, this resolution, it seems to me, is not of much value. I would not want to support this resolution, basically because the "FURTHER RESOLVED" says that this Legislature commends the initiatives of "... individuals and local organizations in their attempts to resolve this pressing social problem and in the hope that further public awareness will assist them in their efforts."

Let me tell you this, Madam Speaker. I don't believe that these people should be homeless. There are programs that somehow they do not fit into and I believe that it is a fault of all governments, NDP, Liberal and Conservative, that we have homeless people on the street with nowhere to go. Many of these people, by the way, are -(Interjection)- I'm not an Archie Bunker. I'm concerned about the homeless; I'm not concerned about passing resolutions that really don't mean much, and I really don't think this really is significant enough. All governments - Liberal, Conservatives and NDP - have failed because there are people homeless on the streets who should not be there.

Why are they on the streets? I think they are not aware of some of the programs. They have dealt with

bureaucracies and have been irritated by them. There are people who have psychiatric problems and have difficulty, in effect, finding help when they require help. We need street workers. We need people on the street to in fact introduce them to the programs, to encourage them in a friendly manner to take part. But this resolution will do nothing, Madam Speaker, and I believe it is a waste of time to even have it before us.

One of the reasons, by the way, for people being homeless too is the high cost of housing. During this last election, I came across a home on Sherbrook Street. I was going around with a reporter from CBC radio. We went into this house together and they told us they did not have any hot water. The reason they didn't have any hot water was the pipes all leaked. If they had the hot water on, you had the plaster coming down from the ceiling. They had to go ahead and go running down to the basement, turn the hot water on, fill the sink, and go running down and turn the hot water off. They are on social assistance - they were paying a good-sized rent. There was one room they couldn't even use because it was basically such a wreck.

I couldn't believe the situation that I saw. I went back to my committee room and I immediately phoned the Social Assistance Department of the city, as well as the province, and arranged something further to be done about this family.

They had no idea about their rights. They had no idea about the fact that they were making somebody really well off and not getting the value in return for the money they were paying. If we have people who are homeless, it is because of high costs. One of the reasons is the high cost of housing.

I just don't believe that this resolution meets the problem or deals in any way with it. I would say that a resolution like this is why we sometimes don't value Private Members' Hour. We have resolutions like this that say, oh, they're homeless but we really cannot do anything about it. I believe that street programs with people like Main Street Project that does a job in that area, we could have a similar type of program that would help the homeless to know about programs and to get them into conditions that they don't have to be homeless.

Now, how about Agape table? There's another situation. I mean there's a situation where people need food and we rely on voluntary donations and help to feed them. There is a place for voluntary effort, but I think there is also a place for government effort to go ahead and solve some of these problems. I suggest to you that our government and other governments of Canada should get together and try to figure out programs that would help the homeless and get them off the streets.

I imagine that being homeless would also be something where, once you're used to it, you become satisfied with the way of life. I know that there are people in this House who, I think, must be homeless because they're so bitter against the world. I think J. Frank Johnston is in that category. I think that he must be bitter about something. It must be the situation where he lives.- (Interjection)- I beg your pardon? I've irritated the Member for Pembina. I think he also shows the same attitude probably towards the homeless as well.

People who are homeless deserve help, and this government and every government in Canada should

be designing programs to help them. I think the first thing we must do is probably to meet with them and to talk and find out why they are homeless. There are programs we all know of that would make sure that they are not homeless.

I believe that the Opposition Party is just as concerned about ignoring this issue as they are on other issues - of not dealing with the problem, hoping it will go away.

But the fact is this resolution doesn't really deal with the homeless and I think we need to do something. I have no answer myself, but I think we must take steps to go ahead and find out the answer as to why these people are homeless. Some of them are out of psychiatric institutions and are perplexed about the world and don't know where to go.

I had a fellow in my riding who was a problem for the neighbours. He actually had a home, but he was doing things in the neighbourhood that disturbed people in the neighbourhood. He would shovel the snow off the lawns in the middle of winter which would make them freeze, and a lot of the neighbours got very concerned about him. But he is a person who I think, if he didn't have someone to look after him and take him under their wings, he could easily be one of the homeless on the streets.

I think that too often we shy away and say this problem cannot be solved. Homeless or homeless, they're going to be with us for ever and they're always going to be around in all our cities. I don't believe they need to be, and I believe we should put an end to it by seeking to develop programs that will mean that they will not be homeless in future.

Thank you.

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker.

Unlike the Member for Ellice, Madam Speaker, I will not be speaking against this resolution; I'll be speaking in favour of it.

Madam Speaker, I think this resolution merits some discussion. I think it was a good resolution to present. I think that indeed if we don't discuss these issues, I don't think we're doing the homeless any favours at all. To go on the same vein that the Member for Ellice went on, I think would be doing a disservice, as the Member for St. James says, to the homeless. I think it's a good idea when we have a near unanimous consent or approval for such resolutions. I find it kind of disheartening when the Member for Ellice gets up and says he cannot support such a resolution.

Madam Speaker, this year being the International Year of the Homeless, I think it's fitting that members of all political parties in different Assemblies - whether it be provincial, federal, international - I think it's fitting that we endorse such a resolution, and I compliment the Member for Burrows for introducing it. I think it was also fitting that it be Resolution No. 1.

Madam Speaker, it is heartening to know that, when this resolution comes to a vote, it will have the support of members on this side. At least for our caucus, all 26 members will be supporting it and I believe that the Member for River Heights will be supporting it as well. It is unfortunate that we cannot have unanimous support

Tuesday, 16 June, 1987

from the other side. I wouldn't call it disgraceful, but disheartening is the right word for it.

If we don't debate and discuss issues like why people are homeless or why they are not homeless, I think we are doing our citizens a disservice. Madam Speaker, I think it's very important that we do discuss such issues because although some may say that actions speak louder than words, the fact is that no action will emanate unless we first talk about it, debate those issues. If we can find agreement amongst people from different walks of life, different political stripes, different backgrounds that indeed something has to be done, I think that is commendable.

I find it a little bit despicable that the Member for Kildonan would use this as a forum to attack the Federal Government on a completely different issue, Madam Speaker. Here we are trying, at times anyway, during Private Members' Hour, on certain resolutions, to achieve some degree of unanimity or at least some degree of consensus on certain resolutions, but no, the Member for Kildonan has to throw some venom in there by attacking the government on a completely different issue which has nothing at all to do with this resolution. As a matter of fact, maybe he shouldn't have been allowed to speak in that context, but in any case the fact is he did.

I would just like the record to show that we, on this side, are fully intending to support this resolution. We will be voting in favour of it and it would be nice to have had the full support of members opposite as well. Again, I reiterate that it was unfortunate that the Member for Ellice chose to oppose this very worthwhile resolution.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Yes, Madam Speaker, I do have another perspective that I wanted to bring into the

debate on this resolution which I think, with the exception of the last "RESOLVED" portion, is a good resolution.

It does highlight a justifiable concern for the millions of people in society who have inadequate shelter. It's a sad commentary on 20th Century world society, Madam Speaker, that millions of people are shelterless today at a time when we, in this country, are indicating through our current Federal Government that this country is prepared to spend \$180 billion to defend our Arctic sovereignty, among other things.

The kind of money that our Federal Government is prepared to spend to provide adequate shelter for indigenous people in this country is shocking. The Honourable Member for Churchill, the Minister of Cooperative Development, has pointed out there has been inadequate shelter in the North for years and years, and it's not that the answers are not available, but there's a question of an intransigent bureaucracy in the Federal Government that will not accept that local standards and local solutions can be applied to provide adequate shelter in the North.

But we live in a world society that is prepared to spend over a trillion dollars - and it's hard to imagine that kind of money - on weapons to destroy people, and doesn't provide sufficient money to provide shelter for people. Madam Speaker, we as a society stand condemned for our failure in respect to that whole area.

MADAM SPEAKER: Order please, order please.

The hour being 6:00 p.m., I'm interrupting proceedings. The Honourable Minister will have 13 minutes remaining when this item is again before the House.

The House is now adjourned and stands adjourned till 1:30 p.m. tomorrow. (Wednesday)