



Second Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIB
ASHTON, Steve	Thompson	ND
BARRETT, Becky	Wellington	ND
CARR, James	Crescentwood	LIB
CARSTAIRS, Sharon	River Heights	LIB
CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
CHOMIAK, Dave	Kildonan	ND
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	ND
DOER, Gary	Concordia	ND
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIB
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	ND
EVANS, Leonard S.	Brandon East	ND
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	ND
GAUDRY, Neil	St. Boniface	LIB
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	ND
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	ND
LAMOUREUX, Kevin	Inkster	LIB
LATHLIN, Oscar	The Pas	ND
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	ND
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	ND
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	ND
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	ND
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	ND
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	ND
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	ND
WOWCHUK, Rosann	Swan River	ND

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 27, 1991

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING PETITIONS

**Mrs. Shirley Render (St. Vital):** Mr. Speaker, I beg to present the petition of the Winnipeg Canoe Club praying for the passing of An Act to amend The Winnipeg Canoe Club Incorporation Act.

### READING AND RECEIVING PETITIONS

**Mr. Speaker:** The honourable member for St. Boniface, I have reviewed the petition as it conforms with the privileges and practices of the House, and it complies with the rules. Is it the will of the House to have the petition read?

**Some Honourable Members:** Yes.

**Mr. Clerk (William Remnant):** To the Legislative Assembly of the Province of Manitoba.

The petition of the undersigned residents of the province of Manitoba humbly sheweth that:

WHEREAS the provincial government has removed the indexing provision from the seniors 55-Plus program; and

WHEREAS 55-Plus is an income support program aimed at seniors suffering the greatest economic hardships; and

WHEREAS the Filmon government is unfairly placing the burden of economic hard times upon seniors below or near the poverty line by deindexing 55-Plus;

WHEREFORE these petitioners request that the government of Manitoba consider reinstating the indexing of the 55-Plus program.

\* (1335)

### INTRODUCTION OF BILLS

#### Bill 61—The Communities Economic Development Fund Amendment Act

**Hon. James Downey (Minister of Rural Development):** Mr. Speaker, I move, seconded by the Minister of Natural Resources (Mr. Enns), that

Bill 61, The Communities Economic Development Fund Amendment Act; Loi modifiant la Loi sur le Fonds de développement économique local, be introduced and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the content of this bill, recommends it to the House.

I am also tabling his message, Mr. Speaker.

**Motion agreed to.**

#### Bill 60—The Law Society Amendment Act

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, I move, seconded by the honourable Minister of Environment (Mr. Cummings), that Bill 60, The Law Society Amendment Act; Loi modifiant la Loi sur la Société du Barreau, be introduced and that the same be now received and read a first time.

**Motion agreed to.**

### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us today 10 provincial senior public speaking finalists, and they are under the direction of four 4-H ambassadors who are Cheryl Siemens, Ruth Wiebe, Karl Thorgaldson, and Candace Ovaldson.

On behalf of all honourable members, I welcome you here this afternoon.

Also with us this afternoon we have, from the Isaac Brock School, forty Grades 6, 7 and 8 students, and they are under the direction of Ruth Hardy. This school is in the constituency of the honourable member for St. James (Mr. Edwards).

Also this afternoon, from the Minnedosa Collegiate, we have forty Grade 11 students, and they are under the direction of Mr. Bob Pineo. This school is located in the constituency of the honourable Minister of Family Services (Mr. Gilleshammer).

On behalf of all honourable members, I welcome you here this afternoon.

## ORAL QUESTION PERIOD

### CP Rail Route Diverslon

**Mr. Gary Doer (Leader of the Opposition):** Mr. Speaker, a couple of weeks ago our member for Transcona (Mr. Reid) asked some questions about the CPR diverting trains outside of Canada and diverting those trains through the United States. We were not able to get a response a couple of weeks ago, but in the House of Commons on Friday, the member for Transcona asked again the same question and the federal minister of transportation answered, in terms of trains being diverted, that the decisions that are being made by the railways are not up to the government because they are "business decisions" that, quote: I am not aware of these decisions but it is the right of a business to make that decision.

Mr. Speaker, the Canadian public, since Confederation, has given millions and millions of acres of land to the Canadian Pacific Railway in exchange for rail transportation and for freight transportation through an east-west vision of this country. In downtown Winnipeg we have thousands of acres of land that are prime real estate land that were given by the people of Canada to the CPR.

I would ask the Premier: Has he raised the 1881 contract of land for transportation east and west in Canada with the CPR, with the federal minister responsible for Federal-Provincial Relations, and will he try to change the vision of the federal government, that they can do what they like, to a Canadian vision of our railway and our transportation services in this country, the original contract that was made with the CPR?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I want to thank the member for raising the question.

All weekend long there has been a certain amount of confusion between members of the opposition, as well as the media, in terms of what has happened in the last little while, and I would like to clarify the issue.

There are two issues at stake here: One is the application that CP has made to the federal railway association requesting certain sections of the

railway safety appliances standard be changed to allow bathtub gondola cars for movement to the United States.

Basically, we have been in touch with CP all through the weekend, and Mr. Apedaile, who is the assistant vice-president, has indicated and stated that the proposal recently under consideration involves routing U.S. coal through Canada, a move which would provide for increased Canadian employment, not reduced employment. He also advised that it was unfortunate that the unions have misinterpreted this action. I want to indicate to the member that they should maybe try and get their information clarified before they raise some of these concerns.

The other issue that is at stake is that both the Minister of Finance (Mr. Manness) and myself met with representatives from CP approximately two months ago, where they raised their concern about the high fuel taxes in Saskatchewan and Manitoba. We have ongoing dialogue. I want to indicate, though, that this government has not raised any taxes. It was the previous administration that brought the taxes to the level that they were at, so any responsibility and concerns that they have, they have to take part of that responsibility.

\* (1340)

**Mr. Doer:** Mr. Speaker, perhaps the minister, if he would have known the answer to the question when we asked it two weeks ago, he could have given us that answer in the Chamber to the member for Transcona (Mr. Reid). Secondly, if the Minister of Finance (Mr. Manness) had had the same answer, perhaps the public would have been much more aware of what allegedly is going on than what the minister has answered today in the House.

I would like to table a fact sheet presented by CPR to the provincial government and is being used with other opposition parties in the province to justify changes in the taxation for the railway and discussions of changing the routes to a more north-south direction.

Mr. Speaker, my question to the minister is: In light of the fact that that fact sheet neglects the fact that Canadians gave to the CPR hundreds of millions of acres of land—I think it is 35 million, at least, acres of land across Canada, including downtown Winnipeg—that given the fact, Mr. Speaker, that the CPR made \$355 million last year in profit, would the minister now meet with the CPR

and correct their fact sheet to put the original contract on the table, the original contract that Canadians had with the CPR, that east-west transportation in exchange for the land that the public of Canada, including in the city of Winnipeg, gave to the CPR?

**Mr. Driedger:** Mr. Speaker, further in our conversations with Dennis Apedaile, the Assistant Vice-President of Government and Industry affairs from CP today, he also expressed extreme concern over the media announcements of the last few days. He was emphatic in stating that CP does not plan at this time to route trains around Manitoba, and further, should this decision ever be considered, we would be notified well in advance of any media releases. We would have dialogue with them, which we are doing at the present time.

**Mr. Doer:** Mr. Speaker, if you excuse the members of the opposition, it sounds a little bit like *deja vu*. We were not supposed to be worried about VIA Rail going through southern Manitoba, according to answers from this minister. We were not supposed to worry about our route to Churchill. It was going to be protected in perpetuity, and now we have a short-term protection. We were not supposed to worry about the thousands and thousands of transportation jobs that we have raised in this Chamber, the hundreds of people who have been laid off at CN, the hundreds of people who have been laid off at CP. Every time we asked this minister, he answered, we are not to be worried at this time about those changes.

I would ask the minister and the Premier (Mr. Filmon): Will they remind the federal government, because obviously in Hansard in Ottawa, the federal government forgot or neglected the original contract of land for transportation policies east and west in Canada, not north and south? Will he go back to the federal government and remind them of the original 1881 contract, a contract that CPR has already broken, getting out of passenger services with VIA Rail, the CPR has already broken in terms of other possibilities and policies now in their sovereignty paper that they presented in Ottawa?

Would the provincial government please take a proactive stand so we do not have this situation where at this time, shortly thereafter, Manitoba gets shafted again and losing jobs?

**Mr. Driedger:** Mr. Speaker, let me correct the record. The statement that the member put on the

record here is that the line to Churchill was guaranteed for five years while discussions were going on. It was not in perpetuity, as he indicated there. So that is not accurate.

Mr. Speaker, we have ongoing dialogue. The situation of this government is not any different than it was under the previous administration in terms of our position with rail line abandonment, with the Churchill line or with VIA Rail. I mean their position as they put it forward when they were government, we have followed along those same lines and are still negotiating along the same lines, and I would hope for their support in terms of putting our position forward.

### CP Rail Route Diversion

**Mr. Daryl Reid (Transcona):** Mr. Speaker, on May 8, I raised the matter of CP Rail diverting its coal and potash train traffic around Manitoba via its U.S. subsidiary Soo Lines.

Considering at that time the Minister of Finance (Mr. Manness) then downplayed the importance of this punitive move by CP Rail and that now both CP and the Minister of Finance verified this diversion, what steps is the Minister of Highways and Transportation now taking to protect the jobs of Manitobans employed in CP Rail, since up to 200 trains per year will bypass Manitoba?

\* (1345)

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, I thought I clarified the false information that has been coming forward on this application that CP has made to the American lines to be able to use our gondola cars to haul coal from Wyoming through Canada to Ontario.

I wish the member would have listened to that before he formed his question, because it is a benefit to us to be able to use the Canadian manufacturing gondola cars to haul coal through Canada, through Manitoba, and get the benefit from that respect. We are looking at this very carefully. We are making sure that there is a benefit. If there was any negative reaction to it, we would have been bringing forward our opposition to it a long time ago.

### Transportation Industry Deregulation Review

**Mr. Daryl Reid (Transcona):** Mr. Speaker, I have just received a document here that supports the position, the questions that I have just raised with the minister, stating that those trains will indeed be diverted past Manitoba and around Manitoba and that we will stand to lose jobs in this province, contrary to what the minister is stating here on the record today.

Given that there were dire warnings by many, including members on this side of the House, Mr. Speaker, that deregulation and free trade would lead to this Americanization of our transportation industry, when will this Minister of Highways and Transportation undertake a comprehensive review of deregulation before the five-year time period expires?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, the Memorandum of Understanding was signed in terms of deregulation with all the provinces prior to us forming government. We have been moving along in that direction on the five year—in fact, it was this province that brought forward and insisted on a five-year federal legislation, which would allow the deregulation of the trucking industry to take place over a period of time. The final date is December 1, 1993. We are still on that course to try and allow our motor transport carriers to adjust to the deregulation aspect of it.

Mr. Speaker, that is a different story than the free trade aspect of it that the member is trying to raise at this time.

**Mr. Reid:** Mr. Speaker, my final supplementary is to the same minister.

The document I have here is CP Rail office of the superintendent, and they talk about 500,000 tonnes of potash being diverted around Manitoba, not to mention the coal.

To the same minister, since the federal Minister of State for transportation has said that she is only listening to the shippers in the big businesses of this country and not to the people employed by these industries nor the communities affected, will the Minister of Highways and Transportation and this government finally bring pressure to bear on their federal cousins and end this madness called deregulation?

**Mr. Driedger:** Mr. Speaker, the member is asking me to terminate the deregulation. It was the member for Dauphin (Mr. Plohman), then the Minister of Highways and Transportation, who signed the Memorandum of Understanding which I inherited. It was in progress for over a year before I even got involved in it.

Mr. Speaker, I have always tried to give upright, fair and honest answers. I wish they would get their facts straight before they start raising some of these questions, because a lot of it is innuendo and misunderstanding. As the vice-president has indicated that the union got off on the wrong track, they have a one-track mind and cannot get off that track.

Mr. Speaker, I will indicate and give the assurance to this House that I will, along with my colleagues, look after the interests of Manitobans to the best of our ability, and we ask their support again.

### Manitoba Public Insurance Corp. American Purchasing Policy

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, my question is to the Premier, and I am very interested in the comments by the Minister of Highways and Transportation to say that he is going to defend the interests of Manitobans. It is fascinating also because on the weekend we heard this wonderful plea from the Minister of Finance (Mr. Manness), a plea which said that CP Rail should be more patriotic. Well, we believe they should be more patriotic, too, but we believe it begins at home.

My question to the Premier is: In calling for CP Rail's patriotism, why is he not calling upon the same form of patriotism from the Manitoba Public Insurance Corporation that has just bought \$3 million worth of office furniture south of the border?

\* (1350)

**Hon. Gary Filmon (Premier):** The Manitoba Public Insurance company called for, as I understand it, bids on the supply of office furniture, some of it being routine, others of it being computer station furniture and so on. They received a considerable number of bids. I cannot say right offhand the number of bids, but among those bids was one by Gregory Cartwright, a Manitoba company that met the requirements of the tender and was the lowest bid on the tender. Under those circumstances, the

tender was accepted, and that is the way I think that our Crown corporations operate.

We, as a province, and I think with the support of the Liberals, have been very supportive of removal of interprovincial trade barriers. We have said that we ought to do everything we can to make a more competitive environment for our producers and our manufacturers. We ship much more out of province than we have come into province. We are a net exporter by far of goods and products from Manitoba. As a result, we have to keep the borders open. If we close the borders, you are going to destroy tens of thousands of jobs. That cannot be done. When we ask for bids and we get a low bid from a Manitoba supplier, I think we would be well advised to accept it. Otherwise, the Liberals would be the first ones here saying why did you not accept the low tender from a Manitoba company, and that is exactly what we did.

\* (1350)

### **Crown Corporations American Purchasing Policy**

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, this Manitoba company is buying its office furniture and computers in the United States. Buying Canadian is quite different from buying in America.

How can this Premier justify the total inconsistency of the position taken by the Minister of Finance (Mr. Manness) in calling for the patriotism of Canadian Pacific Rail but, meanwhile, working totally opposite to that principle with regard to our Crown corporations?

**Hon. Gary Filmon (Premier):** Mr. Speaker, there is a very big difference on the part of what the Minister of Finance is saying.

The CPR was given hundreds of millions of dollars worth of land and benefits in an exclusive position by former governments. The Canadian Pacific Railway has an obligation as a corporate citizen to continue to do its business in Manitoba and in Canada by virtue of recognition of the hundreds of millions of dollars of benefits that were conferred upon it by previous governments. I see that as a very big difference.

**Mrs. Carstairs:** The Manitoba Public Insurance Corporation has taken millions of dollars in premiums from the people of the province of Manitoba, and Manitoba Hydro has spent millions of

dollars of Manitoba money on the construction of hydro projects.

Where is the responsibility of those Crown corporations, a similar responsibility, quite frankly, to Canadian Pacific Rail, to buy Canadian, to use Canadian services and to use Canadian geographical area for their transportation?

**Mr. Filmon:** Mr. Speaker, not only does the former history teacher have a little difficulty with history, she has a little difficulty with logic.

The Crown corporations of Manitoba derive their sole income from the people of Manitoba. For every nickel more that they put onto their expenses, they have to charge more to the ratepayers, the ratepayers of Manitoba Hydro, the ratepayers of the Manitoba Public Insurance Corporation, who are their sole contributors of financing and the only place that they get their money.

If she is saying she wants the rates of MPIC to go up and the rates of Manitoba Hydro to go up, then I am going to send that around to every single Manitoban, and they will not be very happy with it.

### **Crown Corporations American Purchasing Policy**

**Mr. Jerry Storie (Flin Flon):** The member for River Heights (Mrs. Carstairs) is not the only one who failed logic, nor is the member for River Heights the only one who got his or her facts wrong.

The First Minister, in an answer to a question, has now suggested somehow that Manitoba is a net exporter of manufactured goods which is clearly not correct. Mr. Speaker, we are a net exporter of jobs, a net exporter of people and a net exporter of raw materials, but not a net exporter of manufactured goods.

I want the First Minister to answer this question. How many jobs does \$3 million in office furniture create?

**Hon. Gary Filmon (Premier):** Mr. Speaker, in response to that, is the member now going to tell the people at Palliser Furniture and all the manufacturers of furniture that they are going to have the borders closed so they no longer can have their products go? How many hundreds of jobs would we lose if the borders were closed to Palliser Furniture? How does the member square that with the fact that there are hundreds of jobs in the furniture industry manufacturing here in Manitoba goods that go outside this province primarily?

The member for Flin Flon is being foolish, once again, because he wants to destroy the jobs of people in Manitoba. We will not let that happen.

**Mr. Storle:** Mr. Speaker, if the First Minister had any idea what the Crown corporations were actually doing, I would accept that answer.

\* (1355)

### **Crown Corporations American Purchasing Policy**

**Mr. Jerry Storle (Flin Flon):** Mr. Speaker, my question is to the minister responsible for the Crown Corporations Council or the First Minister.

Can the minister explain why neither Palliser Furniture, Philip Weiss furniture, Birchwood Furniture, GD Manufacturing, any of the furniture manufacturers in this province that I spoke to today had never heard of this, were not asked to tender for this furniture equipment, knew nothing about it?

Can the minister responsible for the Crown Corporations Council explain why Manitoba manufacturers were not given the first opportunity?

**Hon. Glen Cummings (Minister charged with the administration of The Manitoba Public Insurance Corporation Act):** Mr. Speaker, there were a number of firms that provided tenders to the corporation. There were a number of businesses that tendered on this supply to the MPIC, and it was my understanding that, if these firms were supplying that type of material, then perhaps their wholesalers would have tendered. I will determine on what basis the tender was put out and make sure that was available.

**Mr. Storle:** Three million dollars could have meant as many as 100 jobs.

### **Crown Corporations American Purchasing Policy**

**Mr. Jerry Storle (Flin Flon):** Mr. Speaker, my further question is to the minister responsible for the Crown Corporations Council.

Will this minister now direct the Crown Corporations Council to establish a policy that is consistent with keeping manufacturing jobs in the province of Manitoba, a policy which allows for determining what is a fair price for a product, based not only on the price in the United States, but based also on the taxes and the employment benefits we get from keeping manufacturing jobs in the province of Manitoba?

**Hon. Jim Ernst (Acting Minister responsible for the administration of The Crown Corporations Accountability Act):** On behalf of the Minister of Finance (Mr. Manness), I will take that question as notice.

### **Impaired Driving Appeal Process**

**Mr. Dave Chomlak (Kildonan):** Mr. Speaker, my question is for the Minister of Justice.

All members of this House support initiatives to keep drunk drivers off the road. The implication of an individual getting off from a charge through apparent legal loopholes is one thing, but the implication of the quadruple-vodka defence could have long-term implications for drivers and for drunk-driving legislation in this province.

I am wondering if the minister will indicate to the House today that he will launch an immediate appeal on that particular decision, the quadruple-vodka defence decision, in order to ensure that the loophole is tightened up?

**Hon. James McCrae (Minister of Justice and Attorney General):** I am sure the honourable member is, as always, attempting to be helpful with raising this question today, Mr. Speaker. I am not sure I understand what loophole it is that he is talking about, so maybe he can enlarge on that in his next question. I can tell the honourable member that, as is routine in these cases, the results are reviewed by the Crown to see whether further action need be taken by the Crown.

**Mr. Chomlak:** Mr. Speaker, if the minister does not know, he should know that the ramifications of individuals having quadruple drinks and then getting in the car and driving can be very devastating.

I am wondering if the minister will assure this House that he will come back in very short order and assure us that this decision will be appealed, because as the minister well knows, a precedent of this kind could have long-term effects on drunk-driving legislation in this province and elsewhere?

**Mr. McCrae:** The honourable member can be assured that precedents set by decisions made in our courts are matters of extreme interest to the Department of Justice in this province. We monitor cases as they are heard in the courts and carry them forward appropriately.

**Mr. Chomlak:** My final supplementary: Will the minister give assurances to this House that,



regardless of the decision on the appeal, he will, at the next meeting with the federal Minister of Justice and other provincial Justice ministers, raise this issue to ensure that the Criminal Code can be amended to ensure that, even if the precedent is not turned over in the court, this legislation can be changed to ensure that quadruple defences cannot succeed in the future?

**Mr. McCrae:** Mr. Speaker, Manitoba takes the lead in this country with regard to dealing with drinking and driving offences. I do not think anyone is in a position to dispute that claim I make with some pride. We have had an excellent record in this province for saving lives through innovative legislation.

I will take the honourable member's question as a representation.

\* (1400)

### Immigration Consultants Investigation

**Mr. Gulzar Cheema (The Maples):** Mr. Speaker, my question is for the Premier.

Last week, we learned that immigrants and their families are being exploited by people with political connections. I have been contacted by other individuals who have been victimized. These people approached Mr. Gajadharsingh for assistance in bringing family members to Canada.

Could it be a coincidence that Mr. Seech borrowed as much as \$10,000 from some of these hard-working people? These people only wanted to have their families with them and were in no position to tell Mr. Seech, who was a government official and an associate of the Premier, they would not give him money.

Mr. Speaker, my question is to the Premier. Given that the new evidence of exploitation is coming out and there are many more victims of these immigration scams, will the Premier today order a full-scale independent inquiry to get to the bottom of this scandal?

I will table a copy of the cancelled cheque for \$10,000 in this House.

**Hon. Gary Filmon (Premier):** Mr. Speaker, I will be happy to take this information and pass it along to the RCMP as well as to the Civil Service Commission for their independent inquiries, because we, as I indicated on Friday, want to have this matter dealt with as thoroughly and as

completely as possible. We will do everything possible to evaluate and examine every possible allegation as to wrongdoing.

**Mr. Cheema:** My second question is again for the Premier.

We have been led to believe that letters of reference to intervene in immigrant applications and to influence their acceptance have gone from this government official. Will the Premier table copies of all such alleged letters which have been sent during Mr. Seech's term as a civil servant?

**Mr. Filmon:** Mr. Speaker, I understand that, as a result of the turning over of the matter to the Civil Service Commission as well as the RCMP investigation all of the files of the department that involved, any correspondence or any dealings by the individual in question have been seized for the purposes of the inquiries.

**Mr. Cheema:** Mr. Speaker, many individuals are afraid. They want an independent inquiry.

The last question to the Premier now is: Will he contact the federal Minister of Employment and Immigration and ask that all ministerial permits and visitors' visas given to potential immigrants coming to Manitoba on the recommendation of this individual and Mr. Paqueo be made available to the independent inquiry for public disclosure?

**Mr. Filmon:** Mr. Speaker, I do not think there is any inquiry that is more independent than that being done by the RCMP. If the Leader of the Opposition or the member for The Maples want to allege that the RCMP are in some way influenced by this or any other government, let them stand and say that. I would be sure to have that matter—and I wonder why the member for The Maples did not refer that to the RCMP.

**An Honourable Member:** The RCMP know about it.

**Mr. Filmon:** Well, in that case then it is being examined and—

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

**Mr. Filmon:** Mr. Speaker, we have put absolutely no restrictions on the part of the RCMP in their investigation. The RCMP are doing a very thorough, complete and totally independent investigation, and we welcome that because we want to see this matter pursued to the fullest extent possible, and we want to ensure that justice is done in this case.

### Immigration Government Policy

**Ms. Marianne Cerilli (Radlsson):** Mr. Speaker, immigration is becoming more and more of a provincial concern. This government has this year budgeted \$50,000 to negotiate an immigration agreement with the federal government, and in Estimates the minister said that the focus would be on the independent class of immigrants.

My question for the Minister of Culture, Heritage and Citizenship is: What assurances can she give the House that we are not creating a buy-yourself-into-Canada immigration policy as we have seen with the Iraqi ambassador?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship):** Mr. Speaker, we indicated during the Estimate process, yes, in fact, that was one class of immigrant that we would like to see some control over as a provincial government, because we have jobs available here in the province of Manitoba, and we would like to see immigrants come to Manitoba and be able to access those jobs that are available. We, at the present time, will continue to have no control over the refugee status of immigrant that the federal government will determine from time to time will come to our country and to our province.

For a family reunification, those are special instances whereby people who are living here in Manitoba want their relatives to be able to come and join them, and those will always be dealt with in a different manner, but, in fact, those independent immigrants who come to Manitoba—we would like to arrange an agreement whereby the province would have some more control, and it would be completely legal.

### Selection Criteria

**Ms. Marianne Cerilli (Radlsson):** We have seen a freeze in the number of government-sponsored refugees to the country, and we have seen a dramatic decline in the number of refugees to Manitoba this year.

What system or criteria will this government be proposing for Manitoba in the negotiations with the federal government?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship):** We, as a province, want to ensure that we have control over the number of immigrants who come to Manitoba, we want to

receive our fair share, and we want to do it in a way whereby those immigrants who come here will have the opportunity to access jobs and contribute in a very positive way to our province.

**Ms. Cerilli:** Mr. Speaker, for the same minister. Will the government be moving away from the point system for independent class immigrants which discriminates on the basis of sex, on the basis of social class and on the basis of race?

**Mrs. Mitchelson:** Mr. Speaker, we will not be moving toward any system that will discriminate against any immigrant who comes to our province. We want to ensure that access is open, it is honest and that, in fact, the immigrants and the province of Manitoba will both be able to benefit from an agreement.

### City of Winnipeg Council Reduction

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, I have been shocked by the slapdash and haphazard way the government is attempting to alter the Winnipeg City Council. I have tabled reports in the House from the Institute of Urban Studies, which show the adverse impact of these proposals on the representation of the inner city. The press is now citing student reports to show the lack of support for the policy amongst the existing council, but this minister has done no research. He offers no white papers. He has given the House no indication that he has any idea of the impact of his policies.

My question for the minister is: Will he admit today that it is a mistake to reduce democratic institutions, to admit that it cannot serve the political and economic needs of the inner city and to recognize that there is widespread opposition to his policies?

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Speaker, as members of the House know, we have had a commission of enquiry out holding public hearings to determine what position the government should take in terms of restructuring the City of Winnipeg Council. I am anticipating the receipt of that momentarily. Mr. Speaker, when it is received, we will review it.

\* (1410)

### Council Reduction Report

**Ms. Jean Friesen (Wolseley):** Mr. Speaker, hundreds of Winnipeggers told the Eldon Ross

committee of their opposition to pie-shaped wards and to the reduction of City Council. Will the minister commit today to tabling, with the Eldon Ross report, the verbatim reports of the public and private meetings that this committee held, so the public can judge for themselves the vehemence of the opposition to this change?

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Speaker, I have indicated in the past, and I will indicate again today that the report of that commission, the Winnipeg Ward Boundaries Commission, I will table in the House as soon as it is received.

**Ms. Frlesen:** Mr. Speaker, is the minister prepared to wait for and consider City Council's own report on this issue, or as one might suspect is the legislation already drafted?

**Mr. Ernst:** Mr. Speaker, again, I would like to repeat the answer I gave to the member's first question. When the report is received, I will table it in the House. When it is received, the government will review it and make its decisions accordingly.

### **Claro Paqueo Real Estate Broker Status**

**Mr. Doug Martindale (Burrows):** Mr. Speaker, within the last hour, the Manitoba Securities Commission told us that they have not been told to launch an investigation into how Mr. Claro Paqueo obtained a real estate broker's licence. Why has the minister not launched such an investigation herself? Does she not realize that any applicant for a real estate broker's licence must state whether they have previously been charged, indicted or convicted under the laws of Manitoba?

**Hon. Linda McIntosh (Minister of Co-operative, Consumer and Corporate Affairs):** I presume that question was for me, Mr. Speaker, although it was not identified.

I do not know to whom it was that the member spoke to gather his information, but I am pleased to report to the House that I have today spoken to the chairman of the Manitoba Securities Commission on this topic and that they are in the process of doing a complete review of the real estate licence of Claro Paqueo.

**Mr. Martindale:** Mr. Speaker, can the Minister of Co-operative, Consumer and Corporate Affairs tell the House why the real estate broker's licence for Mr. Paqueo has not yet been revoked?

**Mrs. McIntosh:** Mr. Speaker, I repeat that the chairman of the Manitoba Securities Commission and I have been in discussion on this topic today and that he is in the process of doing a review of that particular licence.

### **Selkirk, Manitoba Downtown Revitalization**

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, in 1989, this government withdrew funds for a downtown redevelopment plan in Selkirk. In 1990, the government refused to support a resolution presented by the member for Concordia (Mr. Doer), which supported Selkirk downtown development.

My question is for the Minister of Rural Development. When will this minister keep the commitment to downtown revitalization in rural communities, which was made in the October 1990 Throne Speech, and commit funds to downtown development in Selkirk?

**Hon. James Downey (Minister of Rural Development):** Mr. Speaker, the member, first time having, I guess, had the opportunity to ask a question dealing with his community in this matter, this would be a very appropriate question to ask during Estimates and I would be more than—

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

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

**Mr. Downey:** Mr. Speaker, I want to make it very clear there has been some accommodation in the budget for downtown revitalization for some Manitoba communities.

**Mr. Dewar:** I think there is, I believe, \$400,000 budgeted in the last budget, and I ask the minister: Will he assure this House and the people of Selkirk that Selkirk will receive its share of these funds?

**Mr. Downey:** Mr. Speaker, I want to say that some communities have made a commitment at community level and are more prepared than others, and we will deal with them as those communities come forward in a prepared manner.

**Mr. Dewar:** Will this minister meet with the Selkirk Core Revitalization Committee and study their latest downtown proposal?

**Mr. Downey:** Mr. Speaker, I believe there was a request some days ago that came from the Selkirk community of which I was more than prepared to meet and to accept far prior to this question coming in the Legislature today.

### Education Facilities Construction Projects

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Mr. Speaker, my question is to the Premier.

On May 21, 1991, the Minister of Education and Training (Mr. Derkach), in response to a question from me, said that the construction of schools list had not been finalized or announced at this particular point in time, but as soon as that decision is finalized, I will consent to sending a copy to the member as quickly as possible.

Can the Premier, therefore, explain why the Minister of Government Services (Mr. Ducharme), the member for Seine River (Mrs. Dacquay) and the member for St. Vital (Mrs. Render) were writing to constituents as early as April 17, 1991, identifying what school projects would be built in 1991-1992?

**Hon. Gary Filmon (Premier):** I will take that question as notice and report back to the member.

**Mrs. Carstairs:** Mr. Speaker, in the original letter, which I am prepared to table, they spoke only about 14 portable classrooms. In an additional letter dated April 18, the member for Seine River actually indicates that a school, Highbury, will be constructed by the fall of 1992.

Can the Premier tell us why members of his party have information that was denied to members in the Estimates process?

**Mr. Filmon:** Mr. Speaker, I was surprised a couple of weeks ago when the member for River Heights alleged that she knew what had been said in a cabinet meeting on a particular issue, so I guess everybody tries to demonstrate how much information they have and share that information as much as they can, but I will take that question as notice as well.

**Mrs. Carstairs:** Mr. Speaker, is it the new policy of this government to announce to members of their own party information which is then denied in the Estimates process to members of the opposition?

**Mr. Filmon:** Mr. Speaker, I will be happy to look into that matter and report back.

### Employment Programs Government Initiatives

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, my question is to the Minister of Industry, Trade and Tourism.

We are on a record-breaking course. In 1990, the province had 40 percent more bankruptcies than in the previous height of the recession in 1980. We are now on a pace of approximately 4,000 bankruptcies in 1991. Can the Minister of Industry, Trade and Tourism tell me whether this government has any plan of action to stem the tide of lost jobs and lost opportunities in the province of Manitoba based on the figures from Statistics Canada today?

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** Mr. Speaker, once again the honourable member for Flin Flon's preamble has some inaccuracies in it. It seems to be the case far too often.

When we are looking at this particular issue, I think we all recognize we are in a recession here in Canada and we have to look at how Manitoba is faring across this country. In terms of the recent statistics announced for the month of February, at least the good news is that Manitoba is faring fourth.

If they like to compare us in how we are faring in other economic indicators in terms of this particular indicator, the province of Manitoba, while none of the news relative to bankruptcies is good news, our particular position is fourth across Canada.

I do want to point out again in terms of his preamble, he talks about the worst-case scenario, and just to put some accurate numbers on the record, Mr. Speaker, Manitoba bankruptcies per 1,000 new business starts are currently running at about 49 per 1,000, up from a rate of 44 per 1,000 in 1990. To put this in perspective, the highest level of business bankruptcies per 1,000 starts in Manitoba over the last 20 years occurred during the last recession in 1982, at 58 percent per 1,000.

I ask you, Mr. Speaker, who was the governing party of the day at that particular point in time?

**Mr. Speaker:** The time for Oral Questions has expired.

### Nonpolitical Statements

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, may I have leave to make a nonpolitical statement?

**Mr. Speaker:** Does the honourable Minister of Labour have leave to make a nonpolitical statement?

**An Honourable Member:** Leave.

**Mr. Speaker:** Leave? Agreed.

**Mr. Praznlk:** Mr. Speaker, this weekend the community of Lac du Bonnet had the privilege of being the host to the Provincial Mine Rescue Competition in which mine rescue teams from across the province competed in the area of mine rescue.

I am pleased to inform the House that the winner of the 1991 mine rescue competition was the Inco T-3 team from Thompson. The team captain was Al Meston, team members included Rick Young, Dennis Fontaine, Doug Whelan, Joe Dobbin, John Karasz and the co-ordinator was Don Dnistransky.

I think all members of the House, I would hope, would join with me in congratulating not only the successful team but all of those individuals who participate in mine rescue teams across the province. We hope their services are never needed, but we are certainly very happy that they are there if they are needed. Thank you, Mr. Speaker.

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**Ms. Becky Barrett (Wellington):** Mr. Speaker, I wonder if I may have leave of the House to make a nonpolitical statement?

**Mr. Speaker:** Does the honourable member for Wellington have leave to make a nonpolitical statement?

**An Honourable Member:** Leave.

**Mr. Speaker:** Leave. Agreed.

**Ms. Barrett:** Mr. Speaker, I would like to, on behalf of our caucus and I assume the entire Legislative Assembly, give congratulations to the beginning of National Access Awareness Week, which has a week-long series of events and activities planned involving the entire community, emphasizing the five theme areas of National Access Awareness Week: transportation, housing, employment, recreation and education. We would like to salute all the workers, volunteers and participants and wish them well in this week's series of activities.

We also hope this week will make us aware of the need for access for all, access to the programs to enable everyone, no matter what their abilities, to live their lives to the fullest measure, which is not only a right, Mr. Speaker, but it is a privilege. We again congratulate the people who are participating and hope that we all learn from the activities and programs of this week.

\* \* \*

\* (1420)

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, I was rising to seek leave of the House to make a nonpolitical statement.

**Mr. Speaker:** Does the honourable Minister of Justice have leave to make a nonpolitical statement?

**An Honourable Member:** Leave.

**Mr. Speaker:** Leave. Agreed.

**Mr. McCrae:** Mr. Speaker, a little earlier today I had the privilege and the pleasure to take part in the passing of the torch with respect to the Peace Run for 1991. Runners from every province and many of our centres in Canada and runners in 70 countries around the world were involved in the Peace Run for 1991, stressing the themes of peace and compassion, understanding and tolerance, and respect and equality.

Mr. Speaker, we know we have a lot of work yet to do when we see the situation this year with the Gulf War, with the situation in eastern Europe and South Africa and elsewhere. We know that there is much, much understanding and tolerance still to be promoted when we see the tragic assassination of Rajiv Gandhi, when we know that other people of this century have been wiped out, people like Indira Gandhi, Mahatma Gandhi, John Kennedy, Robert Kennedy and Martin Luther King Jr. We know those dreadful assassinations are symptomatic of much more that is going on in our world.

On the bright side, Mr. Speaker, the Peace Run is there to remind us that no matter the colour of our skin or our ethnic background or our religion, the type of work we do or which sex we belong to, those principles of understanding, tolerance and respect are necessary for us to have a peaceful world. I would ask honourable members to join with me in cheering on those organizers and participants of Peace Run '91.

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**Mr. Gerry McAlpine (Sturgeon Creek):** Mr. Speaker, do I have leave to make a nonpolitical statement?

**Mr. Speaker:** Does the honourable member for Sturgeon Creek have leave to make a nonpolitical statement? Leave. Agreed.

**Mr. McAlpine:** It is a privilege for me to rise today. On last Friday, May 24, my son and daughter-in-law added to the women of the world with a daughter, 8 pounds, and I would like to share this with the House. Jeannie, my wife, and I will be looking forward to many happy days with our new granddaughter.

### ORDERS OF THE DAY

**Hon. Darren Praznik (Deputy Government House Leader):** Mr. Speaker, firstly I would like to ask if you could canvass the House to see if there would be leave to waive private members' hour.

**Mr. Speaker:** Is there leave of the House to waive private members' hour?

**Some Honourable Members:** No.

**Mr. Speaker:** No, leave is denied.

**Mr. Praznik:** I would move, seconded by the honourable Minister of Highways and Transportation (Mr. Driedger), that Mr. 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 agreed to,** and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Urban Affairs; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Northern Affairs.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY—URBAN AFFAIRS

**Mr. Deputy Chairman (Marcel Laurendeau):** Order, please. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Urban Affairs.

When the committee last sat, it had been considering item 3. Urban Policy and Agreement Management 3.(a) Salaries, \$430,000, on page 153 of the Estimates books and on pages 27 and 28 of the Supplementary Information book. Shall the item pass?

**Ms. Jean Friesen (Wolseley):** Mr. Deputy Chairman, I think, at the end of last time, we were having some difficulty about how to proceed, because I was looking at the annual report and

trying to make some connections between the annual report of the department and this particular section of the Estimates.

I think, off the record, as we left the room we were discussing the problem of my having only the '89-90 annual report, which is the most recent one. I think we were looking at, the last time, the Winnipeg Region Committee and the land-use policy related to it. I think that is where we were.

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Deputy Chairman, it is an activity of this branch of the department, Urban Policy and Agreement Management.

\* (1440)

**Ms. Friesen:** I think the difficulty I was having with it was it seemed to be a co-ordinating committee without any kind of policy formation. The constant problem I have with this department is the absence of research and the absence of directed policy. I wonder if the minister could perhaps comment on that in general. This is the urban policy co-ordination section that we are looking at.

What overall policies does he have in the department for the application of the manpower to policy research in urban affairs, and particularly, could he indicate on the Winnipeg Region Committee what kind of policy research he plans to or has initiated on the Winnipeg Region under its new conditions?

**Mr. Ernst:** Mr. Deputy Chairman, the Winnipeg Region Committee, and I think I may have explained that the last time, but if I have not, I think I will just review it again quickly, has over the past while—I have not yet had an opportunity to meet with these people, but I am looking forward to that in the next couple of weeks.

I have looked at a series of issues related to common problems dealt with between Winnipeg and the municipalities of the urban region, and some research and indication has gone on with respect to a number of those issues.

I can, if you wish, talk about some of them: Rural residential development has been one of them, conversion of prime agricultural land to residential; the control or limiting of rural residential development; the protection of rural character from influence of growing on-farm populations and land-use conflicts; leapfrogging of development; transportation and municipal services; regional integration of transportation networks; protection of

corridors for future transportation needs; provision of cost-efficient servicing; provision of cost-efficient health education, recreation and services; waste management; resource management; sustainable development; development of tourism and recreation opportunities.

A number of those things have been under consideration. There are policy papers produced by staff, not just to the Department of Urban Affairs. We have a relatively small staff and do not have a lot of capability to do a lot of that work, but a number of the other—Rural Development has been involved. The Department of Environment has been involved. The City of Winnipeg has been involved. We have been drawing on resources wherever we can find them to develop policy issue papers on these issues, and then the committee will deal with them as they come forward.

**Ms. Friesen:** Mr. Deputy Chairman, are there any of those policy papers available?

**Mr. Ernst:** The rural residential one, I think, is available. We have a number of issues coming just at this next meeting, which I hesitate to distribute at this point until after we have had the opportunity to discuss it with them.

**Ms. Friesen:** So of the list the minister provided, there is only one paper that is available?

**Mr. Ernst:** Rural residential development, Mr. Deputy Chairman, dealt with a number of issues, the conversion of agricultural land and so on. Those things were considered in the rural residential development paper. I am not sure exactly which other ones are available and which are not, but I will investigate and get back to you.

**Ms. Friesen:** I would like to see a list of the research proposals and white papers or whatever that are being developed, and I would certainly like to be able to read the ones that have been prepared.

It seems to me an appropriate role of this department and the staff of this department to be conducting that kind of research for the Winnipeg regional communities. Most of the municipalities do not have the capacity or the money to undertake those kind of studies, and it seems to me the appropriate role for this department. I would like to commend the department on the research that it has done in those areas and to urge them to make it more widely available publicly so it can form the basis of public discussion.

**Mr. Ernst:** Mr. Deputy Chairman, if I can just point out to the member for Wolseley that the Winnipeg Region Committee sets its priorities, sets its agenda and so on where they are in a supportive, co-ordinating and participatory role, but not as a big brother. When the Winnipeg Region Committee decides they want to focus on a particular issue, I mean, we make some recommendations. We do provide some background material from time to time and make suggestions, but ultimately, it is the committee who makes the decision as to which area they want to delve into and which kind of issue they want to focus on, so we try to accommodate that as best we can.

**Ms. Friesen:** Is the minister then suggesting that the province is an equal partner with the municipalities in this committee?

**Mr. Ernst:** Well, Mr. Deputy Chairman, it has been our position to try and be consultative, co-operative and as communicative as possible with members of the regional committee. I do not think anybody looks as one member having more or less authority or position or anything else. We are there as a group trying to solve a common problem.

**Ms. Friesen:** Some within the group, Mr. Deputy Chairman, would have larger resources than others, and that is what I am suggesting here. The department, meager though its resources are in policy formation, it seems to me, has a role within this broader context to provide that.

**Mr. Ernst:** That is exactly why we started it, and that is exactly what we are doing.

**Ms. Friesen:** Mr. Deputy Chairman, on a matter of procedure here, would you like us to proceed with looking at North Portage, Core Area, Forks Renewal here or under separate appropriations?

**Mr. Deputy Chairman:** I think we will leave that up to the minister. I believe it does fall under this criteria.

**Mr. Ernst:** Mr. Deputy Chairman, we would be happy to answer it under this particular section if members of the committee are agreeable. I might suggest, though, that there is another opportunity when those corporations appear before Committee of the House and deal with their annual reports and so on. We do not have a high level of detail, depending upon the issues that the member may wish to bring forward, so we may have to seek additional information or whatever as the case may be.

**Mr. Deputy Chairman:** What is the will of the committee?

**Ms. Frlesen:** Mr. Deputy Chairman, I am prepared to accept that for The Forks and for North Portage, but I do not believe Core Area reports to us separately, so it is a question then of where you want—I think there are policy elements of all three.

**Mr. Deputy Chairman:** The Core, does that not fall under (d) on the next page?

**An Honourable Member:** Yes.

**Mr. Deputy Chairman:** That falls under Section (d) Canada-Winnipeg Core Area Renewed Agreement on the next page. -(interjection)- Well, it depends on how far you want to get into the speaking on it, I mean. What is the will of the committee on it?

**An Honourable Member:** Have we dealt with this section then? Well, then let us—

**Mr. Deputy Chairman:** Do you want to look at the planning here?

**Mr. Ernst:** Well, Mr. Deputy Chairman, I think maybe we should try to complete this. North Portage has a line on the next page, Core has a line on the next page, and we can throw in Forks and that, if you like, at the same time. So if we can maybe continue to deal with the Urban Policy and Agreement Management section and then press onto the next page.

**Mr. James Carr (Crescentwood):** Well, there are a number of issues related to the renewal of the Core Area Initiative and tripartite co-operation between the three levels of government and presumably that would fall under this line in the Estimates.

**Mr. Ernst:** It may or may not seem to make some sense perhaps to deal with Core in all of its facets, but I am flexible.

**Mr. Deputy Chairman:** Okay. What is the will of the committee? Have a little discussion.

**Ms. Frlesen:** Yes. I think the member for Crescentwood, the Liberal Party critic, and I are agreed that what we would like to do is to deal with the majority of those items under this section here, that is Core, Forks, North Portage, and that we will go back and forth on those issues during the course of this. There are also other areas in here that I certainly wanted to address, so just for the minister's information.

**Mr. Ernst:** As I said, I am trying to co-operate as much as I can.

**Ms. Frlesen:** All right, let us have a look then at the Core Area programs. One of the things that I have been concerned about, and I have asked the minister in the House, is the program which does not appear to have got off the ground yet and that is the Inner City Foundation. Would the minister like to elaborate a little more than he did in the House on the way in which he sees that program? What is its future?

\* (1450)

**Mr. Ernst:** Mr. Deputy Chairman, there are a number of areas of the Core Area Initiative agreement that have not yet been put into place or have not been utilized or have not been allocated directly. The question of the Inner City Foundation is one of those.

There are a number of areas also where there may or may not be overexpenditures or projects or plans or programs that have not yet been fulfilled. As a result—it was a decision, prior to my coming here, by the three members of the policy committee to hold those items in abeyance for a period of time until there was a better feel for how the balance of the programs and functions and facilities and things of that nature were going to unfold.

The anticipation is at the present time that would occur some time in late June or early July, depending upon a couple of things falling into place, but that is the anticipated time when all of these areas, where we have not yet made a definitive decision, will be addressed in conjunction with the balance of the core.

**Ms. Frlesen:** So this in fact is one of the areas that was frozen?

**Mr. Ernst:** Mr. Deputy Chairman, I do not think "frozen" is an appropriate word. Decisions on certain programs and issues related to the balance of the core were not taken, were deferred in fact for a period of time until approximately the end of June when they will be addressed by the members of the Core Policy Committee.

**Ms. Frlesen:** Can the minister explain what exactly was deferred? My understanding is that nothing had started in this program. So what exactly is on hold? What is being deferred? How far had you gotten along with considering the foundation and its organization, its method of procedure, its operations?

**Mr. Ernst:** As I understand it, the City of Winnipeg is the implementing authority with regard to this



particular issue, and they had up until this point, I guess, not—they have had other priorities in trying to deal with the Core and certain other programs and things to try and get off the ground and get functioning and so on. They have not yet developed the formalities of the kind that the member refers to.

**Ms. Friesen:** Mr. Deputy Chairman, will the City of Winnipeg have the opportunity now to develop those, given the short space of time that is left, and I will put the phrasing in quotes, “the deferment of this money”?

**Mr. Ernst:** Mr. Deputy Chairman, I suppose the city can do whatever it chooses to do, but I think in the overall terms that we would like to bring together, at the end of June or thereabouts, all of the matters that need to be done, all of the funding under the agreement that is available to complete it, and then to set the priorities of the policy committee related to requirements and funding and try and—if everything matches, great. If it does not match, then there may have to be some priorities established. You know, that will come together at the time that the Core Policy Committee meets.

**Ms. Friesen:** I am a little puzzled about your attitude to the City of Winnipeg on this one. Essentially you are saying the City of Winnipeg has not done anything. Is this not three equal partners, as we were so often told in the House, responding to questions? Why has the province not said, hey, look, here is an entire program, one out of 12 on which we assume that no progress has been made? Has the province ever indicated its discomfort with that to the City of Winnipeg?

**Mr. Ernst:** Mr. Deputy Chairman, while certainly everybody is a partner in the Core Area Initiative, the Core program has been delivered by implementing jurisdictions by and large. The City of Winnipeg delivers a number of programs, the federal government delivers some programs and the province delivers some programs. Those programs are trying best to be matched with the ability of the administrative bodies of the respective governments to be able to deal with it. Traditionally the federal government has had some difficulty because their administrative structure locally in Manitoba is not necessarily geared to delivery of these kinds of programs, although in some cases they are well suited to it.

Discussions take place on a regular basis, both at the management committee, which is the staff

people associated with the agreement, and the policy committee as well on a variety of different areas of the Core Area Initiative. I cannot indicate what went on before I became the minister, but we have had, basically, two discussions in general terms on the Core since I have become the minister. The question of finalization of programs and finalization of issues related to the Core have been, as I said, deferred until the 30th of June.

**Ms. Friesen:** I am talking here about initiation of programs not finalization. Although I recognize that you are a new minister, there is a management committee which includes your staff, and I wonder if the minister would like to take the time to confer with his staff to see what kind of initiating steps have been taken on Program 7, I think it is.

**Mr. Ernst:** The indications are, from staff, that they have had discussions amongst the management people over a period of time as to what the status of this particular issue was. I gather that the indications are that this matter was deferred along with a number of other issues until such time as—because the fund, which originally was intended to be set up at the beginning of the agreement, was not.

The intent was to set it up at the beginning of the agreement, accumulate interest over a period of time so that, at the end of the agreement, it would have a pool of capital to be able to deal with issues. That did not occur for whatever reasons; it did not. The matter, then to say, has been now put into a deferral mode until such time as we try and match the available funding left in the agreement with the expenditures that are expected to be incurred by the end of the agreement.

**Ms. Friesen:** Mr. Deputy Chairman, I have a few more questions on specific Core Area programs, and then I want to look at some of the long-term issues of Core.

One of the ones that I have had concerns expressed by constituents is the—I am not sure of the acronym for it, but it was the one that offered deposits to people who would buy homes in the inner city, a program of Core Area. What was it called? CAIGHO, was that it?

**Mr. Ernst:** CAIGHO, yes.

\* (1500)

**Ms. Friesen:** CAIGHO, okay.

One of the difficulties that a number of my constituents had, particularly those who are in public housing, was that they never found out about this particular program until it was too late, and I gather this was more wide spread across the city. When I made inquiries on their behalf, what I found out was that the majority of the advertising had been done through real estate agents. I found this very disturbing, and I checked with Core Area people. The civil servants' answer on this is that the program was aimed at filling houses, that it was not aimed at a social program. It was not aimed at getting people out of public housing or people who might have a social need to purchase their own house and be able to benefit from such programs. It was not aimed at them.

As far as the Core Area people were concerned, the purpose of that program was to get anybody into housing. There was no policy indication of whether there should be a certain proportion of single people, a certain proportion of family people, that sort of thing. I am wondering if the minister could indicate why there was—I understand both aspects of this, but could the minister indicate why there was no political interest in combining that variety of needs in this program? Why did you focus upon one? Why did you not look also at the social needs?

**Mr. Ernst:** The member for Wolseley will have to give me a minute to confer with the staff. This was primarily completed prior to my coming into office.

Mr. Deputy Chairman, thank you. I thank the committee members for their indulgence. This program apparently was implemented some time ago as part of the Core Area Agreement but dealing predominately with new homes, looking for participation of new home buyers into the core. There were a number of conditions attached it, which I will not go into. There were brochures, press releases and other kinds of information dissemination out into the public.

There was not a great deal of take-up under that particular program. I gather, from what the staff are indicating anyway, it is because the differential between the new home cost and the existing market, which was somewhat depressed over the last period of time, was significantly different, as much as maybe 15 or 20 percent difference in the cost. Whatever the reason, there was not a lot of take-up under the program.

It was determined then, late last fall, in order to support Core Area Initiative principles, in order to support existing core neighbourhoods and things of that nature, that an influx of new home buyers, young families predominately, into those neighbourhoods—the program would be changed. At that time, I am advised, there were press releases, information brochures and so on. What happened was that I gather the Winnipeg Real Estate News, which is an industry communications vehicle, picked up the press release and printed it. I think that is the newspaper that you get in the shopping centres, drug stores and things of that nature. The Winnipeg Real Estate News spurred both the entrepreneurial real estate salespeople and those people interested in looking at purchase of a home to attempt to deal with the program.

As a matter of fact, it was so successful that it ran out of money almost within a month or six weeks. It happened very, very quickly where that volume of interest—we had, I think, about 200 funded applications, and I think there were 300 or 400 who were not funded because of the program running out of money. I do not think anybody quite anticipated the kind of demand that would be there and the kind of interest that was shown in the program, and the fact that it managed to attract an awful lot of people in a short period of time.

**Ms. Friesen:** I think when you are offering—was it \$10,000 deposit?—that you ought to have anticipated or the Core Area ought to have anticipated there would be considerable interest in that kind of money. I understand that the program has fulfilled some goals of Core Area in the sense of bringing new families and new groups into the inner city. I understand that.

What I am asking is, why could not that goal of Core Area, since the whole purpose of Core Area is to bring together social-economic policies for the core area, have been done in tandem with distribution of this kind of information to people in public housing, people who would not, as my constituents tell me, normally have read the Real Estate News, been in contact with a real estate agent because they were not in the market for a house? They would never ever have been in the market for a house. They are in public housing for certain economic and social reasons.

It is that loss—it seems to me that was exactly what Core Area was set up for, for the social and for the economic programs. You have not really—the

Core Area people have not really co-ordinated that in this program, and I think it was something that caused great disappointment to many people. It should not have done; it was a good program. With a little more thought, a little more planning, a little more co-ordination of the kind that Core Area was set up to do, it could have brought, I think, much more satisfaction to the very large number of people who were involved.

**Mr. Ernst:** I suppose, Mr. Deputy Chairman, that hindsight is 20-20 in this circumstance. In many respects, I would agree with the member for Wolseley that it could have been handled I guess maybe in a little bit better way in terms of trying to identify other segments of the market that are potentially there for families in public housing and something we could well have looked at.

I do not know all the circumstances related to exactly how it was developed and what the rationale was directly amongst the policy committee members, because I was not at the meeting obviously. I would take the member's question as—if we ever do it again, we will certainly look at it taking those considerations in mind.

**Ms. Friesen:** I wonder if—I do want to get into a number of detailed questions on Core Area. I wonder, since it is at the end of the agreement and it is time to evaluate and review it, would the minister consider having the Core Area staff here in a more formal way?

**Mr. Ernst:** It would be highly irregular. It is a departmental Estimates of the Department of Urban Affairs that we are considering, not Core Area Initiatives operations. If we are not able to answer the questions that you have, we will certainly attempt to get the information to you as quickly as we can.

**Ms. Friesen:** I am wondering if something parallel to what the member for Crescentwood (Mr. Carr) has proposed in earlier times, that is bringing The Forks and North Portage here, if that could not be done with Core Area, given that it is the end of the agreement.

**Mr. Ernst:** Mr. Deputy Chairman, the Core Area Initiative office functions under the direction of the policy committee which are three levels of government. It does not have a separate board, is not at arm's length from the government, does not function in the same way as the North Portage and

Forks Renewal Corporation boards function. We are one party to a three-party agreement.

**Ms. Friesen:** I accept the distinction there, Mr. Deputy Chairman. One of the other programs that I have had a lot of calls on is the one which deals with home repairs, and I am sure a lot of members of the Legislature have had calls on that. One of the difficulties I think that has recently been encountered is the ending of that program. It is a joint CMHC and a Core Area program, and they are in fact two programs which run in parallel there. It is quite a complicated program, but one of the problems that people have been encountering is that the program has been cut quite recently, that is, completed and cut in the sense of ended. People have already expended considerable amounts of money in meeting inspector's requirements, and now they find that they do not even have the opportunity to apply for the grant. My colleague for Burrows reminds me they are very angry indeed.

\* (1510)

I wonder if the minister could comment on that. What kind of policy decisions led to that kind of change? Why were people, for example, led into having the inspectors there? Say it is over the last three or four months. The inspectors come, they say, we want x, y and z, people lay out the money, often up to thousands of dollars, and then they find there is no program for them to apply for.

**Mr. Ernst:** Initially, the CAHRP Program, Core Area Home Repair Program, the implementing jurisdiction was the City of Winnipeg. There were a number of problems associated with delivery, through the City of Winnipeg mechanism that they had set up, to a point where about five, six months ago the province took it over through the Department of Housing. The Department of Housing then became the implementing jurisdiction and processed a large number of applications to a point where all of the allocation under the Core Area Initiative was in fact used up. Like in any program, what you have is a budget and budgeted funds for that particular section of the agreement.

Once the Department of Housing started to deliver the program, it speeded up a lot of applications in a big hurry to a point where, I guess, if you look at it on the basis that of every 10 applications you took in you might fund two. I do not know what the numbers are, but as an example, there is a demonstration, that only two would ever

actually come to fruition, or however many that would be. Certainly it would not be all, so you keep taking in because you are only going to get a percentage of those actually reaching the point where they need the funding or meet all of the obligations associated with the funding. As a result, intake is coming in, but in the meantime, take-up is a lot greater. As a result, you run out of money.

Now, apparently, this program has had one influx of additional funding already to try and serve a number of needs. In fact, it is on the agenda for reallocation of funding. I cannot make any promises, obviously, and it will depend on an awful lot of things, funding available, other expenditures and things of that nature, but it is something that we have in mind because of the large demand. We are going to be considering that again when we next meet.

The RAP program, I think, is delivered by CMHC at the present time, and that is still available, as far as I know. They do not have to have both; one complemented the other. The RAP program assistance for home repair is still available, as far as I am aware, through CMHC, and they can continue to access that if they meet the qualifications for it.

**Ms. Friesen:** There are different criteria, though, I think, and I know that the majority of people I have dealt with have actually been on the Core Area provincial program, so there is, as you say, not a certainty but some hope they might have that there is reconsideration.

**Mr. Ernst:** I do not want to lead the member on or hold out that this is some kind of certainty. It is a consideration. We recognize the problem, and we recognize that an awful lot of people had, during this intake process, made application or did certain things to try and access this funding, who have not been able to be satisfied because the budget was fully expended.

However, we will look at the potential during the reallocation process to determine whether we can, in fact, meet some of this demand, recognizing it is there and recognizing there are a number of people wishing to access it. I do not want to make any promises. I want it to be clearly known for members of the committee that it is something we are going to be giving consideration to, but I will not make any commitments at this point. I cannot make any commitments at this point.

**Ms. Friesen:** Could the minister indicate how many people have been caught in this trap?

**Mr. Ernst:** The information is general in nature, but approximately between 50 and 100.

**Ms. Friesen:** Mr. Deputy Chairman, I do not think they are all in Wolseley, but certainly it is an inner-city constituency, strong residential community, and it is one that I think my constituents would be very interested in hearing more about.

Could the minister indicate why, under this program, a policy decision was made to exclude co-operatives? I have a number of co-op residences, and they are excluded, even though they are nonprofit, from rehabilitation.

**Mr. Ernst:** I am advised, Mr. Deputy Chairman, that when this originally was set up, the intent was to deal with single-family homes, not duplexes, not apartment buildings, not co-ops, not other kinds of residences or rooming houses or anything of that nature, but single-family homes. That was the original intent of the program and remained so, I gather, throughout the program.

**Ms. Friesen:** Mr. Deputy Chairman, I wonder if the minister would entertain in his reconsideration of this program the possibility that co-ops are in fact families and do operate, unlike duplexes, unlike rooming houses, in a co-operative manner?

**Mr. Ernst:** The staff have also advised that apparently co-ops were available for the rental RAP program that CMHC had, but it is no longer in place. It was cancelled about a year or so ago.

If we are having trouble dealing with the existing backlog of people at this point and trying to hopefully reach some kind of accommodation for them, I would hesitate to put people to a bunch of work at this point or to raise any expectations that we can deal with other kinds beyond single-family homes. That was the original intent of the plan. That is what the policy committee agreed to. That is what the policy committee agreed to; that is what was originally put into place.

I think at this point it would not be advisable to suggest that other forms of housing could now start to qualify for a program that may not ever see the light of day again. Again, and I will take it under consideration in terms of dealing with the broader question of another Core Area Agreement, we might well consider it at that point. For this program, I really do not think it could be considered at this point.

**Ms. Friesen:** Could I then draw to the minister's attention the fact that co-ops are excluded by both the federal and the provincial area, that they are closer to families in the way in which they organize themselves, that they do occupy single-family housing for the most part, and that many of them are in need of rehabilitation and reconstruction? They are long-term organizations that can certainly use that kind of money and that development.

\* (1520)

I wanted to turn to look at Core Area generally. The minister has indicated in his last statement that there is a possibility of a new kind of Core Area Agreement. I wonder if the minister could give us an update on what the schedule for addressing that issue is, what his own thoughts are on the needs of the new Core Area, and what kind of proposals he is putting to the other levels of government?

**Mr. Ernst:** Mr. Deputy Chairman, as I have indicated on a number of occasions, previously and contrary to what people tend or would like to draw from whatever statements I have made in the past on this issue, we are in discussion. The Core Area Agreement was extended for two reasons. Firstly, to be able to deal with a number of programs that were unable to be filled within the time frame of the original Core Agreement in terms of commitment now as well as expenditure; secondly, to allow some time for discussions to take place amongst the three partners about what can be done once Core II expires.

There are a number of issues that revolve around that, not the least of which are abilities of government generally, that is both municipal, provincial and federal, to be able to fund another Core Area Initiative agreement. At the same time, the federal government indicated that from their perspective, they would certainly be interested in participating in another tripartite funding arrangement with Manitoba and Winnipeg but not on the basis of a Core Area Initiative agreement. They made that very clear some time ago. What they also indicated was that there was an ability to perhaps target existing resources, expenditures, contained in existing budgets toward meeting demands and needs of the core area.

There were and are ongoing—some good programs and some not so good programs that were contained in the Core Area Initiative, both I and II. What is happening at the present time, since I

became the minister, we have had some preliminary discussions with regard to what areas of resources not specific programs per se, but areas of resources, what departments from the federal government could be tied into.

At the same time, we are starting to look at what areas of resources the province can bring to bear given the limited amount of funding available, and the fact that we have had to make some very tough decisions in other areas of government. I mean, it does not appear to be very logical to suggest that we are going to take certain actions in the Departments of Family Services or elsewhere, on the one hand, to come up with a pile of money to throw at the Core Area Initiative. So what we are attempting to do, identify those areas where we can, perhaps with some additional funding, with—those ultimate decisions have not yet been reached, but how we can best address the needs of core area people.

In terms of Education and Training or Family Service programs or Health related programs, we might be able to target resources that are presently perhaps more broadly based into the core to deal with certain kinds of concerns and programs that are needed in the core. I do not think you are going to see, at least not in current economic times, sort of the mass capital infusions into the core area. You may see some targeted resources dealing with specific issues, but we are not going to see the Portage Places, The Forks Renewal, the North Portage and those kinds of big capital projects I do not think, certainly not in any renewed agreement, at least not from the kinds of indications that have come forward so far.

So very early in the stage, I have had some meetings with some inner-city groups in the past two or three weeks to try and get a feel from them for what their priorities are and what they see, particularly because they are sort of working directly in—the Urban Futures Group is one that I met with just recently, and they have promised to provide me with a list of their priorities for what they see as needs in the core.

(Mr. Jack Reimer, Acting Chairman, in the Chair)

We are also assessing the existing program, a preliminary assessment at least, to try and get a feel for how successful they have been. Once we will be able to pull this information together, then we will be setting some priorities of our own and trying to

establish how we can best proceed. That discussion, of course, has been ongoing with the federal government at the same time. The city has given an initial commitment in their five-year capital budget for renewal.

As the Minister of Urban Affairs, I am a little concerned that the city is capitalizing perhaps some of these operating-type expenditures, but at the same time, there may be a rationale for that. There is a notional allocation at least in the five-year budget for that kind of function, so we are really sort of in the beginning stages at the moment. We are trying to pull together areas that we can best focus on, both in terms of need and in terms of availability of funding. So that is basically where we are at, at the moment.

**Ms. Friesen:** Mr. Acting Chairman, I think the one thing that one could say about the City of Winnipeg commitment is that whether it should be capital or whether it should be social, that at least is a glimmer of hope. There is an indication of some planning for renewal in the core area, and that is not what we see from this government.

There is not anywhere that we see the allocation of money for new social programs, or even for continuation of the programs which existed under the old Core Area, and that is, disappointing would be, I suppose, the minimum expression I could come up with. One of the ways in which I started my introductory remarks was to comment upon the increasing economic gap in Winnipeg, the increasing poverty. You know, you could add to that in the difficulties that people are having even on one or two wages.

I would like to hear a bit more from the minister on what he believes are the priorities and needs of the inner city of Winnipeg. He has met with the Urban Futures Group. I assume that he has read their reports of the commissions of inquiry that they held before. I understand now that this government is not going to hold its own commissions of inquiry, so I think it is important and useful for all of us to hear from the minister about the social needs of the inner city.

**Mr. Ernst:** Mr. Acting Chairman, I do not for a minute pretend to be an expert on the social needs of the inner city, nor would I ever pretend to be as far as that is concerned.

At the same time, as I indicated, we are looking at those areas that have been funded in the past to

assess their relative worth against success rates and against needs in the inner city.

As I have said, I have asked the Urban Futures Group to provide me with their priorities with respect to needs and to try and rank them and prioritize them, highest to lowest need, notwithstanding the fact that all of them may be needed if there are going to be limited resources. We do not know that there are or there are not, but if there are, then we have to try and deal with the most pressing issues first.

At the same time, the question of whether or not we would hold public hearings with respect to hearing from the people, the core area directly, as to what they see their needs and desires are, not rule that out at all, and you are wrong in the sense that would be the case.

I have had discussions with the mayor. The federal government does not want to participate in that kind of a forum and that is fine. That is their prerogative, any potential new agreement will deal with the three levels of government perhaps differently than in the past.

\* (1530)

He who pays the piper calls the tune, I suppose in a sense. If the federal government wants to do certain things or put up certain monies or deal with issues in a certain way, it is their prerogative and we cannot force them, nor do I think particularly very many people care where the money comes from or how it is delivered, as long as it is delivered. As long as it is targeted to meet the needs that are there in the core, but there are a number of areas. We have the question of the economy, economic potential. I mean the best social program for anybody in the core would be a job, preferably a good, long-term, high-paying job.

We are faced, at the moment, with the recession which is causing some considerable pain particularly to people in the manufacturing industry or even in the retail trade, wherever there has been a softening of the economy and the fact business is down. People tend to then retrench, limit their overheads as much as possible, and that unfortunately causes reduction in staff.

The ability to train those people in the core to ensure that they have the opportunity or at least have the training or the skills for the opportunity to obtain a job, I think, is something that is of relatively high importance and needs to be addressed.

I would say we are going through a variety of our own existing departments to see what resources we can pull from them to try and target toward any inner-city people, so that they have those opportunities for the future.

As a matter of fact, interestingly enough, I have sat on Treasury Board for better than three years, been through every program of government four times, during four budget processes, and there are very few programs that are not good, that are not desirable, that we should not be providing to the public if we had the money.

The problem is that we do not have the money, so we have to try and best focus what limited resources we have to meet the priority needs in the first instance. If we are able to continue down the list of priorities, then we will do that with every dollar that is available.

**Ms. Friesen:** We would certainly have to disagree on the causes of the recession, but I do agree with the minister that two of the most important needs are employment and education.

I would say that some of the needs and conditions that he is discussing, that I have also discussed, are certainly not short term. They are not ones that have come about as a result of this current recession. They are long-term problems of new immigrants, of lack of literacy, of single parents and also a growth. In effect, the success of Core Area has been to maintain people in the inner city of Winnipeg, so it is partly a result of that kind of success as well.

Do I understand from the minister that the federal government, and I know he cannot answer for that, for the federal government, but I do want to pursue the answer he gave me. The federal government is not interested in holding public hearings on Core Area? The federal government is not interested in what is to be learned from Core Area, and it is interested only in pursuing its own programs within the city of Winnipeg?

**Mr. Ernst:** Mr. Acting Chairman, if I wanted to be facetious I would say, no, on all three counts. The indications are that the minister responsible for Manitoba felt that because of the limited abilities of the federal government to participate and the fact that they were going to draw on existing resources targeted to what they saw their needs as and which is in large part Native in component, not to specifically identify any particular program, but to be

targeted as much as possible toward the urban Native community, that they did not want to be seen at a public hearing process that was going to encompass a large number of other things with which they were not going to participate. That is fine.

They did not want to be out there pretending the federal government was going to be funding other kinds of programs if it was not, not that they were not interested, not that they were not concerned, and not that they were not trying to learn from the Core. At the same time, the minister indicated he did not want to participate in any public hearing review.

The mayor and myself have had some discussions in that regard. Once we pull together some kind of linkage and, perhaps, get into a general letter of understanding or something along that line—it might happen over the next few months. At that point, then we would try and go out to the public and hold public hearings and try and hear what the people have to say and bring forward their recommendations and priorities, so that when we get down to the finalizing of the areas, we have the benefit of that information.

**Ms. Friesen:** Mr. Acting Chairman, I think that takes us quite a bit further. There is still then the possibility of public hearings. There is the possibility of a municipal or a City of Winnipeg provincial agreement that, I presume, is longer term than one year, and the federal government is going to pursue an urban aboriginal strategy of its own.

**Mr. Ernst:** Mr. Acting Chairman, I do not want to be facetious, but I think the member maybe missed what I said or, if that is the conclusion she drew, it is not necessarily correct.

The urban aboriginal strategy, I think, is of interest to all three levels of government. While the federal government may target its resources in that area, they are not necessarily going to go off on their own and decide unilaterally what they want to do as an urban Native strategy.

We have had one meeting with—I am just trying to remember the actual name. Just a minute, let me check. I think it is the aboriginal council of Winnipeg or Winnipeg aboriginal council or something along that line, which is kind of an umbrella group for Native organizations in Winnipeg. We began some discussions with respect to urban Native needs and programs that can relate to urban Native needs and

the fact that the Natives themselves wished in large part to participate in the development of those strategies. They felt that, unless a large component of the urban Native community was participating directly in the formulation of those policies, in fact, the broader urban Native community may well not buy into them.

Obviously, if you are going to do something, you want to have the maximum effect, so that we are pursuing that, along with the federal government and the Aboriginal Council of Winnipeg, in an attempt to agree upon some general areas of direction and some programs that might fit their needs. That is also ongoing at the present time lest you not suspect for a minute that simply they are going to go off and pursue their own aboriginal strategy and fund it, but there is a co-ordinated effort on behalf of all three levels of government and certainly interest in reaching those goals.

For the life of me, I have forgotten the other two things that you raised.

**Ms. Frlesen:** Mr. Acting Chairman, I am delighted to hear that there still is an urban aboriginal strategy possible from this government. As I stated in my opening remarks, it was something that was very difficult to get an answer on, that various ministers seem to be addressing the issue. Could the minister perhaps now elaborate on that and suggest to whom should I address my questions on urban aboriginal strategy in the House?

**Mr. Ernst:** Well, Mr. Acting Chairman, we have a Minister responsible for Native Affairs (Mr. Downey) and, in conjunction with my colleague—there are relatively congruent interests related to an Urban Native Strategy. You have a situation where you have a Minister responsible for Native Affairs, but you also have a minister responsible for urban affairs where the problem exists, so from that point of view, we are interested in seeing something occur. I guess, really, while the Urban Native Strategy leadership or point man, if you will, is in fact the Minister responsible for Native Affairs, we certainly have an interest from an urban affairs point of view and will assist and co-operate where we can.

**Ms. Frlesen:** Well, as I understand it then, your department assists in developing the policy, but the actual policy direction, the civil servants who are developing it report to the Minister of Native Affairs, and that is who I should ask questions of on native affairs in the City of Winnipeg?

**Mr. Ernst:** Right.

**Ms. Frlesen:** All right, I might quote you on that some day.

I wanted to pick up something you said earlier about capital projects and the provincial interest in that in the City of Winnipeg. You indicated that that would not be the direction you would be going in any future core area or downtown projects, but I wonder, could you indicate for me where the government would see the arena fitting into that? That is a major capital project which will affect downtown Winnipeg? Could the minister indicate how that fits with this reluctance to commit large capital funds?

\* (1540)

**Mr. Ernst:** As far as I am aware, we have not received a request for funding an arena nor have we given it any consideration. At this point, notwithstanding it is an issue in the news media and amongst some members of the public, we have not been approached. There was an approach, and again, you have to understand, I guess, or try and determine who is for real and who is not. There have been a number of different proposals coming forward from half a dozen different perspectives. I think the one proposal that came when I was still Minister of Sport a year or so ago was dealing with the question of, would the province contribute its existing parking lot across from the Convention Centre? I think in general terms the Premier indicated that yes, if it came down to having one built and required the provincial parking lot, we might well consider throwing in the value of that land by transferring the land for a dollar or something along that line. That is as much as I am aware of at this point.

**Ms. Frlesen:** I am just exploring this in the level of policy so that notwithstanding the Urban Affairs policy of not moving towards large capital projects, the arena might well be considered as a capital project in downtown Winnipeg with some provincial input. That has not been ruled out?

**Mr. Ernst:** It has not been ruled out, but then again nobody for sure has made any concrete proposal to request the province. We have lots of speculation, all kinds of speculation all over the place, but in terms of a policy decision as to whether it should be located downtown as opposed to somewhere else, I should tell you that I participated in a study in 1978 when I was still a member of the City Council that happened to have a certain other member of the



Manitoba Legislature as a committee member, the Premier. As farsighted and long seeing as we were at that time, we recommended that a downtown location would be highly desirable from, not necessarily from the users of the facility in a sense the tenants of the facility point of view, but from a downtown urban revitalization point of view.

The fact if you can -(interjection)- that is right, that was exactly our recommendation at that time. It was not The Forks in those days, it was the East Yards in those days. Our recommendation was that if we were going to locate it, it would be highly desirable to locate it downtown and to locate it in the East Yards because that was a very good opportunity to spur development which had not yet occurred. Nor had there been, at that point, any Forks Renewal Corporation or even I guess thoughts of what is there at the present time or the focus that is there at the present time.

It was a very interesting opportunity for me personally to participate and it was a very, I think, far-seeing study that ultimately saw the end result of that report coming forward. Not, I suppose, to rule out the fact that it could be located across from the Convention Centre for some compatible use, I am not, from a personal point of view and only from an interest point of view, having spent a lot of time in the arena business in another life, yet convinced that is the most appropriate location, but I do not have any particular concerns one way or another.

**Ms. Friesen:** Mr. Deputy Chairman, I have one last set of questions on the Core Area before I pass it to the member for Crescentwood (Mr. Carr). I am concerned, as you know, and I have written to you about the freeze and I believe that was called a freeze, on Core Area funds while consideration was given to the amount of money outstanding for various lands purchased under The Forks and Core Area Agreements.

I wonder if the minister could give us an update on that. You did eventually, and kindly I should add, provide me with a very minimal list of the lands that were being considered. Have you yet been able to put a price tag to those lands? Why have we frozen all of this money for an unspecified amount in the four areas of land that you indicated? When are we going to know how much those are going to cost?

**Mr. Ernst:** Mr. Deputy Chairman, the information I provided to the member was what she asked for. In terms of the amount of money, there are

departmental estimates, not our department but the Land Acquisition branch of the province's estimates on the amount of money that will ultimately be required to settle these expropriations. We are hopeful that within a month or so we will have again a revised, and hopefully revised downward, cost estimate related to the overall costs of these particular projects. One, I think, has been settled since that original time. No. It was one on Carlton Street. Carlton Realty, I think, was the name of the project on Carlton Street—has been settled at a cost less than what was anticipated.

We are hopeful that the staff are being small "c" conservative in the sense that they are putting outside limits on these costs and that ultimately, as we go through the process, they will be better able to refine that to a point that is perhaps a little more realistic than the outside estimate.

I might say that, in the past, I seem to remember the Winnipeg Convention Centre expropriations. I think there still may be one or two outstanding, and the building is 15 years old. Hecla Island is another example where expropriations take place, and we may never know what ultimately those settlements are. We will have to make an educated guess, I guess, as to what to hold in reserve for those items and make an educated guess as to when they ultimately might be settled.

There is no onus under The Expropriation Act on the expropriated party to settle. The interest clock runs from the day of expropriation. In some cases, you have expropriations that took place in 1981, 10 years ago.

We also have the question of the Favours property, which, bless their souls—it is a very difficult situation. It was difficult all the way through. It is still difficult and will, no doubt, continue to be difficult. What best estimates are, we have to rely on our experts to try and give us those estimates of what the ultimate costs will be.

**Ms. Friesen:** I recognize that land acquisitions are difficult, but in the other cases the minister cited, you did not have to freeze funds in social programs in order to do it. I think the minister, I am sure, understands the difficulties that have been caused for some organizations because of this.

Is there any way that this could have been done differently? Essentially what you are saying is that the Land Acquisition branch has in some cases, perhaps the Favours excluded, not proceeded in a

way that has helped Core Area social programs. Is there any way this could have been done differently?

**Mr. Ernst:** I do not know how you force somebody whose land you have taken in right of public domain to settle. It is their choice if they want to settle or not. If they want to go to court, they do not have to rush there. They can go whenever they wish. There is no mechanism. That is something you might have to look at in the future for large public undertakings such as Core, to maybe look at some other guidelines or other kinds of things to try and bring these settlements to some kind of conclusion within a reasonable time frame.

\* (1550)

In terms of Core social programs being frozen, you say that the program that she is referring to had an allocation of \$6 million. What is left is about, I think, \$180,000 or \$200,000 ultimately from that program. We simply took all of the money that had not yet been allocated, directed, promised or whatever in those circumstances and said, let us defer any decision on that money and those applications until we have another go at it at the end of June. To suggest that the Core Area social program budget was frozen, well, it is true in the sense that there is about \$180,000 or \$200,000 left in the program, but \$5.8 million of it has been spent.

In fact, when we first looked at it, it was about \$450,000 left in the account, but there were two—well no hard commitments had been given. There were two, four, I guess, programs with which, on second blush, after coming back from the meeting, I said these things are pretty much along the way, let us not hold those up, and in fact elicited the support of my two colleagues on the policy committee. We, in fact, did free up those monies in order to have those particular programs proceed. Another month or so is, I do not think, going to be the end of the world for the limited amount that is left.

**Ms. Friesen:** It may be that it is only a portion of the money that was appropriated for social programs, but for the organizations that are involved, it is not a proportion. It is 100 percent of wages and operating grants, and it is the future planning of those organizations. I think you have to consider it not just from the administrative perspective that the minister is offering but from the perspective of those

organizations which have had to lay off people and close their doors.

I wanted to clarify one last thing, and that is, the minister said it is only \$200,000 of the social programs, but as I understand from my earlier line of questioning, it is \$1 million from the Inner City Foundation plus the other things that were frozen.

**Mr. Ernst:** I am referring to Program 6.3, which is the major sort of social program area of the Core. Notwithstanding the fact that, if the member wishes to lump the Inner City Foundation in with that, then that is her choice, but I referred only to 6.3.

**Ms. Friesen:** What I am trying to do is to clarify what the minister said in the beginning about the Inner City Foundation, that that was money that was to continue for inner city programs that is now frozen until some further knowledge, some agreements have been reached on land price costs in three remaining parcels of land in Winnipeg.

**Mr. Ernst:** I could indicate, Mr. Acting Chairman, that any inner city foundation would not necessarily continue to fund the same kinds of projects. It might do something completely different.

I can also advise that there are no ongoing projects that have not received renewal funding under Program 6.3, so that nobody is being laid off and nobody is in jeopardy of their job. Now, there may be some who were anticipating funding and anticipating hiring or have an existing organization that got no previous funding and were anticipating funding. That may well be for the balance of \$200,000 or so that is left, but nobody who was looking for third year funding or second year funding or extension of terms of funding have not received it.

Before we go to the member for Crescentwood, there were some questions raised at the last meeting with regard to numbers of times that the Urban Affairs Committee of Cabinet has met. I can advise that the Urban Affairs Committee of Cabinet met twice in 1990 and four times with the city's official delegation in 1990 for a total of six times. So far, in 1991, we have met three times and once with the official delegation of the City of Winnipeg, for a total of four times.

**Mr. Carr:** The last time we were in Urban Affairs Estimates, which I believe was in November of last year, the Minister of Urban Affairs told us that he had planned a schedule of public meetings to begin evaluation of the Core and to solicit views from the

people of Winnipeg who had benefitted, and in some cases those who had not benefitted, from the previous 10 years, nine years of Core programming. I believe that schedule included meetings to be held between January and March. We are now into late May. No meetings have taken place. Can the minister tell us what happened to that planned schedule of public meetings? Why did they not take place?

Two years ago those of us in the Liberal Party, and others I am sure, asked the government to begin the process of evaluation because the clock was ticking and if we left it too late we would find that the agreement had run out and we had no plan in place to succeed it. So I would be interested in knowing what happened to the planned schedule of meetings and for the minister to be as precise as he can on the process of evaluation that has been used by officials within his department to determine what is worth saving and what is not worth saving of the Core Agreement.

**Mr. Ernst:** I am advised, Mr. Acting Chairman, that while, you know, I had to check and see what the former minister indicated, but the indication is that there was a proposal or some consideration for discussions amongst the people of the inner city with regard to a public hearing process and so on, that no formal plan existed that on January 1 we are starting to do this or whatever. There was, you know, a desire to try and pull together the three partners of the Core policy committee to consider some public consultation process. What also occurred at that time was, as I indicated, the federal government's indication of where they were prepared to go, the fact that what became, just at the time that I became the minister in February, was an attempt to try and ensure at least that the existing agreement was extended for a year so we did not lose the existing funding and we did not lose the existing opportunities for commitments. So that has kind of replaced the, I guess, or focused our attention a fair bit on what we should do with regard to the future.

At the same time the Urban Futures Group made representations, I am advised by staff, to say you do not need public hearings because we have already done it and here are our results. So then, you know, when I became the minister and once we got the agreement extended, then we are starting to now, as I have indicated in questioning from the member for Wolseley (Ms. Friesen), where we are headed

and what we are trying to do in the short term to try and pull this together.

**Mr. Carr:** What is the process of evaluation if you are not consulting the groups and individuals who have been recipients of Core programming? If you are not consulting groups and individuals who may have other suggestions to make on how those resources should have been used in the first ten years of the Core Agreement, how are you able to evaluate what it is you want to keep and what it is you do not? Is there a process within the department of evaluating those programs? If so, who is in charge? Is there a deadline for report to the minister so that we can begin negotiating whatever is going to remain of tripartite co-operation for the inner city of Winnipeg?

\* (1600)

**Mr. Ernst:** Mr. Acting Chairman, I guess there are a number of evaluative processes ongoing, not specifically just in the Department of Urban Affairs, but within the Department of Family Services, the Department of Health, and whatever other departments that are directly related.

As I indicated, we are attempting to put together some outside parameters, if you will, not targeting specific programs per se, but trying to look at some general areas where we can put together a package of funding, albeit in the area we know, regardless of which programs worked and which did not in terms of education. We know that ultimately there will be an education component. That is highly desirable and a high priority in terms of economic development. Similarly, I am trying to put together a package related to economic development but, at the same time, not targeting any specific programs.

Once we have, sort of, these areas put together, then we can go back to the public and take the potential for an arrangement and ask them specifically on specific programs. Very often what happens when you get into a public hearing process is that somebody who has been involved directly in an individual program has either great information as to how it did work, how it should have worked, or how it should not have worked, but tends to focus in not so much on the broad generalities, but more on the specifics of their involvement and so on. We are hopeful that out of that process will come some very good information which will allow us to target on a program basis some future commitments.

**Mr. Carr:** I am having a little difficulty, in my own mind, trying to follow through the minister's logic and to envisage the way in which the successor programs will be administered and implemented. One of the values of the tripartite arrangement is that three levels of government can bring more resources to the table than one can or than two can. It is obvious.

We now have an infrastructure that has been in place for many years. We have a staff that has experience and is well trained in administering these programs. Presumably, that is going to wind down in lieu of any other announcement to the contrary. We are going to lose the infrastructure of expertise that we have spent the last 10 years building.

Is it the policy of this government, or is it the minister's view, that the three levels of government will then go their separate ways and implement programs that they believe to be in the interest of the city in some kind of haphazard way, or are we going to build on the strength we have and the experience that we have derived over the last decade and use that as a base upon which we can build for the future?

Just how is it going to work? Is the Core office going to close down? Will the general manager and his staff be laid off permanently? Are we going to start over again from square one? Are we going to do what we would argue to be the more intelligent thing, and that is to take what is good about the existing set of circumstances and build upon those strengths?

**Mr. Ernst:** Mr. Acting Chairman, the decision was made some time ago that the Core office will close, that the staff will be phased out over a period of time. Mr. August, the general manager of the Core, has been in that mode and has a timetable. The actual last day at the office, not for him, but for the Core Area office itself directly, will be about May, I think, of 1992.

To suggest for the moment that a great body of expertise will be lost and that everything will founder as a result, I do not think is an accurate reflection of the overall program delivery. About 75 percent or so of the Core Area programming in fact is delivered by existing levels of government through their departments.

The actual Core staff per se, and it has changed over time as well. When it first started it was certainly different than the people who are there now

in many respects, delivered some programs under contract with other levels of government and so on, but it is not for a minute anticipated that there would not be a co-ordinated approach and not to be anticipated that the delivery abilities of other levels of government would be lost, because that is not the case, at least not anticipated to be the case. That is basically the situation.

You cannot not have some loss associated with it, but again you have to weigh that against your abilities to carry out programs, and should we in fact be utilizing our existing staff resources within each of our respective levels of government to deliver programming as opposed, and using the scarce available dollars to put directly into the program, then it would be to be paying the operating costs of an agency outside of existing levels of government. The choice was made to try not to continue on with an existing separate agency and associated operating costs, but to try to do without it, phased out over the balance of the existing Core Agreement.

**Mr. Carr:** I am saddened to get confirmation on the record that the Core office and all of its expertise will be phased out by May of 1992. What we know is that there is no process in place now, at least no formal process, to evaluate the successes of the Core Agreement. There is no public consultation at the moment, there is no co-ordination among the three levels of government to engage in that public process, and the Core office is going to be wound down in May of 1992.

We are left only to ask the minister, what is going to replace it? We have been trying to get answers from him in the House without much success, and maybe that is our fault, maybe we are not asking the right questions, but what is it that is going to replace this tripartite initiative? What is the provincial government's priority for the inner city? The minister refers to delivery of family services, health and education and an Urban Native Strategy; we agree. Those ought to be priorities for the inner city, but, at the same time, we do not see any plan, that the minister is sharing with us anyway, that is going to lead to the delivery of those programs. What is more, we see a loss, a loss of expertise, no willingness to commit resources to these problems, which are not getting better in some ways. In some ways, they are getting worse. So maybe the minister can just shed a little light on the situation for us. What is his government's position?

**Mr. Ernst:** Well, Mr. Acting Chairman, first of all, the suggestion that there is no evaluation process—the Core Area is as a matter of fact going through an evaluative process. That is anticipated in the next two or three months, that those reports will be filed.

As I indicated before to the member for Wolseley, and I will indicate it again to the member for Crescentwood, notwithstanding the fact that he does not like the process that we are going through, it is a difficult process to be involved in. In other times, perhaps funding was more readily available. You were able to simply say, sure, we will put the \$100 million or \$30 million apiece or \$35 million apiece into one of these programs, and then off we go and deliver.

In case the member had not noticed, resources are reasonably tight. We have made some significant decisions elsewhere in government that have to be weighed against what our ability is to deliver further programming in the core, albeit as part of a different arrangement than we have had under a tripartite arrangement in the past.

The federal government has indicated that they do not wish to participate directly in that kind of a process. They would prefer to set up an arrangement between the province and the federal government, and then the province bring the city in from its mandate as a creature of the province. It will not work in the same way as it has before. I mean, that is not to say that it will not be successful and that is not to say we will not be able to try to meet a number of needs as best we can. We are in the process of trying to put that together, and as matters unfold, I will be happy to keep the member advised.

**Mr. Carr:** So we can conclude that there will be no tripartite agreement in the wake of the closing down of the Core operations. The minister has just said that the Government of Canada is not interested in the tripartite model for inner-city revitalization any more.

Does that mean that there will be no tripartite agreement on an Urban Native Strategy, for example, or is the minister saying that is not within his purview as Minister of Urban Affairs and we should be asking these question of somebody else?

\* (1610)

**Mr. Ernst:** Well, Mr. Acting Chairman, in the sense that the Core Area Initiative agreement as we have known it for two agreements, the member is correct

in his statement. The federal government prefers not to pursue that particular model. However, that is not to say that—in the delivery of a variety of programs there might be half a dozen different agreements. There might be, on an Urban Native Strategy for instance, an agreement that is tripartite, or in fact it may well include four parts, in the sense that the umbrella Native organization may wish to become a direct partner in that process.

At the same time, there will be other programs that are delivered throughout the city that will be done in co-operation with the federal government through discussions—main street native centre, for instance, other urban native strategies. There may be other transportation circumstances. There is a variety of things. We are just not at the stage where I can outline to you chapter and verse where exactly and how it will all fit together. That is not to say that it will not, and that is not to say that we are not interested in pursuing that. That is also not to say that once pursued and once put into place and once signed for, it will not have the same net effect as a particular form of delivery mechanism in the past. In fact, it may well work better, but that will remain for history to judge.

**Mr. Carr:** The historians will be judging it even before it is history, which is par for the course. I cannot help but observe, Mr. Acting Chairman, how badly handled this whole issue has been by ministers of this government and, I might add, from the government of Canada's point of view as well.

Critics two years ago were urging governments to evaluate the successes and the failures of Core because the clock was ticking and there would be increasing pressure because of the financial realities of the moment on governments to abandon their responsibilities. They were going to have to get their ducks in a row and get their arguments lined up in order to make the case for the Minister of Urban Affairs to his cabinet colleagues and for the mayor to council and for the Minister in charge of Energy and Mines, and the Government of Canada to his cabinet colleagues that this was an important enough initiative to be sustained.

The minister probably knows that the Core Area Initiative is seen by other jurisdictions across North America and even offshore as a model. It worked. Not all of it worked well, but most of it did and some of it worked splendidly well. We are throwing it away. In a year from now, exactly a year from now, the office will be closed, the money will have dried

up, the staff will be dispersed, and the commitment for renewed tripartite co-operation for urban revitalization will be a thing of the past. I think that is sad.

I would like to move on to a new area, Mr. Acting Chairman. The Activity Identification in the Estimates book says that this particular line deals with administration of The City of Winnipeg Act including legislative amendments. I would like to ask the minister when he expects the Eldon Ross committee report on reform of Winnipeg City Council and whether or not any legislation has been drafted by his officials in anticipation of that report.

**Mr. Ernst:** Mr. Acting Chairman, I can indicate that the Eldon Ross report was delivered to my office earlier this afternoon. When I returned from Question Period, it had arrived, finally, and I will be tabling that in the House tomorrow.

**Mr. Carr:** Does the minister care to engage in any debate on what the contents of that report might be, or is he going to wait until tomorrow?

**Mr. Ernst:** Mr. Acting Chairman, I suspect that there will be ample debate after tomorrow, so I am sure we can all wait for that to occur.

**Mr. Carr:** Then the second half of my question remains, Mr. Acting Chairman. We are interested in knowing if the minister's staff have prepared any legislation in anticipation of what the Eldon Ross committee might say because we have a bit of a time squeeze here. There are only several weeks left before legislation has to be introduced into the House. Presumably, the minister is going to need some time to evaluate the recommendations of the Ross report, to consult with groups and individuals who have an interest in the city about what those recommendations may be. Quite a bit of drafting has to occur, one would presume, and very little time to do it. Can the minister give us just a little bit of a rundown on the time table he expects from this afternoon upon receipt of the Ross commission through introduction of legislation, debate and what he would presume to be speedy passage?

**Mr. Ernst:** It is going to take some quick movement, obviously, on the part of the government. A number of the issues have in fact been before us a long time. It is not a question of having to necessarily wait for the final printed copy of the Ross report to be delivered. We do not have a cabinet decision yet, obviously, on the directions that we are proposing to go. We have had a number of internal

discussions with regard to directions and ramifications, if this happens, what happens there, and things of that nature, so I do not anticipate that will take us a long time to draft the bill. We have had a number of other recommendations that the city has brought forward for changes to the act. The city brings forward recommendations on a regular basis for changes to the act, wording changes and things of that nature, so a number of those things have been put into process, as well.

(Mr. Deputy Chairman in the Chair)

I anticipate that—it is hard to give exact commitments—I think that the printed bill should be able to be in the House by the middle of June, and I would anticipate first reading some time fairly soon to try and get it on the order paper, but I suspect by the middle of June we should have a bill in the House.

**Mr. Carr:** Mr. Deputy Chairman, has the department drafted the legislation already?

**Mr. Ernst:** As I indicated, a number of alternatives have been looked at. A number of discussions have taken place with regard to what ifs. I have had a number of discussions with the staff, but has the bill been drafted yet? No is the answer. We are anticipating the discussion of a number of issues yet. We still have no cabinet decision with regard to the issue so you cannot print a bill without . . .

**Mr. Carr:** I appreciate the minister's candour. So what we can piece together from this discussion then is that the bill has not been drafted. There has been no cabinet decision on the final form of council. There has been no consultation on the recommendations of the Ross report, because the minister just received it this afternoon, and he expects the bill to be printed within the next two and a half weeks. Have I got all that right?

**Mr. Ernst:** Mr. Deputy Chairman, technically that is correct. The fact of the matter is, though, that I have had discussions with the Ross committee, and that I have had discussions internally amongst the staff, and I have had various scenarios looked at over the last while in anticipation of the report coming. Some of that will be appropriate, and some of it will not.

The fact of the matter is, though, that we did not wait specifically for the final report document to be tabled. We know the number of scenarios that are related. If you come up with one issue, then it will transfer into another, one action will cause another effect somewhere and all of that kind of information.

\* (1620)

While the formal document arrived in its printed form today, we have had a number of discussions, both internally and with the Ross committee, with respect to what their proposals would be, might be and so on. So it is not quite as, sort of, cut and dried to suggest that we got the report today, we will read it tomorrow and decide the next day. That is not quite how it works.

**Mr. Carr:** Maybe not but, therefore, it is perhaps more accurate to say that while the bill has not been drafted, while "the" bill has not been drafted, maybe several bills have been drafted. What the government will have to do, once it digests the Ross recommendations, is to choose bill A, B, C, D or E. Is that more the way it is working out in the department?

**Mr. Ernst:** Mr. Deputy Chairman, it may well be sections 1 to 1,000. You know, there are a number of causes and effects. There are a number of basic premises that will go into the bill. The question will be, for instance, on wards. How many wards? You can draft a second on wards. You just have to plug in a number at the end, anywhere from one to 100.

So you can draft that particular section and plug in the number at the end as to whatever number is ultimately decided upon and so on, and if there are other functions of municipal government that are addressed that can or cannot be drafted in advance in one way or another. So there has been quite a bit of work gone on with respect to the whole question of the bill and its contents and so on, because of the tight time frame and the fact that we recognize that we want to get the bill into the House at the earliest possible moment. Yet, at the same time we have to await the formal documents from the review committee, that we had to do some work in advance of that to try and allow us that tight time frame to get a bill into the House.

Mr. Deputy Chairman, it is important, I think, to recognize that if changes are going to be made, and you know, there will be debate on whether they should or should not, it is important that the changes be made now as opposed to in 1992. The reason for that is fairly simple.

Firstly, following any change to the act, particularly which relates to the numbers of wards, the Boundaries Review Commission, of which the member for Crescentwood is happily in awe of, the fact of the matter is that they need time to draft the

boundaries and hold public hearings and then make final recommendations which will take them till probably the end of the year to do, given their own other commitments and the things that are necessary and so on to do.

If that is the case, then, to leave the ward numbers until 1992 spring session let us assume for a moment that we could put it on early in the session and get it completed by the end of May, then the commission would have to meet to draw the boundaries and would have to either hurry it through a relatively short period of time because by the end of the summer, if they are going to be running for council and making decisions, they are going to have to make them sooner than that, and they need to know the kind of jurisdiction or geography in which they are going to run.

It is important, I think, that we deal with the issue in this session, so that it allows the commission time to draw the boundaries and allows people time to make decisions about their own personal lives. Under a reduced-number scenario, those people who will ultimately run will be devoting, I suspect, full time to their duties. They have to make personal decisions about life, family decisions and things of that nature. So to give them sufficient time to do that, I think, is only reasonable as far as we as legislators are concerned.

**Mr. Carr:** I would like to talk about the issue of sufficient time. The government gave the Ross review committee a mandate, took away the second half of the mandate and that was wise.

The minister should know that I am not always in awe of the boundaries commission. The last boundaries commission decided to relegate to the ash can of history, the name of the constituency Fort Rouge which I had represented, a name that has been important in the history of Manitoba since 1738 when La Verendrye established Fort Rouge on the banks of the Assiniboine River. However, I never questioned the right or the authority or the legitimacy of the Ward Boundaries Commission to make its decisions.

So while I may disagree with the decision they make, I certainly do not disagree with their right to make it. To be perfectly accurate, that was the centre of the debate that the minister and I had over the appropriateness of giving a politically appointed group the mandate to draw boundaries. That issue aside, let us talk about sufficient time because the

minister has two and a half weeks now to draft the legislation. The mandate that he gave the Ross committee to look at pie-shaped wards, for example, to look at the way in which councillors are elected, and the number between 12 and 15 may or may not correspond with the recommendations that the Ross committee itself makes. Therefore, one would want to ask, does the minister intend to take the conclusions that the government draws from the Ross commission to the public for an airing, or will it be too late?

**Mr. Ernst:** It is not anticipated that public discussion would be solicited other than through second reading in committee of the Legislature.

**Mr. Carr:** So, just to review to get it straight, the government will determine within the next two and a half weeks what to do with the Ross committee and the legislation will be drafted within the next two and a half weeks for presentation and first reading?

**Mr. Ernst:** I would anticipate, Mr. Deputy Chairman, that we should have a printed bill in the House by, say, the 20th of June if not earlier.

**Mr. Carr:** Mr. Deputy Chairman, I will give the microphone to my colleague for Wolseley for the next set of questions.

**Ms. Friesen:** Mr. Deputy Chairman, I wanted to pursue a few questions on the Ward Boundaries Commission as well. I was interested by some of the minister's responses. He indicated, first of all, that he had received some city proposals on the ward boundaries that he was considering. Did I misunderstand that?

**Mr. Ernst:** Mr. Deputy Chairman, the city does provide to the province on a regular basis, and we give them a deadline of January 31. Although that seldom is adhered to, it does provide a number of changes, nothing to do with wards or boundaries, but to deal with changes to The City of Winnipeg Act. Of course, what the bill is, is an act to amend The City of Winnipeg Act, second bill, so that there will be issues other than related to the ward boundaries that are contained in the bill as a result of requests by the city for amending legislation to deal with their operations. These things occur and have occurred, certainly, all during the time that I was a member of the City Council, and I am assuming they have occurred regularly. Every year there are a number of requests for change.

**Ms. Friesen:** The minister has already submitted a bill which has a considerable number of changes to

The City of Winnipeg Act. So I am wondering what else we are to expect in this bill which is coming forward on June 20. Will there be changes, for example, to the committee system of City Council, first of all, and, second of all, to the community committees?

**Mr. Ernst:** Mr. Deputy Chairman, you know, the member will have to wait for the bill to see what changes come forward because those will be political decisions of the government. I can tell you that the requested amendments from the city include things like being able to produce—allowing the public to pay their property tax bills on a 12-equal-payment basis once a month. They presently do not have the authority to do that. They can do it over a 10-month period. They cannot do it over 12. They want to be able to do it over 12, so we will facilitate an amendment—things of that nature.

**Ms. Friesen:** Is the minister then ruling out changes to the City Council committee structure and to the community committees?

**Mr. Ernst:** I indicated, Mr. Deputy Chairman, previously, and I will indicate again to the member that those are political decisions and you will have to wait for the bill.

**Ms. Friesen:** I was interested by the minister's responses to my colleague for Crescentwood's (Mr. Carr) questions, which were very similar to the ones I had asked in the House, and particularly on the drafting of the bill. The minister indicated in those responses that he already had some discussions with the Eldon Ross commission. Could the minister indicate what the range of those discussions is? What I am wondering about, obviously, is the independence of this committee, which the minister has maintained all along is independent. Now we find that before the report has been presented that discussions are occurring. Could the minister perhaps relieve my anxieties that this is not political direction?

\* (1630)

**Mr. Ernst:** First of all, Mr. Deputy Chairman, the report is to me, as the minister. That was the charge that they were given, and that is, in fact, what they conducted. If you want to back up through the process, you will see that once the bound, printed tabled report appears on my desk, it has gone through a process of being printed, has gone through a process of being translated, has gone



through a process of being finalized, prior to it getting the final bound copy tabled on my desk. So that obviously when they made their original recommendations, they wanted to discuss those with me and to bring those to my attention, which they did and which I discussed.

At the same time, they are their recommendations; they are their choices to be made. We will either adopt or not adopt their recommendations, as the case may be, but that ultimately will be determined. Beyond that, I cannot add much more to the question from the member for Wolseley.

**Ms. Friesen:** I appreciated the minister's much fuller and franker answers on the question of the drafting of the legislation, that essentially options exist in draft form at this stage awaiting input of the recommendations of the committee and the government's selection of those.

I wonder if the minister could indicate perhaps then, in further response to questions I asked, why he is not going to wait for the report of the City of Winnipeg?

**Mr. Ernst:** Mr. Deputy Chairman, the government has campaigned on a course of action, has lived up to its election commitment, has in fact put out a boundary review committee to deal with the process and to make recommendations. That committee has now reported. The City of Winnipeg is quite entitled to do whatever it likes in terms of having its own committee or its own commission. I am advised that it has had limited success up to this point, but that is quite apart from anything else.

The fact that they want to do that—for instance, the council, I think, does not even meet in August. So if their report is not anticipated before the end of July, if they do not meet in August, it is September, October before they are even able to give consideration to it. The fact of the matter is, that it can ultimately do whatever it wishes. If it wants to conduct the process of going through what it is going through, that is their choice. The government has lived up to its commitments, and the government will be proceeding with appropriate legislation to deal with the issue in this session of the Legislature along the timetable that I have indicated.

**Ms. Friesen:** Could the minister explain why the government is pursuing this in such haste? I understand the immediate timetable issues, but the minister himself, two or three years ago, was not in

favour of this. There has been what seems to be a rather rapid conversion, and now it is sort of, "full speed ahead, damn the torpedos," and we have to have this in place within a year. Why is that?

**Mr. Ernst:** Mr. Deputy Chairman, first of all, we support it. In fact, I introduced a bill into the House that wanted it reduced to 23 as a first step. -(interjection)- Well, you do not know it is going to be that. That is your guess.

The fact of the matter is, Mr. Deputy Chairman, that the Premier (Mr. Filmon) indicated during the election campaign, as our party's commitment to urban government, a reduction in the size of council by at least half, which gives you the outside figure of 15.

The reason for bringing forward legislation at this time I think was ably explained to the member for Crescentwood (Mr. Carr) in terms of giving people as much notice as possible both as to wards and seeking mandates and making personal arrangements to run for office and things of that nature, that would not be available if it were to be considered next year in the session and the fact that it would be very, very hurried and very difficult for people to give them sufficient time frame to make personal decisions.

It is not a question of, damn the torpedoes, full speed ahead. We said in fact in August of 1990, virtually the very first thing we said in terms of election campaign commitments was that we were going to reduce the size of council, and we have been on that tack since that time.

**Ms. Friesen:** Mr. Deputy Chairman, the minister may have announced his intention in August, but they certainly did not get around to doing anything until March, and then there was a relatively short period of time, I think it was in the region of four to six weeks, for some people to make their presentations to the committee. Although it might be obvious the timing for this next city election is important, it does not seem to me that given the history of the City of Winnipeg that a change of this magnitude needs to be pressed ahead with such great haste and certainly not, it seems to me, when the City of Winnipeg has its own commission on this, and here the Minister of Urban Affairs for the province is not prepared to wait for that particular response.

Obviously we have disagreements over many areas of this policy, but I think procedure is one of

them, as well as the actual goals of the government in reducing the numbers of City Council. I was intrigued, Mr. Deputy Chairman, by a report of an interview with the minister where recently he said that only 18 people count in the government. I wondered if he wanted the opportunity to explain that, that only the cabinet counts. Was there something I missed in the context there?

**Mr. Ernst:** Unfortunately, these things occur from time to time. Certain people take licence with statements with regard to issues. What I had indicated was, for day-to-day operations of the government, 18 people, the cabinet, make those decisions and in fact carry out the operations of the government, quite different from the City of Winnipeg where every single councillor participates all the time.

The members of the Legislative Assembly, the members of the opposition, the members of the upper bench with regard to the government participate in terms of discussion with legislation, development of policy directions and things of that nature, but the day-to-day operations of the government are run by and large by the ministers responsible for those departments. So how the statement in the news media came to pass God only knows, but that is what I said.

**Ms. Friesen:** Mr. Deputy Chairman, I am glad to have that cleared up. There certainly is a difference between the Executive Branch in government and the entire Winnipeg City Council, which has the opportunity for both executive action and for public debate. While one would welcome, I think, a responsible executive and a responsible cabinet at the level of City Council, I do not think it is going to be achieved by this particular legislation. I think this is certainly a step away from what we would all like to see happen on City Council.

Could the minister indicate what the total cost of this review has been so far?

**Mr. Ernst:** Mr. Deputy Chairman, \$33,559.44. That is in total.

While I was being truthful, I was also being a little facetious in terms of the expenditure. In '90-91, which takes us to the end of March 1991, it expended \$14,432.99. To the end of May, we had expended a further \$19,126.45. Those are preliminary numbers. They have not been finalized, but our expectation is that is going to be probably the total cost.

\* (1640)

**Ms. Friesen:** Can I assume from that then that the answer to the question I asked in the House today is that you are not going to print? Are you not going to make available the record of the meetings that were held, either public or private?

**Mr. Ernst:** You are correct in the sense that we do not intend to publish and widely distribute those representations. Reference to those who made representations, I think, is contained in the report, if I am not mistaken. The expectation to produce printed transcripts of delegation after delegation, some of them with extensive written briefs and so on, is not anticipated.

**Ms. Friesen:** Why could the minister not have answered that in the House today?

**Mr. Ernst:** In anticipation of tabling of the report, again, I had anticipated originally to table today and then there was some problem with the printer. I was not sure exactly when we were going to get it. It was promised and then not delivered, and it finally got delivered today. I can say with confidence today that the report will be tabled tomorrow without those long lengthy transcripts.

**Ms. Friesen:** Presumably the minister knew from an administrative perspective that there was no money that he had allotted for that kind of public accessibility, so why did he not answer in the House today, no?

**Mr. Ernst:** I can tell you that while the specific printing of those reports—the written submissions are available. Those people who made written submissions, that information is available. Public representations were also taped and the tapes are available. Technically, I suppose, we are not going to print every last word that was said before the committees, but the information is available if you want to seek it out.

**Ms. Friesen:** Could the minister indicate how an individual would go about seeking the tapes? Are they indexed? Have they been translated? Could he indicate how somebody would access or have access to the written submissions that were made?

**Mr. Ernst:** Mr. Deputy Chairman, yes, they are indexed. No, they are not translated. Access is through the secretary to the committee who is an employee of the Department of Urban Affairs.

**Ms. Friesen:** Are the tapes indexed?

**Mr. Ernst:** Yes.

**Ms. Frlesen:** Suppose I wanted to listen to the tapes, how do I go to that employee? Not me, I mean as an individual.

**Mr. Ernst:** Mr. Deputy Chairman, you would call the Department of Urban Affairs, talk to Mr. Al Streuber who is the secretary to the committee and make arrangements. Depending upon his time to assist, and so on, I am sure arrangements can be made to deal with it.

**Ms. Frlesen:** The purpose that I am asking these questions, of course, for, is the principle of public access to information and to the range of opinions which were presented at those commission hearings. Frankly, I am not satisfied with that level of public accessibility.

I wonder what justification the minister could give. For example, has the committee report—and I know he has not had much time to look at it, but perhaps his staff could advise him on whether the report has summarized the positions of each delegation so that we at least have an indication of pros, cons where the general debate went.

**Mr. Ernst:** Mr. Deputy Chairman, first of all, this is a report to me as the Minister of Urban Affairs. The committee chose—rightly they should have, and I think we probably gave the direction in terms of public process. Now, people attended those public hearings or made any indication of interest with regard to the public hearings. They had the opportunity of hearing the information the same as everybody else.

As I have indicated, there is a question of cost, and we are, in fact, going to make available—if somebody wants that information, it is available. We can provide it to them, but we are not planning to spend a great deal of money producing reams and reams and reams of paper for the sake of having that available, even if nobody wants to see it. If they want to see it, we can make arrangements for them to get it one way or another, but at the same time, to take the process and pay a fortune to have—if you want to kill a whole bunch of trees for the sake of producing it, we are not prepared to do that.

**Ms. Frlesen:** I am glad the minister has reminded us of the delicate balance between ecology and the access to information. I suspect that we may have differing opinions on that as well.

I was suggesting an alternative, and I wondered if this had been included in the report, and that is a summary. For example, The Forks Renewal

Corporation, when it had its initial hearings, included in its appendix a summary of the presentations that were held with the suggestions that were made. Has this been done in this case?

One of the difficulties that the public faces in this particular issue is that the press, for the most part, chose not to cover these hearings so that apart from the first and last hearing, and the occasional representation in the Weekly of the Free Press, there was very little coverage of this. There has not been much publicly available information. As you, yourself, indicate there is going to be a great difficulty for anyone who wants to sit down and go through these tapes or to read the mass of information.

**Mr. Ernst:** Well, Mr. Deputy Chairman, the information is available. It is publicly accessible. It is not printed and attached to every copy of the report. We will have to agree to disagree on whether it should have been printed or not.

**Ms. Frlesen:** The minister is not addressing the question I posed on the interim process of providing summaries. Are there summaries in the report? There may well be, I do not know. Most reports do that as a matter of course. Is there a tabulation, for example, of differing opinions?

**Mr. Ernst:** I will have to check and see. I do not know.

**Ms. Frlesen:** Mr. Deputy Chairman, I do not have any more questions on that.

**Mr. Deputy Chairman:** Item (a) Salaries.

**Mr. Carr:** We are a long time before we are passing this item, but I—

**Mr. Deputy Chairman:** I noticed we are dealing way over here, and I know we have given some leeway but—

**Mr. Carr:** We are into it. We are fine. Just one or two more questions on the Boundaries commission: The Order-in-Council which struck the last committee detailed payment, and I believe it was \$8,000 for the chair and \$6,000 for the other two members for a total of \$20,000, but that included both phases of the mandate given through the Order-in-Council by the minister. Since Phase II has been redelegated back to where it belongs in the Wards Boundaries Commission, how much of a saving is that to the government in terms of the stipends paid to the three members of the Ross committee?

\* (1650)

**Mr. Ernst:** I am advised, Mr. Deputy Chairman, by the staff that we are paying Mr. Ross \$800 per month and the other two members \$600 per month. I guess it was anticipated as a total sum over a period of time, so that over a 10-month period, I am advised by staff, that is how it was calculated. So in the case of Mr. Ross being paid \$8,000, it was \$800 a month over 10 months in the anticipated time frame. As it turned out, it is four months or thereabouts. So \$800 a month times four months is basically what he will get out of it.

**Mr. Carr:** So the government's decision to remove Phase II of the mandate has saved the taxpayer about 60 percent of the stipends for each of the three members in that case.

**Mr. Ernst:** That is correct. As a matter of fact, it is going to save the provincial taxpayer even more because the requirement under The City of Winnipeg Act for the Winnipeg Wards Boundaries Commission is that the City of Winnipeg pays the bill.

**Mr. Carr:** Can the minister tell us what the timetable for Phase II will be once the legislation is introduced into the House? Well, I guess probably we would have to wait until it was passed with amendments, perhaps, in the House before it was then given to the Wards Boundaries Commission. Then what is the timetable that kicks in after the Wards Boundaries Commission has been seized of the changes that have been passed through legislation?

**Mr. Ernst:** Mr. Deputy Chairman, I have advised the members of the commission of my intention to refer this to their attention, assuming that the amendments to the act that will permit them to sit pass. They will be contained in the bill as well. Once the bill has been passed, then we are in a position of—they can organize in the meantime and get whatever resources are necessary pulled together for themselves in the interim. Then once the bill is passed, and they have a definitive number, they can proceed. We anticipate having formalized the boundaries and ward names, et cetera, by the end of the year.

**Mr. Carr:** By the end of the year, and then it requires legislative approval after that, does it not? Do the names of the boundaries and the final configurations then have to come to Legislature, or not?

**Mr. Ernst:** I am advised by the staff that it is done by Order-in-Council, cabinet decision.

**Mr. Carr:** So once the government has the final report of the Wards Boundaries Commission, the government then approves it through Order-in-Council?

**Mr. Ernst:** That is correct.

**Mr. Carr:** I would like to get into the issue of amalgamation of the other agencies. Does the member for Wolseley want to ask specific questions first on North Portage?

There has been some talk of amalgamation of the two independent corporations. Well, they are really independent because there is a relationship between North Portage and The Forks. Can the minister report progress to date? I understand that it has now become the policy of the government that amalgamation is in the interest of the province. Do his partners agree? Is there a timetable for amalgamation of The Forks and North Portage?

**Mr. Ernst:** Yes, it has been a policy of the government since last August, if not prior to that, but certainly since last August. The matters are being pursued in that direction. We do not have everyone in total agreement yet, however, we are pursuing the matter. Having had discussions with my colleagues in that regard, I do not think we are that far away. There are some issues yet that are of concern to at least one of the other partners. We are attempting to deal with those issues and will again discuss them at our next meeting. I cannot give you very much more in terms of a report. Until you get unanimous consent, of course, it is not going to happen. It is not sort of two governments ganging up on the third to force that to occur. We are heading in that direction. We are working very hard on it to try and cover off the concerns of our partners. Once that is in place, then we will be able to proceed with formalizing the merger.

**Mr. Carr:** Can the minister tell us what model he is proposing to his partners? Obviously, one board rather than two, perhaps one administrative staff rather than two, some co-ordination of mandate. Can the minister share with us just what direction that his government is taking on the proposed amalgamation and just how he sees it unfolding?

**Mr. Ernst:** Mr. Deputy Chairman, first of all, with regard to the position of our government, we are in favour of seeing it merged and we are pursuing that option. We are the primary driving force behind

that. There is a principle to be addressed firstly, before you get into specific models of how, function, and so on. We have deliberately been flexible in terms of potential for changes in terms of board make-up, different administrative options and things of that nature. We have not come down hard and fast and said this is what we want, but we want to see an amalgamation. We want to see the savings resulting from that, and perhaps a number of other directions that come from an amalgamated board with a common set of goals and trying to carry out the mandates of the two different corporations.

**Ms. Friesen:** Mr. Deputy Chairman, in this proposed reorganization of The Forks and North Portage, has the minister given any consideration to involvement of citizens? How would he propose to involve them?

**Mr. Ernst:** Perhaps I can ask the member to elaborate on what she means by citizen involvement and in which process in deciding whether to amalgamate or to function once it is amalgamated, or -(interjection)- well, Mr. Deputy Chairman, both boards presently are private sector driven, with the exception of The Forks. I think it is one civil servant from each level of government sitting on the board.

Again at this point we have not got that far in terms of ultimate structures of boards and things. Certainly my point of view is that they would continue to have a private-sector board operate the combined corporation. Whether or not one member of each level of government's administration should be on the board or not, I have not really come out, or made a firm decision one way or another.

**Ms. Friesen:** Mr. Deputy Chairman, I wonder if my definition of public sector and private sector is different than the minister's. What do you mean by The Forks and North Portage are private sector driven? Do you not appoint the members of the board, or a portion of the members?

**Mr. Ernst:** I said they are private sector boards. The membership on the boards is people drawn from the private sector. They are not politicians and they are not members of any government's administration, with the exception of The Forks' board, which has one, I think, from each level of government. There are none, I do not think. North Portage has no public-sector officials on the board; they are all private citizens. The Forks has one of the three from each level of government, who is a public official.

**Mr. Deputy Chairman:** The hour being 5 p.m., I am interrupting the proceedings for private members' hour. The Committee of Supply will resume sitting at 8 p.m.

## SUPPLY—NORTHERN AFFAIRS

**Madam Chairman (Louise Dacquay):** Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates of Northern Affairs. We are dealing with item 1.(c) Financial and Administrative Services on page 140. Would the minister's staff please enter the Chamber?

**Hon. James Downey (Minister of Northern Affairs):** Madam Chair, I just have one brief comment to make. I know one is not supposed to refer to the absence or presence—but I do want to say to the member for The Pas, who is the critic, that I am pleased to see him back. I understand he had ill health. I am pleased to see that he is back in good order and ready to do the Estimates of Northern Affairs.

**Mr. Steve Ashton (Thompson):** Madam Chairperson, I just wanted to note, I am sure members of the staff and minister are aware of the passing away yesterday of Bob Kirkwood, of the Department of Northern Affairs, of a massive heart attack. I just received notice a very short period of time ago. He was employed during the 1970s in the department and was rehired again in the 1980s. He was very active in community affairs in Thompson, being a former school board member. He was known for his employment also with CHTM and well known in many communities.

While I realize this is a fairly new situation I did want to note on the record, on behalf of not just the community of Thompson, but many communities that Bob worked in, how excellent a public servant he was. I know I will miss him in my next visits to some of his communities, particularly Pikwitonei where I always seemed to time my visits to the exact time that he would be visiting, in some cases even with the minister directly.

\* (1430)

I just wanted to note on the record and extend my condolences to his family. He will certainly be missed in the community of Thompson and many communities he served, and certainly, I am sure, by his many fellow employees in the Department of Northern Affairs where I know he was very well liked

and very well respected as a co-worker. Thank you, Madam Chairperson.

**Mr. Downey:** Madam Chair, let me first of all say I had not known of this situation until just now, although I understand my deputy had a note on my desk in my office of which I was not aware of at this time.

I want to, on behalf of all the employees of the Department of Northern Affairs and government, extend my sympathy to Bob's family. Credit certainly goes to Bob for a lot of hard work and dedication to those communities. I am sure he will be not only be missed by the family who we send our sympathy to, but certainly missed by the communities of Northern Affairs, and also the fellow employees of Bob. I want to publicly put it on the record that we certainly will miss him and pay tribute to his hard work and dedication to the province of Manitoba.

**Madam Chairperson:** Item 1.(c) Financial and Administrative Services: (1) Salaries, \$404,400—pass; 1.(c)(2) Other Expenditures, \$55,900—pass.

Item 1.(d) Northern Affairs Fund: (1) Salaries \$116,600—pass; (2) Other Expenditures \$6,000—pass.

Item 1.(e) Communications: (2) Other Expenditures \$26,300—pass.

Item 1.(f) Communities Economic Development Fund: \$700,000.

**Mr. Ashton:** Madam Chairperson, I realize that we are dealing with a different situation here in terms of CEDF, we deal with it in terms of its particular role as an agency of government, but I wanted to ask the minister in terms of using this opportunity, what the status is in terms of the decentralization in Thompson. I know that is probably one of the few components that has not been delayed for whatever reason, it has gone largely ahead. I just wanted to ask the current status in terms of the number of employees who have been relocated, the number of employees who were newly hired to fill other positions and the current status of CEDF staff in Winnipeg.

**Mr. Downey:** Madam Chair, I believe the decentralization is complete. I think there are two staff left in Winnipeg and 11 in Thompson at this particular time, one officer in Swan River. I believe that is it, but the decentralization is complete.

**Mr. Ashton:** I have one further question, and that was just the breakdown in terms of those who were hired in Thompson. A number of them were hired from the local area, a number would be involved in terms of transfers. If the minister does not have that information readily available, I would certainly appreciate if he could provide it at a later opportunity.

**Mr. Downey:** Madam Chair, I am quite prepared to get that specific information for the member. I believe one individual particularly had moved from Thompson to Winnipeg and then was pleased to go back to Thompson with the relocation. The member knows as well that the manager is from Thompson, locally hired. I will get more specific information as to those people who transferred and those people who decided not to and the local hiring.

**Mr. Oscar Lathlin (The Pas):** Madam Chair, I just wanted to ask the minister what the status is currently at the Manitoba Agricultural Credit Corporation and the Communities Economic Development Fund in terms of the transition program that was supposed to have been developed and implemented by now. I am still getting questions from fishermen's groups, not only up North but in the South here as well. What I want to ask him is, the strategy, the work plan, are there any documents that he can share with us that would outline the transitional program from the Manitoba Agricultural Credit Corporation to the CEDF?

**Mr. Downey:** Yes, Madam Chair, the Fishermen's Loan Program is carrying on as it was, now under the direction of the CEDF. There is an internal working group to work out the details, but fishermen, all they have to do is go to the MACC officer, which they have traditionally done, and apply for a loan as they have done in the past. We are, as the member knows—I just introduced it today for first reading—amending the CEDF Act which will include the Fishermen's Loan Program for the Province of Manitoba.

So the loan activity is being carried on as it was in the past under MACC. There is an internal working committee which is now working on the technical details. As far as we are concerned, at this particular time there is very little interruption for the fishermen who want to carry on loan activities with CEDF or the program as it has been in the past.

**Mr. Lathlin:** Madam Chair, I would like to ask the minister again, there seems to be quite a bit of

confusion as to how this transition is supposed to take place. The announcement was made quite a long time ago, actually. However, today the minister is telling us that not all the details have been worked out.

\* (1440)

In the meantime, there is a lot of confusion out there by the fishermen's group. One of the questions, for example, they ask me is, we're fishermen, we're not restaurateurs, we're not construction companies, we're not trucking outfits, so that the bottom-line question that they have and I have for the minister is, are there any plans in the reorganization of MACC and CEDF in terms of the composition of the board, whether he intends to appoint board members who have the necessary skills and background in the area of fishing in order that the program might be effective whenever it is implemented, not only that, but also that fishermen's interests are looked after?

The concern that they have is our submissions are going to be going into a different board, a board that has no idea about fishing. So I ask the minister, what are the plans in terms of, for example, firstly, composition of boards in terms of skills, background and so on, so that they can effectively review and recommend for approval those loan applications that are coming in from fishermen?

**Mr. Downey:** Madam Chair, competent people will be involved in the delivery and on the board.

**Mr. Lathlin:** I have a couple more questions in terms of the Communities Economic Development program.

I am still not satisfied that the minister has a clear direction as to where he wants to go. I know he tells us that he is introducing a bill, and so on, but what I am interested in knowing, and what other northern people, particularly the fishing groups, are interested in knowing, is when the transition program comes about—I know he tells us this afternoon that MACC is going to operate the way it has been operating before; however, there is a transition program that is going to be happening at the same time.

I would still like to know: Is there any documentation that he can share with us that I can take back to the various fishermen's groups up north in order that they can orient themselves to the new procedures, for example, the new rules and regulations, new groups to deal with?

**Mr. Downey:** Madam Chair, what I have tried to do in my answers to the member is to say to the fishermen who want to get a loan, go to the Fishermen's Loan officers that they have gone to traditionally, and they will be dealt with as they have been dealt with in the past. So, if he wants to tell the fishermen anything, that is what he can tell them, and he can take a copy of Hansard, of which I am putting here on the record today, and that is basically it. After the spring activity, which is the heaviest period of time for loan activity within the loans program, there is a plan to transfer the responsibilities fully to CEDF.

**Mr. Lathlin:** The other question that I have for the minister is actually maybe not directly related to Northern Affairs, but seeing as how he is the Minister of Northern Affairs and Native Affairs and Rural Development, I think it would be relevant and appropriate for me to ask the question anyway. That is the fishermen who are out in Grand Rapids and Chemawawin and the Saskatchewan River, but particularly at Grand Rapids—traditionally, the way it has worked is that the local fishermen's group in Grand Rapids would be given preference over, for example, work activities in the area of underbrushing or brush clearing or work projects like that. Recently, it has been brought to my attention, and I do not have the letters here with me but I have them in my office, whereby some fishermen in Grand Rapids are concerned that the work activity that they were traditionally involved in, or historically been involved in, you know, to replace fishing whenever fishing was slow has been contracted out to people either from Thompson or from Winnipeg. I am just wondering if the minister could share some information as to whether that is in fact true or not?

**Mr. Downey:** Well, Madam Chair, I will try and help the member get the information from the Department of Natural Resources. I am not aware, specifically, under Communities Economic Development Fund or Northern Affairs what he is specifically referring to. Possibly if he would bring that documentation forward, I can either have the Department of Natural Resources assist in getting the information, or if it is dealing with Northern Affairs, I will get it for him.

I am not absolutely clear at this particular time what he is referring to, if it is alternative work activities or whatever. I will try to get for the member the information that he requires, but I do not think it

is to do with either Communities Economic Development Fund, as we are now going over in the line here, Madam Chair, or the Northern Affairs department. However, I will attempt to help him with some of the information that he is requesting if he will bring that documentation forward.

**Madam Chairman:** Item 1.(f) Communities Economic Development Fund, \$700,000—pass.

**Mr. Jerry Storie (Flin Flon):** Yes, on the Communities Economic Development Fund—

**An Honourable Member:** It was passed.

**Mr. Storie:** Because she did not recognize me? You want to spend two hours doing it later?

**An Honourable Member:** No, go ahead.

**Mr. Storie:** Thank you. Madam Chairperson, the Communities Economic Development Fund is showing some \$700,000 next year for uncollectable loans. I am wondering whether the minister has with him a list of the loans that were defaulted in the last year. The fund set aside some \$850,800 and I am wondering whether any of those businesses that failed in the last year, whether there is ongoing legal work to be done or whether those have now been concluded and that \$850,000 is the final figure that was written off in 1991, and whether we can have a list of the companies that are currently in receivership that have been supported by CEDF.

**Mr. Downey:** As the member is aware, these defaults were loans of the past few years and I am not sure from what period of time, but I think the information is available. I do not have it here with me specifically, but it probably is available in the Communities Economic Development Fund Annual Report. If it is not, then I will get the information for the member. I do not have the specifics of that particular write-off here, but I am prepared to get it for the member.

**Mr. Storie:** Madam Chair, I do not believe that the individuals or companies are identified in terms of their current standing.

I think there is note in the Annual Report, a list of the companies that have received support, but it really does not give us a good idea of what has taken place in the intervening months or years with those companies. It would be helpful if we could identify, over the long term, where we have been successful in CEDF and where we have failed, what kind of businesses have been successful and what kind of enterprises have not been successful.

Madam Chairperson, I would like, as well, if the minister could tell us how or what CEDF is currently doing to promote itself amongst the rural isolated communities, whether the CEDF or anybody in the Department of Northern Affairs is now responsible for making sure that the role of CEDF is understood in those rural remote communities.

\* (1450)

**Mr. Downey:** My answer is consistent with how I answered that same question during the annual reporting of CEDF during the committee stage. It is my understanding that nothing is changed from that particular time, although they are continuing to interface to try and promote CEDF in areas which are truly those areas that need support in financial lending. My answer does not change. I would refer to the Estimates or the committee stage of CEDF.

**Mr. Storie:** Just one further question then. Is there anyone within the Department of Northern Affairs—and I know that we may be coming to that but if we are I would like to know where it is—who now has prime responsibility for economic development within the auspices of Northern Affairs and how does that person or those people relate to CEDF?

**Mr. Downey:** Yes, Madam Chair, there is a line in the Estimates which deals specifically with that particular appropriation and that is item XIX, 3.(c).

**Mr. Storie:** I am sorry, I missed the specifics of the minister's response and I would ask him to repeat that.

**Mr. Downey:** Item XIX, 3.(c).

**Mr. Storie:** My colleague from The Pas had referenced the confusion that surrounds the transfer from MACC to CEDF of the fishermen's loans. I would like to know from the minister what planning the CEDF undertook in preparation for this loan transfer or did, in fact, the decision come from the minister or the minister's office without the knowledge either of CEDF or any of the individuals who currently have fishermen's loans with MACC?

**Mr. Downey:** Madam Chair, I have dealt with that in answer to the questions from the member for The Pas (Mr. Lathlin), and as I have answered before, and I will answer again, the government's decision has been made to have CEDF handle the Fishermen's Loan Program.

It is business as usual until later on this spring after the main workload of this spring is completed



and the complete transfer will take place, as well as the changing of the act to make sure it can fully accommodate the fishermen's loans.

**Mr. Storle:** Well, Madam Chair, there are certain elements of this announcement which parallel the decentralization announcement, and that is that there was utter chaos and confusion. The government, quite apparently, did not have any well-developed plan for accomplishing this transfer, because it did create a lot of confusion and, in fact, the government had to backtrack on its original announcement and leave the Fishermen's Loan with MACC.

Now we are being told and given assurances that the transfer will be accomplished in due time. I suppose, if that does happen, we will see how it affects the fishermen, in particular, but also how it affects the other clients that CEDF services.

My question to the minister is: How many accounts do we expect to transfer from MACC, and does CEDF anticipate any increase in staffing as a result of the new accounts?

**Mr. Downey:** There basically would be the transfer of staff that are currently there with MACC, and I will have to get the numbers of fishermen's loans that there are to deal with, but I think the same number of staff will be able to carry out the loan activities under CEDF as they do now under MACC.<sup>1</sup>

**Mr. Storle:** So the minister is saying that there will be no staff year saving, in effect, from either MACC side or CEDF side. The question then becomes, what is the purpose of this transfer, if there is no saving? MACC has successfully, by all reports, accommodated the needs of fishermen for many years. Why the transfer if there is no saving? It is simply creating confusion. Is that the intent?

**Mr. Downey:** Madam Chair, I did not say there would not be a saving. I believe that there probably will be a saving, and time will tell.

The other point that I want to make, Madam Chair, is the effectiveness of which I believe CEDF can handle the loans for the fishermen of this province, basically dealing a lot in the northern part of the province. I see it probably being more accommodating to fishermen of this province, rather than less accommodating.

**Mr. Storle:** Madam Chair, you will forgive members opposite if they are somewhat skeptical of a minister who stands up and says, I believe that it may be. We would have expected that if the minister was

going to transfer responsibility from MACC to CEDF, he would be able to table for members opposite some indication of how that transfer was going to occur, how much money it may save, or the rationale for the transfer. Perhaps the minister now can tell us with whom he consulted before the decision was made to transfer from MACC to CEDF? Was the fishermen's group in Pukatawagan consulted, or South Indian Lake, or Nelson House? Were any other groups, like NACC, MKO, other groups consulted before this transfer was contemplated?

**Mr. Downey:** Well, Madam Chair, I normally do not do this, filibuster my own Estimates, but I think it is time to put it clearly on the record. Members from the opposition continually berate the government for not doing anything for the North, for taking things away from the North and not providing things for northern Manitoba. Now, Madam Chair, I am providing the Fishermen's Loan Program, operating out of Thompson for the northern people of this province, and I am being berated because I am doing this.

I just cannot figure out the rationale for the member for The Pas (Mr. Lathlin), the member for Flin Flon (Mr. Storle), for me now providing what is more appropriately, I believe, provided in northern and central Manitoba for the fishermen of this province and they do not like it. They want me to leave it with the farm program in southern Manitoba. They do not want me to provide loan opportunities and opportunities for employment in the North through the Fishermen's Loan.

I quite honestly cannot figure it out. It is in fact to help the fishermen of Manitoba and there is no one who wants to help the fishermen more than I, because I can tell you the fishermen of this province are long-term dedicated people, with some of the toughest lives and some of the most difficulties that many people face in this province, in this country. They are dedicated people. I want to continue to assist them through a loan program that I think will accommodate them and assist them better under CEDF. I have not had criticism from individuals in the fishing industry. In fact, I have comments of support for the move that is being made.

I just want to make it clear on the record, Madam Chair, I cannot understand, particularly the member for The Pas (Mr. Lathlin), not wanting to support the activities of the Fishermen's Loan under CEDF, northern based, helping the Native people of the North, but no, he does not want that. He does not

want me to help the people of the North and the fishing industry by moving the program over to CEDF. I cannot understand them. I cannot understand the reasoning behind his thinking. He is usually a fairly reasonable, rational person, but I think he has been involved with a group around him too long that has kind of got his thinking maybe a little bit off base, that New Democratic Party treatment has not done him the kind of good that I think could have done. -(interjection)- No, and I do not either. Very smart.

Anyway, Madam Chair, I want to make it very clear that this, I believe, will be operated as well, if not better, under CEDF, that the fishermen, I believe, from their comments to me are not unhappy with what is being done. They just want to make sure there is a program in place for them and we, the government, have given them that assurance.

\*(1500)

**Mr. Storie:** Madam Chair, I appreciate the concern of the minister over Northerners and I am convinced along with my colleague for Lakeside (Mr. Enns), who from his seat says, leave it to Davie. -(interjection)- If Davie's mom and dad are up there then I am sure Davie will do as he is told.

Madam Chair, the irony, I guess, or the difficulty I have with the minister's response is, of course, it did not answer the question. The question was, who did he consult with in northern Manitoba? He says he is concerned and the member is always wringing his hands with concern, but when it comes to dealing with northern issues he seldom consults Northerners. The question was, before the decision to transfer was made, who did he consult with? The MKO, the MMF, the Swampy Cree Tribal Council, any of the fishermen's associations, who did he consult with? The answer was, quite clearly, no one.

The second point I make, Madam Chair, is how is CEDF going to be able to carry this burden? Are they going to get additional staff? The minister says, well, MACC is going to transfer some staff, but maybe not all. Is CEDF existing staff going to also be burdened with this additional task? No one would argue that it may make sense for some of those loans to be administered in northern Manitoba. Clearly much of the freshwater fishing that goes on in the province of Manitoba occurs in northern Manitoba, but this minister has not given

us any sound basis to make that decision and that is what we asked for.

The minister also talks about the government's deep commitment to fishermen and fishing in the province of Manitoba. Perhaps then the minister can tell us whether he, as Minister of Northern Affairs, anyone at CEDF, MACC, dealing with Fishermen's Loan, consulted when the Minister of Natural Resources (Mr. Enns) reduced the transportation grant for northern fishermen by some 35 percent.

**An Honourable Member:** Why do we not try and get it back?

**Mr. Storie:** You are a good man if you can.

Madam Chair, we would like a response. This minister continues to pretend that somehow he is concerned about fishermen and northern Manitobans; but, when issue after issue comes to the cabinet table that affects Northerners, this minister is sitting on his hands.

The question was a simple one. Did the Minister of Northern Affairs (Mr. Downey) have any consultation with his colleagues before the government decided to reduce the northern fishermen's transportation support program by 30 percent?

**Mr. Downey:** Madam Chair, I will answer the question, but it is clearly out of order. We are doing the line on CEDF. I will answer the question, though it is out of order to do so.

I fought very hard on behalf of the fishermen of this province to maintain the level of support for the fishermen's transportation program as it currently is, and I will work with my colleague to enhance that loan activity after having to deal with the tremendous deficit that was left to us by the previous administration, whether it be the building of a bridge over the Red River north of Selkirk without having a road to it or the money that was frittered away in the sands of Saudi Arabia. Those are the kinds of tough things that we have had to face.

Yes, I am prepared to fight with my colleague the Minister of Natural Resources (Mr. Enns) to restore some further support to the transportation program for fish out of the North.

**Mr. Storie:** Madam Chair, I am afraid that the minister or perhaps his colleagues have not done their homework in terms of the potential cost of reducing that grant. Clearly, if this government

ends the livelihood of fishermen in northern Manitoba, or a number of them, it is not going to take long before the government has lost more than it could possibly have gained by slashing that \$70,000 from the budget of the transportation assistance program to northern fishermen.

Madam Chair, my final question on the CEDF line is: Can the minister indicate whether the \$100,000 that was previously allocated for training in the budget for—it was under the Local Government Development, I believe—whether any of that training would have been used to support the development of business administration skills in our communities?

**Mr. Downey:** No, Madam Chair.

**Mr. Lathlin:** I have another question, Madam Chair. I told the minister that I would explain to him why I had these concerns in regard to the manner in which the MACC was switched over to CEDF for fishermen's loans and so on.

I do not think he has told us that he consulted with anybody. I know for a fact that Grand Rapids fishermen's group was never consulted, because they were the first ones who called me when they found out through the news media, through a news release, that fishermen's loans were now going to be reviewed at CEDF instead of at MACC. He says, why is the member from the opposite doing this? Well, let me explain to him why. I know that when he talks to the fishermen at Grand Rapids he tells them—and his officials—he tells them that the fishing hatchery that they have at Grand Rapids—his usual line is that, we are helping you, do you not see that we are helping; that is part of the forebay compensation.

Well, the people from Grand Rapids, the fishermen from Grand Rapids, are not exactly stupid. You know, as he told this House here not too long ago the Northerners—

#### Point of Order

**Mr. Downey:** Madam Chairman, I am certainly disappointed with the member from The Pas and what he has just put on the record, and I would like him to apologize. I have never in this House referred to anyone as being stupid, and I would like him to withdraw and apologize for those comments.

**Madam Chairman:** The honourable member for The Pas, on a point of order.

**Mr. Lathlin:** I am waiting for the ruling of the Chair.

**Madam Chairman:** The honourable Minister of Northern Affairs does not have a point of order. However, I would caution all honourable members to use discretion in the choice of their words.

\* \* \*

**Mr. Lathlin:** Madam Chairman, I can understand why the minister is a little sensitive. When we can read it from Hansard, people in the North—that is the line that is being used in the North now, that generally people are regarded as not having enough knowledge about politics, let alone knowing how to vote. They remember very clearly and very well the minister's comments in this House when he told us very clearly that perhaps the Northerners did not know how to vote.

As I was about to say to the minister, fishermen in Grand Rapids may not know how to vote but they are not stupid. They are just as logical as anybody else, maybe even more logical than the minister. They are saying to me, the minister cannot tell us that the hatchery operation at Grand Rapids is part of the forebay compensation, because what he does with the stock that is being produced at the hatchery whenever it is operational is that he takes the stock out of the hatchery and then goes on to stock other lakes all over Manitoba, not just at Grand Rapids. So that is why I am saying, you know, there is a lot of confusion from the changeover from MACC to CEDF. I am afraid the fishermen's groups are not trustful of the minister because, for one thing, they have not been consulted, another, they have not seen any clear documentation or paperwork that they can be reviewing as to how this new program is going to be working and who they are going to be working with.

My point to the minister is, on one hand, he cannot understand why I have these concerns, and then, on the other hand, I am trying to explain to him why I have the concerns. The one example that I use is the line that he gave to the people in Grand Rapids, telling them that this is part of the forebay compensation. Then he goes and uses the results of the operation of the hatchery all over Manitoba. If he were sincere when he tells the fishermen at Grand Rapids that it is part of the compensation package, then what he should be doing is concentrating on stocking the rivers and lakes around the Grand Rapids area instead of doing it all over Manitoba.

\* (1510)

**Madam Chairman:** Item 1.(f) Communities Economic Development Fund \$700,000—pass.

Item 2. Local Government Development (a) Programs and Operational Support: (1) Salaries, \$234,500—pass; 2.(a)(2) Other Expenditures, \$75,200. Shall the item pass?

**Mr. Nell Gaudry (St. Boniface):** Madam Chairman, in the \$234,500 in Salaries, was that an increase in staff, or is it just the general increase of regular increments?

**Mr. Downey:** Same staff with a retirement.

**Madam Chairman:** Item 2.(a)(2) Other Expenditures, \$75,200—pass; 2.(a)(3) Community Operations, \$4,209,800. Shall the item pass?

**Mr. Gaudry:** Madam Chairperson, General Support Grants, \$75,000, has been discontinued. Could we have an explanation?

**Mr. Downey:** Madam Chair, the communities are exempt from getting the health and education levy and do not get the grant when they are exempt from the health and education levy.

**Mr. Gaudry:** In last year's Estimates the general support grants were still in place. Does this mean that the northern communities were just recently exempted from contributing to the health and education levy? Can we have an explanation?

**Mr. Downey:** Where, in fact, Madam Chair, they do not pay it, they are no longer entitled to a grant.

**Mr. Lathlin:** Perhaps, Madam Chair, the minister could explain to us just exactly what a general support grant is.

**Mr. Downey:** It was the grant, Madam Chairman, to the municipal corporations for the purpose of paying the education and health levy, known as the payroll tax which was introduced by the former administration.

**Mr. Lathlin:** Madam Chair, these communities, have they ever received that grant before?

**Mr. Downey:** Yes, Madam Chair, it was an offset for the provincial payroll tax that they were paying to the province. The province granted back to them a grant to cover those particular monies that they were paying to the province. When, in fact, they no longer owed that or paid that to the province, they no longer received the grant.

**Mr. Gaudry:** Madam Chairperson, also under program operation, specifically training, the minister said in last year's Estimates that he is progressively

transferring the authority for funds and resources and responsibility to the communities. The department has cut training support for seminars and workshops. So is this minister dumping responsibilities on northern communities without bothering to tell them what and how to do it? Is this how the minister expects to expand local autonomy in decision making?

**Mr. Downey:** Yes, Madam Chair, there is an ongoing activity as it relates to the department; however, the recommendations are that it does not have to be carried out every year, and so this year there is no allocation for the Community Training Program. However, that does not mean to say that there is not some form of training being carried out by staff, in fact there is, but to the magnitude of which it has carried out in the past, it is not.

**Mr. Gaudry:** Madam Chairperson, Regional Services, \$691,000 to \$656,000, roughly a \$30,000-\$34,000 decrease. Can he explain the difference?

**Mr. Downey:** Madam Chair, there is a little bit less work to do and that is the reason for less funds that are allocated for this service.

**Mr. Gaudry:** Madam Chairperson, in grants, there is a decrease of roughly \$10,000. Could the minister tell us what grants have been cut in that area?

**Mr. Downey:** Madam Chair, the decision was taken to reduce. As the department had to see a reduction in the amount of money that the staff had to deal with, there was a decision taken to reduce the NACC grant by \$10,000. So this is a reduction of \$10,000 for Northern Association of Community Councils.

**Mr. Gaudry:** Madam Chairperson, why was the Northern Association of Community Councils the one chosen for the decrease?

**Mr. Downey:** I thought I had explained that the department itself had seen reductions in overall funding, and it was just a matter of trying to fairly distribute the reductions throughout all organizations that relate to our Northern Affairs communities.

**Mr. Gaudry:** Madam Chairperson, I have a letter here from the NACC, and they are requesting some information or some consideration from the government, because on March 27, 1991, a letter of notice from the Minister of Finance (Mr. Manness) was sent out to all the Northern Affairs communities

indicating this government's intention to reduce their municipal tax-sharing payments by approximately 13.4 percent in 1991 for amounts distributed in 1990.

The letter goes on to say: For municipal budgeting purposes, it is recommended that you calculate revenues based on 1986 census population at a rate of 36.25 per capita for the basic payment. Suffice to say, we hold very sacred that institution where we, NACC communities, determine the needs of our communities to the extent of available resources. Since the birth of the NACC, no existing government has ever requested a more devastating process. This particular process spells the devolution of community aspirations towards self-government at a time when the NACC is working tooth and nail to achieve greater local autonomy.

Then it goes on to say: It is inconceivable to us that while, on the one hand, the government is saying the aims and goals of local government and the well-being of all Manitobans remain a high priority of this government and, on the other hand, this government intends to erode an already constricted livelihood. Is this the kind of treatment we can expect in the future from this government?

As an elected voice of the people of Manitoba, it is incumbent upon you, as MLAs, to speak out objectionably and vociferously on this matter. We enjoy what little we have now in favour of ongoing negotiations for more services which are taken for granted by others. Consider this and all other factors, and you can only conclude the potential threat of local autonomy and alienation. We invite you to give this your immediate attention and respond to our Thompson office. Our Field and Operations Manager, Bill Flamand, will be there to answer any further questions.

What does the minister intend to do with such a request from a local organization of the NACC?

**Mr. Downey:** Madam Chair, first of all, I want to make it clear I have met several times with the Northern Association of Community Councils to discuss the budgetary impacts, to listen to them, and to take very seriously their concerns brought forward. So this is not the first time that this has been brought to my attention.

As it relates to the particular transfer of funds from the province to the communities, it is no different than the transfer or the reduction in transfers from

the province to the municipal corporations in southern Manitoba. The reduction is because the income tax that we receive from the corporations was reduced. That reduced our ability to transfer funds to the northern communities and, as well, to the rural communities.

\* (1520)

As happened in times of excess, in fact, in 1988, I believe it was, the former administration, when in fact there were some 20 percent approximately to be transferred to the community councils and the municipalities, they were going to cap at 5 percent the amount that was transferred. We reversed that decision upon becoming government, and we said to the municipalities: When times are good and our corporate income taxes are higher, you will get the benefit of that; however, when our corporate income taxes are lower, as was this last year, then that will be reflected in the transfers of money to your corporations and to your municipal councils and your communities. That is, in fact, the reason for that reduction.

**Mr. Lathlin:** Madam Chair, I regret that I was not here when we first started the Estimates process for Northern Affairs. Unfortunately, I became ill and could not be in the House at the time. At the risk of being ruled out of order or being told that I am off the subject or something, I am still going to tell the minister—after I read his opening statements that he made here on May 21, and then today he tells us that he has met several times with NACC, and so forth.

When I met with the Norway House Indian Band on May 8, the council informed me, and I believe they have letters as well that they received from the Minister of Finance (Mr. Manness)—according to the Norway House Indian Band Council, it was their position that a unilateral decision had been taken by the government to cut back the unconditional grants tax revenue to Norway House. In Norway House's case, it was cut from \$80,000 to \$60,000. Yet, when I read the minister's opening statement, he even acknowledges that the policies of the federal government continue to affect the North. He even acknowledges—and this is what I find amazing: "The effect of GST is being felt in the North just as it is in the rest of Canada."

However, what the minister failed to say after those words was that—and I believe that he said it somewhere else in his statement: When I buy

gasoline here in Winnipeg, I pay 49, 50 cents a litre, and then when I go up North, I pay close to 60 cents.

Then he says, he admits: "... already faced with numerous obstacles to development and feeling the additional impact from these factors," from the federal government activities, from GST—he admits that. I believe he also admits that, with the program cutbacks, these have "a cumulative effect on basic services such as the cost of transportation and of goods."

Then he goes on to say: "My department is working on many initiatives to enhance social and economic programs in the North." Then I believe he talks about, he is going to continue the path that his department had begun in improving local municipal services in northern communities and further developing human and economic programs to give northern residents and Native people more opportunities for self-government.

Madam Chair, the minister has the gall to utter those words in this House. Then he goes on to unilaterally cut programs such as the unconditional grants, moving the MACC to CEDF, cutting out the freight transportation costs for fishermen, cutting back on the hours of the ferry operation, not to mention the people who have been laid off. Then he makes statements such as he did on May 21 in the House. I find that hard to believe.

He talks about caring for the North, he talks about how important the people of the North are, he talks about aboriginal people, yet he has yet to show us that he really means what he says when he utters those words in the House here. His actions are not, I am afraid, in sync with what he says in the House here. What I find most amazing is, you know, he says, I think we should adopt a slogan, one which I feel very strongly about, "North for the '90s in Manitoba."

Then his department goes on to cut \$2.6 million from the Department of Northern Affairs. The other thing that I found amazing, yes, Davie has got a good name. Davie, you should come with me to The Pas next weekend when I go and visit the people up there at Grand Rapids, Moose Lake, and Easterville. -(interjection)- I think they would like to have Davie first and then on a second trip, I will take the minister and they will have him, too.

In any event, he says all these wonderful words in the House and then he goes on to cut his department by \$2.6 million. Then he says there are

only salaries and operating costs associated with the cost of 11.5 staff years. That is only for Northern Affairs, but he fails to mention that other government departments have cut person years in their department, such as Natural Resources, Highways and Transportation and so on. So I am afraid, Madam Chair, I have a lot of problems with reconciling the departmental budget with those words that the minister said in the House on May 21.

**An Honourable Member:** Oh, Davie lad.

**Mr. Lathlin:** Oh, I thought you were going to sing the American national anthem.

While we were on the line of Programs and Operational Support, the other question I had, Madam Chair, was—I know he mentioned the General Support Grant that was there before but now, all of a sudden, is not there this year. He talks about enabling or helping the northern communities eventually getting to the point where they are autonomous and self-governing and so on.

My question in the Program Operation part of it in Training is there was \$100,000 there before, and this year there is none. I am just wondering, there was \$100,000, where was that \$100,000, where is it going to be used? How is the minister, particularly, going to achieve his goal of enabling the northern communities to eventually get themselves to a position where they are actually autonomous, self-governing and so on?

**Mr. Downey:** Just a brief bit of history for the member for The Pas (Mr. Lathlin), Madam Chair, I believe it was some 20 years ago when the NACC, the Northern Association of Community Councils, was established with The Northern Affairs Act. It was the desire and the objective at that time to have communities become self-governing and self-sustaining, more particularly self-governing, as a council without having to report to The Northern Affairs Act. After some 16 years out of the last 20 of NDP governments in the province of Manitoba, there were none that were able to accomplish self-determination as a municipal council without having to report through The Northern Affairs Act.

\* (1530)

I can assure the member that it is our objective to work a lot more diligently, and we have been working very closely, particularly in two or three communities that are desirous of that objective.

Now of the training aspect, there will be some training carried out. It will come from within the

community council's budgets themselves, where they feel it is a priority. In fact, we will work with them to assist them with training.

**Mr. Lathlin:** Madam Chair, the minister says he is going to continue to provide funding for training of staff people and community leaders who are working for these community councils in the North. Where is the money going to come from? How much exactly is he willing to spend in the area of training? Staff training and development, I guess, is what training is all about.

**Mr. Downey:** Within each individual community operating budget, Madam Chair.

**Mr. Lathlin:** Madam Chair, in the '89-90 Annual Report of the Department of Northern Affairs, the minister reported that the following table indicates the administrative status of the 56 Northern Affairs communities as of March 31, 1990. Seven communities were in the area of Block Funding. Some 30 communities were, as he categorized himself, administration, and then I assume, In Trust, 19 of them means that they are not self-administering or in Block Funding. Maybe he would like to explain that.

**Mr. Downey:** In Trust communities the books are administered by the Department of Northern Affairs on behalf of the communities.

**Mr. Lathlin:** So the administration of those communities is still being done by the Department of Northern Affairs. I am afraid the minister is going to have quite a task on his hands if his goal is to eventually enable these 56 communities that he talks about to the point where they are autonomous and self governing, et cetera. If he has just cut \$100,000 of staff training and development money from his budget, there are still 30 communities Self Administration I assume again, because they are in the middle, they are not in Block Funding, so therefore they are not to the stage of development that they should be in order that they be categorized as having Block Funding status. Worse than that, he has 19 other communities In Trust.

**Mr. Downey:** Well, Madam Chairman, I say with respect to the member for The Pas, I am disappointed that he has such a negative attitude towards the development of the North and the northern communities. A very negative attitude that he has put forward to the northern communities, and I am outright disgusted with the member's approach

and the lack of confidence in our northern communities.

I can tell you that these communities have been moving aggressively to become more self-determined and I would challenge the member to get the 1987 and the '86 and the '85 report under the New Democratic Party and I will assure you that these numbers are far better under our administration. The progress that has been made is far greater than under the New Democratic Party. We have confidence in the people of the North, not like the member for The Pas who does not demonstrate confidence and speaks negatively about the people who want to become part of running their own community. I am disappointed, Madam Chair, and I will hope the member for The Pas would reflect differently in future.

**Mr. Lathlin:** Madam Chair, again I repeat, at least I did not say that the Northerners did not know how to vote. So when you make a statement like that in the House here, it has certain connotations and I am not going to say what those connotations are. It translates into something and people have already picked up on that. They know what the connotations are. I, myself, being of aboriginal status, am well aware of the struggles that aboriginal people have had to face in their pursuit for autonomy and self-government and so on.

The minister takes great pride and, for example, when he talks about Northern Flood he says, I have given them \$10 million. Yet when I go to visit Cross Lake and Norway House, they say, yes, he may have given us \$2 million each per community, but on the other hand we have paid out, for example from Cross Lake, something like a million dollars in Hydro payments, cost that they had to incur.

So I do not believe for one moment that the minister is serious when he says that I do not have any respect for the North. After all, I am from the North. When I visit the communities in the North, I do not come in for the morning and then fly out again in the afternoon. I usually stay two days and I overnigh. I usually spend the night in a private home. So I think that is a good indication of where my relationship stands as far as the northern communities that we are talking about is concerned. I think I would not be wrong in saying that I am miles ahead of the minister in terms of being aware of aboriginal concerns, aspirations and so on. So I do not need any lectures from the minister in terms of my understanding of aboriginal issues and so on.

As a matter of fact, I could give him a damn good lecture on aboriginal issues, and probably he still would not understand.

\* (1540)

My last question in the training area is—in the notes it says, due to the financial situation in the province, training support for seminars, workshops is discontinued. Yet I would suggest to the minister that he still has a long way to go in terms of developing those communities. I know he is going to say I am being negative, but I have yet to hear a mayor and councillor, or chief-in-council in my travels in the North saying that they are satisfied with the level of programs and services that they are getting from the Department of Northern Affairs. Again, my question is, how is he going to enable or assist these communities to get to the level that he has so proudly espoused, you know, that he said he was going to achieve?

**Mr. Downey:** On page 29 of the handout, the Supplementary Estimates, there probably was a poor choice of words when we used the word "discontinued" as far as training is concerned. I would refer to it more as deferral of training activity during this time of difficult economic times. There will be, as I have said earlier, a considerable amount of in-house, one-on-one, individual training taking place within community councils and the departmental staff.

**Mr. Lathlin:** I am still interested in knowing, where is the staff training and development money going to come from now that the \$100,000 has been cut? Where is the training money going to come from?

The minister says it will come from within the budgets. Then he tells us that there was only \$10,000 reduced in terms of overall funding for NACC. Then he tells us, I just have \$100,000 in training now, but I am expecting that these communities have received—I suppose he is talking core funding. Their staff training and development money is going to come from within.

My question is to the minister. How much additional money has he put into their core funding if that is, in fact, what he is referring to? Secondly, when is he going to reinstate the \$100,000 staff training and development fund that was there previously and is not there now?

**Mr. Downey:** I hope to clarify for the honourable member, the NACC does not provide any training services. The monies that we are referring to here

were an additional \$100,000 to communities through the department for community training. That training will now take place from within the operations of each community as they see fit to have training carried out for their employees, and that basically is where the money will come from. It is from the internal community budgets of which they will decide how they want to spend it on training.

**Mr. Lathlin:** Madam Chair, what I asked the minister was, how much additional money, if any, was given to NACC for staff training and development purposes.

**Mr. Downey:** NACC does not provide training for department or community employees. That is done by the Department of Northern Affairs, and there is none.

**Mr. Lathlin:** Madam Chair, I gather from the minister's response that all of the staff training and development work that is being carried out at the NACC, the community level is being done by staff of the department. Am I incorrect in saying that?

**Mr. Downey:** The Northern Association of Community Councils is an association of community councils. The Department of Northern Affairs is the administrative branch that looks after our northern affairs communities. The Northern Association of Community Councils is a more political group, an advocate, which represents the communities on a political side. The Northern Association of Community Councils is a very meaningful instrument to speak politically and represent the communities in a collective way. They do not all have to join the Northern Association of Community Councils. Some defer or decide not to, but I think the majority of communities do. The training that we refer to comes from the Department of Northern Affairs staff, regional services that are provided from within the government appropriation which is directly spent through the Department of Northern Affairs.

**Mr. Lathlin:** Madam Chair, am I incorrect in saying—judging from the minister's comments, that in spite of what he says about community development, autonomy and self-government, et cetera—am I incorrect in saying that this staff training and development work is not actually being done by the communities themselves and is being done in a paternalistic way by departmental staff?

**Mr. Downey:** I would not say it is being done totally in a paternalistic way. There is a combination. Let



us be straightforward. The training and the development of community clerks—if, in fact, there is a successful program for community clerks that has been carried out in the past, as was previously carried out to educate and train individuals to look after their local community administration; then the methodology which has been used that has been successful will be continued to be used by the department people. Whether it is in firefighting, whether it is in community protection; there is the fire commissioner's office which works very closely with the communities. There are a combination of ways. Basically, what we are seeing are these communities develop and gradually get to a position where they are able to self-administer and able to make decisions without having to deal strictly with the Department of Northern Affairs.

I would hope the member for The Pas (Mr. Lathlin) is supportive of that direction, that more communities can become decision makers on their own without having to deal through the Northern Affairs department and Northern Affairs staff. I think that is what our objective is. I would hope the member for The Pas would be supportive of that role and that mission that we have embarked upon.

**Mr. Lathlin:** Madam Chair, I only have a couple of comments. Yes, I am very much supportive of the northern communities attaining some level of autonomy and self-government. What I find offensive is when the minister says in his statements on May 21 that he is going to further develop human and economic programs to give northern residents and Native people more opportunities for self-development.

I suggest to you, with the greatest respect, that when you go in and do things for a group of individuals in a community and do everything for them, the chances of their attaining the level of development that this minister speaks about is going to be, I suggest, very difficult. Because, you see, I come from a group of people where the Department of Indian Affairs, as inflexible as they are, I believe is more flexible in terms of human, community, economic development, self-government development with the Indian bands that they work with. Essentially what they do is they enter into contribution agreements with those band councils and it is like a service contract; they enter into an agreement with the band council, with certain terms and conditions on a contribution. If it is in the area of staff training and development, well, the aim

of the contribution agreement is for the band council to provide staff training and development for themselves and the staff that they have.

Now, this minister, with a lot of pride, says, we are going in there and doing everything for these people, but do not worry, they will be self-governing in a short time.

My last question is, and I believe I asked it about three times, are there any plans in the future and when is this minister planning to reinstate the level of funding that was there before, even to the bureaucrats who were out there providing the training themselves, which, in many cases, if you gave it directly to the communities themselves you would be more effective?

**Mr. Downey:** Madam Chair, let me say that we are still reeling under the impact of the mismanagement of the previous administration, the New Democratic Party, with some \$551 million of interest on our debt that we are still having to pay and our revenues are basically flat, and as we continue to have to struggle from that massive amount of debt that his colleagues put upon the backs of the people of Manitoba, as we dig our way out from under that economic difficulty, as we see our economic activities improve in this province and we see the general thrust of the policies of this government take over, and we see some improvement, then I am sure the member will be able to see some improved funding for training and general economic activity for our northern communities.

\* (1550)

**Madam Chairman:** Item 2.(a)(3) Community Operations, \$4,209,800—pass; 2.(a)(6) Regional Services, \$656,300—pass; 2.(a)(7) Grants, \$258,900—pass.

Item 2.(b) Thompson Region: (1) Salaries \$398,000.

**Mr. Gaudry:** Yes, Madam Chairperson, would the minister resign? Sorry, I am just kidding.

In Remoteness, I see there has been no increase in staff. Salaries, I am sure, it is the natural increments during the course of the year. In Remoteness, what does that cover? Is that remoteness pay for the employees who are in remote areas?

**Mr. Downey:** Yes, Madam Chair.

**Mr. Gaudry:** What is the formula used for paying those people in remote areas?

**Mr. Downey:** Yes, Madam Chairman, there is a range depending on whether they are single people working for us or a family. There is a different scale which is used for those individuals.

**Mr. Gaudry:** In Severance Pay, I see there is \$25,000 paid out compared to \$9,400. What was the severance pay made of?

**Mr. Downey:** Madam Chair, could the member refer to specifically where he is talking about? I thought we were dealing with the Thompson Region, page 141 of our Estimates book?

**Madam Chairman:** The honourable member for St. Boniface, do you wish to provide clarification?

**Mr. Gaudry:** I am sorry, it is the wrong page.

**Madam Chairman:** Item 2.(b) Thompson Region: (1) Salaries, \$398,000—pass; 2.(b)(2) Other Expenditures, \$115,600—pass.

Item 2.(c) The Pas Region: (1) Salaries, \$243,700.

**Mr. Lathlin:** Excuse me, Madam Chair, could you perhaps, for my benefit, go a little bit slower so I can follow along?

**Madam Chairman:** Is the honourable member aware of what item and what page we are on at this point in time?

Item 2.(c) The Pas Region: (1) Salaries, \$243,700—pass; 2.(c)(2) Other Expenditures, \$66,500—pass; 2.(d) Dauphin Region: (1) Salaries, \$319,600—pass; 2.(d)(2) Other Expenditures, \$80,000—pass; 2.(e) Selkirk Region: (1) Salaries, \$403,800—pass; 2.(e)(2) Other Expenditures, \$126,500—pass; 2.(f) Emergency Response Program, \$48,600—pass; 2.(g) Technical Services: (1) Salaries, \$368,100.

**Mr. Lathlin:** Madam Chair, perhaps the minister could elaborate for us the reduction in this particular branch of the department.

**Mr. Downey:** Madam Chair, we are now having the communities deliver a lot more of their programs within their communities, which I am sure the member would be supportive of and there has been a reduction of some four people within that section of the department.

**Madam Chairman:** Item 2.(g) Technical Services: (1) Salaries, \$368,100—pass; (2) Other Expenditures, \$72,100.

**Mr. Lathlin:** Madam Chair, perhaps the minister could explain again—

**An Honourable Member:** He quit travelling.

**Mr. Lathlin:** Not till a couple of years before the election again. I remember the last election, I was kidding him in The Pas one day when he came there. I think I counted seven times that he came there and the last time I told him that was the last pair of gauntlets the band was going to give him, told him never to come back, and he never did come back.

I wanted the minister to maybe—transportation, communication, supplies, other operating costs.

**Mr. Downey:** The reductions are due to staff reductions and related expenses.

\* (1600)

**Madam Chairman:** Item 2.(g)(2) Other Expenditures, \$72,100—pass; (h) Audit Services: (1) Salaries, \$134,500.

**Mr. Storie:** Madam Chair, I noticed that there is a reduction here in Salaries and I assume that there is a corresponding reduction in staff in this area. Perhaps the minister can identify what position has been removed or what change has resulted in that decrease in the budget.

**Mr. Downey:** One vacant community auditor, Madam Chairman.

**Mr. Storie:** Madam Chairperson, the minister is indicating they are reducing staff in this area. I am wondering whether the minister can tell us then whether in fact the Department of Northern Affairs will have, as of this year, a completely clean audit from the Provincial Auditor, because one of the areas where this minister and this department has been subject to debate in the past has been the timeliness of community audits, the timeliness of audits and the procedures in some other areas of the department.

I know, as well as the minister, that there are some very good reasons for the delay sometimes, but perhaps the minister can indicate whether this is going to, in fact, create a more serious problem for those reporting the financial affairs of the communities.

**Mr. Downey:** No, Madam Chairman, it will not cause any difficulties, as I understand it.

**Mr. Storie:** I do not know whether my colleague has covered some of this ground, Madam Chair, but I am sure he has covered a lot of this ground.

I would ask the minister whether these are the individuals who provide audit services to different

communities, or is this an internal audit function—the position that has been lost?

**Mr. Downey:** As I indicated, Madam Chair, the position was vacant, and it is community auditing activities.

**Mr. Storle:** Madam Chair, I also noted, and my colleague may have commented on the fact, that the training dollars that have been cut in one of the previous sections may—and the minister obviously may have given already a detail of the courses that were included, but I am wondering whether, given the cut in a community auditor, a cut in position, the reduction in training is going to hamper those 19 communities that are currently In Trust position in the Department of Northern Affairs ever becoming self-administering communities, and whether we are not working at cross purposes for those communities with these particular cuts.

**Mr. Downey:** No, we are not.

**Mr. Storle:** Madam Chairperson, perhaps the minister can explain why these services that are provided to communities are not going to be needed in the coming budget year.

**Mr. Downey:** Madam Chair, it was determined by the staff that the work activity, which is in this particular area, can be carried out with the current staff that is available for them.

**Mr. Storle:** Madam Chairperson, can the minister indicate whether he has had the same communications from NACC, the communities that may be affected by the reductions here, and the training dollars in one of the previous items? Can the minister indicate whether he consulted with some of the communities In Trust to determine what they might need to help them move from the trust status into the self-administered status?

**Mr. Downey:** I have not had any negative comments in this regard, Madam Chair.

**Mr. Storle:** Madam Chairman, can the minister indicate whether that is because he is no longer communicating with Northern community councils, or they are no longer talking to him?

**Mr. Downey:** Madam Chair, I am meeting as regular as the Northern Association of Community Councils is desirous of meeting and/or staff are prepared to meet individually with communities as I am.

**Mr. Storle:** Well, perhaps we could ask the minister to indicate what current government policy is with

respect to the 19 communities that remain In Trust in the Department of Northern Affairs. Is it still the policy of the government to move those communities along?

I must note for the record that some of those communities are fairly large, communities like Wasagaming, a fairly large community. Certainly there are other smaller communities that are self-administered. I am wondering whether the minister can indicate whether any of those communities are currently in discussion with the Department of Northern Affairs with respect to self-administered status.

**Mr. Downey:** Oh, first of all, Wasagaming is a federal park. I am sure the member would know that.

**An Honourable Member:** Wasagamack. An Indian reserve.

**Mr. Downey:** That is an Indian reserve, so I would expect the member to—

**An Honourable Member:** St. Theresa Point.

**Mr. Downey:** Oh. Okay. St. Theresa Point. We finally went from Wasagaming to Wasagamack to St. Theresa Point. Now there is a lot of similarity there. I guess the member has really done his homework before he came to Estimates.

Madam Chair, I will just say this. We as a government—and I am sure like the member opposite—have been working diligently to have these communities become self-administered into more municipal status. The record will show my answers to the member for The Pas (Mr. Lathlin), who was quite supportive and interested, I believe, in this whole area.

I think if one were to go back over the past progress that has been made over the past few years that none of us should be satisfied with the progress that has been made. Again, it is a matter of giving the communities the assurance that in the move to further become self-determining, self-governing, that there is an ability for government to give them the supports they need in that stage.

It is a matter of an evolution. I can tell you our policies have not changed from the past. It is a matter of trying to make sure that it is done responsibly and communities feel comfortable in their move.

**Mr. Storle:** I apologize for the confusion around Wasagaming and Wasagamack. I knew it was in the Island Lake area, but I did not have my book with me, and it turns out it is St. Theresa's Point.

The other one that strikes as a fairly large community, and certainly compares favourably with many of the others that are in the self-administered status, and that is Poplar River. The question was: Is the minister currently in discussion with any of these communities in terms of their becoming self-administered?

**Mr. Downey:** Yes, Madam Chairman.

**Mr. Storle:** Could the minister indicate which of the 19 that are referred to in the 1989-90 Annual Report may in fact be moving to the self-administered status in this fiscal year?

**Mr. Downey:** Madam Chairman, they are all in various stages.

**Mr. Storle:** Madam Chair, perhaps the minister could be a little more specific about which are likely to become self-administered in the current year.

**Mr. Downey:** No, I cannot, Madam Chair.

**Mr. Storle:** Then I am curious to know whether the auditing services or any of the training that was provided with the \$100,000 that was referenced earlier would not normally be used to bring some of these communities along, that their clerks or their council would not receive some of that support, training dollar support, to ensure that they can move successfully to the self-administered status.

**Mr. Downey:** That work is done one-on-one with the staff and the community.

**Mr. Storle:** So the minister is saying that for every council that requires, and there are 19 of them here, rather than offer a course for clerks, this will be done one-on-one with each of the communities, with their councils, with individuals of the community who want some sort of training on local government procedures?

**Mr. Downey:** Generally, yes, Madam Chairman.

\* (1610)

**Mr. Storle:** I do not know whether that sounds rational to the minister, but certainly if there are 19 communities and each of those communities has two or three or five or more councillors or potential councillors, it would seem that if you are going to train those community representatives to become involved in self-administered communities, that it would be worthwhile and expeditious to train them

roughly at the same time. The minister just indicated a few moments ago that all of these communities are in some stage of discussion with the department about self-administered status.

If those 19 communities are, indeed, discussing with the government the possibility of becoming self-administered, then why are the clerks and why are the councillors in each of those communities not being provided with some sort of upgrading and some sort of skill development so that they will be able to succeed as self-administered councils?

**Madam Chairman:** Item 2.(h) Audit Services—

**Mr. Gaudry:** Yes, I know there has been one staff year cut, but can the cuts of almost \$36,000 still allow for audit files and reports to meet the Provincial Auditor's standards?

**Mr. Downey:** Yes, Madam Chairman.

**Mr. Gaudry:** Does this also permit special audits, audit work, file review and audit reports to be completed within agreed time frames?

**Mr. Downey:** Yes, Madam Chairman, we are working on that all the time.

**Mr. Gaudry:** Will this also permit the informal request to be responded to within 24 hours?

**Mr. Downey:** Without a time frame, Madam Chair, we are trying to deal with it as quickly as possible.

**Mr. Storle:** One of the goals of this branch is to have audits completed some 15 months after the fiscal year. Can the minister indicate whether there are any communities in any of the categories that have not completed the audits as expected from the department?

**Mr. Downey:** Repeat that question, please.

**Mr. Storle:** We learned today that the minister has allowed one position, a community auditing position, to lapse, and I refer to the Supplementary Estimates booklet, which suggests that the community audits would be completed within 15 months of the fiscal year end. My question was a simple one: Are there any communities who have not completed their year-end audit?

**Mr. Downey:** Yes, there are some, Madam Chair.

**Mr. Storle:** Madam Chairperson, could the minister indicate perhaps the more known figure, and that is how many have completed to date the audit for the 1990-91 fiscal year?

**Mr. Downey:** Madam Chair, I would have to get that specific information for him. We have it

available, but I do not have it here right now. I can get it for the member.

**Mr. Storle:** It would be useful to have that information because the minister has maintained throughout here that we are reducing staff who support the communities in their auditing requirements and suggesting that position was not needed. Obviously, if this department continues to be criticized by the Provincial Auditor for the failure to provide adequate and timely financial information, then the minister will have been wrong.

Finally, Madam Chair, in this section, I wonder whether the minister can indicate whether there are currently any special audits going on within the Department of Northern Affairs?

**Mr. Downey:** No special audits, Madam Chairman.

**Mr. Storle:** Madam Chair, a question, the Minister of Northern Affairs said there are no special audits going on at the current time. Has the minister had any special audits reported to him in the past year?

**Mr. Downey:** No, Madam Chairman, not to my knowledge.

**Mr. Storle:** Madam Chair, are there any Northern Affairs communities that operated in a deficit position last year?

**Mr. Downey:** Yes, Madam Chairman, a few, and they are justified.

**Mr. Storle:** Can the minister indicate what the normal course is at the current time with this government when a community runs over budget?

**Mr. Downey:** Yes, Madam Chairman, a work plan is drawn up between the community and the department as to how it can be dealt with to work their way out of the situation in which they are in.

**Mr. Storle:** Madam Chairperson, could we ask the minister to give us some report on those communities that found themselves in a deficit position in the past fiscal year?

**Mr. Downey:** Yes, Madam Chairman. Ask.

**Madam Chairman:** Item 2.(h) Audit Services: 2.(h)(1) Salaries, \$134,500—pass; 2.(h)(2) Other Expenditures, \$20,000—pass.

Item 2.(j) Inter-Governmental Regional Services.

**Mr. Gaudry:** Madam Chairperson, under Other Expenditures, why has Communication gone from \$6,500 to \$10,500? I thought there was to be departmental restructuring placing Communication under Culture and Heritage.

**Mr. Downey:** Madam Chair, they are working closer with their communities that they are involved with. That is why there is an increased cost. They are working closely with the communities, spending more time with them, and that is why there is an increased cost.

**Mr. Gaudry:** Madam Chairperson, I thought Communication was being placed under Culture and Heritage.

**Mr. Downey:** That is departmental operations like telephone and postage activity.

**Mr. Gaudry:** Under Other Expenditures, Other Operating Costs, at \$16,400, can the minister explain?

**Mr. Downey:** Madam Chairman, it is basically hotel costs, meals, computer-related charges, other extraordinary costs as it relates to departmental operations.

**Mr. Storle:** Madam Chair, I notice this is the area where the departmental staff act as agents for Culture, Heritage and Citizenship with respect to the Community Places Program. I am wondering whether the Minister of Northern Affairs can table a list of the Community Places projects that have been approved for 1989-90, '90-91 and any that have been approved this year.

**Mr. Downey:** I do not know whether they are available. I have no trouble in making that list available for the member, Madam Chairman. I do not know whether I have it here with me. As soon as I have it available I will provide it for the member.

**Mr. Storle:** Madam Chairperson, I am going only by memory. It seems to me that in 1989-90 there were exactly two projects approved under the Community Places Program for the North. I am not sure whether it includes all of Northern Affairs communities, but I am wondering whether the minister could indicate, not going back, which communities received approval for projects in the past year.

\* (1620)

**Mr. Downey:** Well, that is when the member gets in trouble, with respect, Madam Chairman, when he is going by memory. To put such a figure on the record is an absolutely irresponsible comment.

There have been several, many, many projects under Community Places for our northern communities, and I am quite prepared to back that

statement up. In fact, this is for—what period of time? From '87 to '91.

**Mr. Storie:** How many from '89?

**Mr. Downey:** I will get that specific information, but it is a lot greater than two. I can tell you that there have been many, many projects for the 1989-90 year, if that is what he wants. I will get that specific information, make sure it is absolutely accurate, Madam Chairman.

**Mr. Storie:** Madam Chair, I would like to have the exact figures from 1989, after the changing of the criteria which required Northern Affairs communities, nonprofit groups in northern Manitoba to make a significant contribution, in some cases where they could not.

I want to indicate to the minister that quite often he stands in this House and makes fun about the little green Community Places signs, the Jobs Fund signs that were visible all over the province. I can tell him that when I go to a community, and the Minister of Northern Affairs has been to communities like Sherridon where they built a community hall and a fire hall and repaired 12 homes, the community of Wabowden where they built a new administration office, those communities are more than grateful that, in fact, there was a program like the Community Places Program which provided support to those communities.

Madam Chairperson, I want the minister to present the details for the last couple of years with respect to northern communities, particularly the ones under the jurisdiction of the Department of Northern Affairs. The fact is that every other community has suffered equally. The community of Flin Flon, which got support for projects like improvements at the aqua centre and support for a \$400,000 project repairing and improving the community hall there, also has suffered because this government has not seen fit to provide adequate resources to northern communities.

Madam Chairperson, the other question I had was the location of the people, the agents who work with or assist communities in preparing applications for the Community Places Program. Which individuals in the department currently provide that service to those communities?

**Mr. Downey:** Support staff within the regional offices support them, but as well we have the Inter-Regional Services that provide the support to the communities for their applications and the

approval process with the Department of Culture, Heritage and Citizenship. So it is general support staff, but specifically Inter-Regional Services and they have been decentralized to the Thompson office.

**Mr. Storie:** Madam Chair, so the Inter-Regional Services office is in Thompson? There is no representative in Selkirk or Dauphin?

**Mr. Downey:** That is correct. It will be decentralized this summer to Thompson.

**Mr. Storie:** So, Madam Chair, the minister is suggesting that it will be in the future. Who currently provides those services? What personnel in the department?

**Mr. Downey:** The same unit, Madam Chair.

**Mr. Storie:** Just from Winnipeg.

**Mr. Downey:** That is right. It is currently in Winnipeg.

**Mr. Storie:** Madam Chair, just one final question. This department also administers the recreation directors program, that two-year pilot project. I wonder if the minister can update us on the status of that pilot project, if he can indicate particularly what the status of the directors themselves are? Has there been any significant turnover? Are the directors originally hired for those—I believe it was five communities still in place. Perhaps the minister can update us on the status of the project in total.

**Mr. Downey:** Yes, after one year, Madam Chairman, we had started with 26 and we currently have 23 recreational directors. I would say the success ratio is very good. I think it has been an excellent program and very well received by the communities and clearly a demonstrated need for those communities.

I may just further add, I can speak specifically about some of the Community Places Program. Unlike the perception that was left by the members opposite when the change of government came in place, there was in fact a major contribution made by Northern Affairs so that the communities could in fact participate in the Community Places Program. The member is shaking his head in the affirmative.

I can mention such new facilities as Berens River, where they were for so many years without an indoor facility for the children to participate in hockey and ice activities, that it was almost intolerable for them to continue to develop in outside conditions. We look at Camperville, where they have a new facility

which was supported by the Community Places Program. I know that Pine Dock is also another community that has benefitted.

There are many, many areas of the province in the North which got support from the Community Places Program. I know Thompson participated in several. Generally, I think it will be a report which I am pleased to present to the House and definitely stand behind.

**Mr. Kevin Lamoureux (Inkster):** Madam Chairperson, I just wanted to follow up on a line that the member for St. Boniface (Mr. Gaudry) had brought up. My apologies for not being here at the beginning to hear just in case the minister did already cover it, and that is in regard to the number of communicators. I know in the budget debate that there was a commitment to centralize communications through the Department of Culture, Heritage and Citizenship.

I would ask the minister if, in fact, did he lose any staff, in particular communicators, over to that department? If he did not lose any staff, I would ask him if he, in fact, has any communicators on staff?

**Mr. Downey:** Two positions, Madam Chairman, and that is part of the decision of government to centralize. Two positions from the Department of Northern Affairs were in fact deleted.

**Mr. Lamoureux:** Madam Chairperson, the two positions that were transferred over, does the minister feel that it has had any impact on his department in terms of getting the information out that is necessary to the different groups in the North?

**Mr. Downey:** No major impact, Madam Chairman.

**Mr. Gaudry:** Yes, Madam Chairperson, in the Inter-Regional Services, it says here, delivers a two-year recreational director pilot program. Can the minister explain this pilot program?

**Mr. Downey:** Yes, I can, Madam Chairman.

**Mr. Gaudry:** Can I have an explanation, please?

**Mr. Downey:** Madam Chairman, for far too long, communities in northern Manitoba have been requesting of government to help them with the young people of their communities. Because of a lot of high unemployment, difficulties that they were facing within their communities, they needed a more structured opportunity to assist them in putting together meaningful and useful programs for training, for youth activities within their communities.

My colleague the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), through the programs that she had available, and the Department of Northern Affairs worked co-operatively to see if we could put in place a program that would enhance the opportunities in those communities.

As I have reported, we have some 23 people working within those communities now—I think, working very successfully to show the young people through sports, through recreational activities, through some of the seniors in their communities, working to make productive use of their time whether it is through organized sports—and I could name any number of them, whether it be swimming, whether it be baseball, whether it be hockey, whether it be basketball, but the many sports.

The objective was, through an organized way and a recreation director, to work very closely with their communities to give those young people an opportunity to fully excel, to give them an attitude improvement opportunity with themselves, just better youth-building opportunities. I am pleased to have been the minister responsible and the government responsible for the implementation of such a pilot program.

\* (1630)

**Mr. Gaudry:** Madam Chairperson, the minister mentions that there are 23 people involved. Does this mean there are 23 communities involved? Are they the local people in the communities that run these programs?

**Mr. Downey:** There are somewhat more than 23, Madam Chairman. There are combinations of communities, and to the best of our ability we try to create opportunities for people who are within those local communities. But again it has to be a matter of qualifications and location, the whole business. That is left up to the department.

Yes, it is the general desire of the minister and the government to create employment in those communities that have those people involved. I cannot say absolutely that everybody comes from the community in which they are working, and I think the member opposite would not want us to be so restrictive. At least if they come from a community of like nature and are doing their job effectively with the young people, I think that is the important factor.

**Madam Chairman:** Item 2.(j) Inter-Governmental Regional Services: (1) Salaries, \$278,300—pass; (2) Other Expenditures, \$70,900—pass.

Resolution 117: RESOLVED that there be granted to Her Majesty a sum not exceeding \$8,180,900 for Northern Affairs, Local Government Development, for the fiscal year ending the 31st day of March 1992—pass.

Item 3. Agreements Management and Co-ordination (a) Northern Development Co-ordination: (1) Salaries, \$157,900. Shall the item pass?

**Mr. Storie:** Madam Chair, could we have the name of the agreements co-ordinator?

**Mr. Downey:** Yes, Madam Chairman, Jeff Polakoff.

**Mr. Storie:** Madam Chair, there are two support people as well. Are both of those professional, or is one of those secretarial?

**Mr. Downey:** Yes, Madam Chairman, both professional.

**Mr. Storie:** Madam Chairperson, I am not sure whether this is absolutely correct, given the titles of the other two categories, but I am wondering whether the minister could provide some information or an update on the current status of the treaty land entitlement agreement that was signed off by the province in 1984?

**Mr. Downey:** I will take a few minutes because it is an extremely important initiative. It is an extremely important agreement between the people of this province and this country and the Indian people of Manitoba and Canada. I say that I was pleased with the Prime Minister's announcement recently to get on with the job nationally of resolving the land claims, because I firmly believe that until the treaty land entitlement and the settlements are made with our Indian people of this province and of this country, we cannot expect anything but, to some degree, a lack of co-operation and meaningful discussions on other issues. So I am anxious—I say that as a government and as a minister—we are anxious to get on with the treaty land entitlement settlements.

I am sure that the member is aware of the history of what took place in Manitoba, with the recent, with his term of office, with the province being very much—I think it was 23 maybe, whatever the ones that were at that time—prepared to conclude them. The federal government of the day backed away

from the table and left the Indian people of Manitoba without the settlement that they had developed towards.

I say most seriously that we have, after hearing the Prime Minister's comments and prior to that, communicated with the federal minister responsible. We have aggressively tried to identify those bands in Manitoba that are anxious and prepared to go forward and that we are working to go forward with.

We have recently had communications with the Island Lake bands. We are in discussion with Ilford as it relates to the land entitlement which the people of that community have. There are some particular circumstances which have to be worked out in the Ilford community, because we have third-party involvement with some of the properties, but we do have both the band and the community in agreement to work towards the establishment of a reserve and the land entitlement was in that community.

So I guess I am encouraged, Madam Chairman, I am encouraged for the day that we are seeing a national recognition of the need to resolve the outstanding land claims. We, as a province, are trying to encourage those bands that have claims, that we are joined together with them to try to establish where they stand and I can tell the member as well that I am—I guess we are working from the basis of information which was developed by the previous administration. That was something that we have to go on, what proposal they were prepared to put forward and go forward with.

How has that changed in the minds of the bands today if, in fact, there is any change? I guess it is just a matter of getting on with the job that has been long overdue in getting fairly dealt with. I would just say, in conclusion, at this particular time departmental staff have been instructed that it is a priority with us, with me, and to get on with the job of trying to come to an agreement as to the resolve of the outstanding treaty land entitlement. I think it is an absolute must that we resolve that outstanding issue with our aboriginal people.

**Mr. Storie:** Madam Chairperson, can the minister indicate who in this section, or within the department, is responsible for those discussions and the subsequent negotiations?

**Mr. Downey:** Yes, we have an ADM, Brenda Kustra, who sits at the table. She is in charge of the



department as it relates to treaty land entitlement and negotiations.

**Mr. Storie:** I appreciate the minister's comments. It is somewhat unfortunate that it is now seven years since the Province of Manitoba signed off an agreement that would have resolved for almost all the bands in Manitoba the treaty land, the outstanding obligations of the province, for treaty land entitlement.

The exceptions, of course, were some Treaty 1 Bands who, for their own reasons, and legitimate reasons, had not wanted to be a party to the negotiations and had not agreed with all of the clauses in the agreement. One of their outstanding concerns was that the province would have had to participate in the negotiations to begin with, that in fact they saw the responsibility as being primarily a federal responsibility and were not comfortable with the fact that the province of Manitoba took the lead in developing a position that was supported by the vast majority of bands in the province of Manitoba.

Madam Chairperson, this government and the federal government have had a number of years to conclude an agreement. I am wondering if the minister can tell us today whether in fact he supports, whether this government supports the negotiated position of the Province of Manitoba with respect to treaty land entitlement, as it was tabled in 1984?

**Mr. Downey:** Yes, Madam Chairman.

**Mr. Storie:** Madam Chairperson, I am pleased to hear that. I am wondering whether the minister has communicated that to the bands in Manitoba, and whether he will now commit to the bands in northern Manitoba, for example, he talked about Ilford—we could talk about Pukatawagan, which has an outstanding treaty land entitlement to some 100,000 acres—whether the minister will now undertake to ensure that further development does not encroach on land that bands have identified as historically for their traditional use areas, whether he will undertake to make sure that there is no further third-party interest in land that is traditional use area?

Is the minister following through with policies that are being implemented by the Department of Natural Resources, for example, that reflect the intent of the agreement that was signed in 1984?

\* (1640)

**Mr. Downey:** Yes, Madam Chairman, what I do not want to do is to leave on the record that I want to

freeze all development in northern Manitoba as it relates to communities' growth activity. There are some bands that have not selected the sites of the additional properties which they feel may be what they want, so I think we have to work in concert with them, we have to work in discussion with them.

I can assure the member that there would be no intentional move by government to tie up or to implicate properties that may well be involved in treaty land settlements. I mean, it would not be in the best interest of the province or the negotiations that were to take place. If there was any clear vision of land that would be needed for treaty land entitlement, there would be no objective to going ahead and allowing a third party to become involved, but I cannot guarantee to the absolute that you would freeze all of a certain region until after that process.

Again, through discussion and negotiation with the band to try and get a feel for what the band really were determining that they wanted or felt was their entitlement, I put that caveat on that there would have to be some careful and considerate thought before a development was allowed in a particular area tying up that land. It would just be buying into trouble to do so, but I cannot give an absolute assurance that a moratorium would go forward, but discussions with the band prior to any development would in fact take place to make sure that there, in fact, would not be the third-party involvement that would cause difficulties.

**Mr. Storie:** Madam Chair, if I heard the minister correctly, he is suggesting that there would be notification of the appropriate band prior to the assignment of third-party interest—prior to.

I am wondering then whether the minister has assigned staff or whether some of his colleagues in other portfolios—the Minister of Natural Resources (Mr. Enns) most likely—have been working with bands to identify the likely claim areas given the fact that based on that 1984 agreement, we already have a pretty good understanding of what each of the bands in Manitoba may be entitled to. Is there a process now underway to identify the claim lands?

**Mr. Downey:** Yes, Madam Chairman. The bands are currently identifying the areas which they feel would be their claim as far as the treaty land entitlement is concerned.

**Mr. Storie:** The minister knows that the basis for the agreement in 1984 was something called the

Saskatchewan formula, which provided for enumeration up until 1976. Given the fact that we are now some seven years into that agreement, it has now been seven years since that agreement was first signed, I am wondering whether the government can now indicate what its position will be with respect to the date of entitlement. I am anxious to know whether we are going to see any change in terms of the entitlement allotment based on population.

**Mr. Downey:** Yes. I think it is clear to put on the record, the member refers to some seven years since there was some decision made. He wants to remember that he was in government for quite a few out of the last 20 years, almost 16. He did make progress in the latter part. It did take quite a bit of time, and it does take time for these activities, but the key is to have the desire to get on with the resolve.

We have not necessarily bought in, the bands have not necessarily bought into the Saskatchewan formula. That is currently in discussion with the bands at this particular time, so again that is part of the discussion and negotiation that is currently being carried out.

**Mr. Storie:** Madam Chairperson, two points: No. 1., the minister refers to the 16 years. The fact is that in 1982, the Leon Mitchell Commission was struck, and the terms for settling treaty land entitlement were outlined in the Leon Mitchell report, which was tabled in early 1983. Some two years later we had an agreement. That was the commitment of the New Democratic Party to settling treaty land entitlement. It was not a long process.

It started in 1982 and concluded on September 4th, 1984. Since that time the federal government, contrary to its statements of late that it is serious about settling treaty land entitlement, has set up every conceivable roadblock to stopping that agreement, to preventing that agreement from going forward that you can imagine.

Now, since 1988, this minister has had a chance to, like his other colleagues, pick up the phone and answer, pick up the phone and make that connection and get that agreement signed, and to date we have seen no success.

The minister, unlike the previous government, has not had to start from square one in terms of defining what entitlement was and how we were going to get

to some agreement. The minister has an agreement on the table, in effect.

The minister also refers to the fact that all bands have not accepted the Saskatchewan formula. The Saskatchewan formula is part of the agreement. The Saskatchewan formula is accepted by the bands other than the Treaty 1 Bands who, I do not believe, had any difficulty with that formula, necessarily, but objected to the agreement for other reasons.

My question, is the minister and the government now prepared to update that formula to reflect the fact that another seven years has gone by and, during that seven years, the populations of those bands has all changed? Is the minister prepared to update the negotiated formula so that bands will be, in fact, entitled to more land as a result of an increased population base?

**Mr. Downey:** Madam Chairman, I think I would be less than responsible to say at this particular time to members of the Legislature that there are some absolutes in this area. We as a government, as we have the responsibility to do, are working and in discussion with the bands as it relates to the treaty land entitlement formula, settlement, population, the whole business.

I think it would be unfair for us to go with a preconceived idea as to the population that was used. Again, we are very honestly and openly entering discussions with them, hopefully, to get some resolves as quickly as possible.

I do believe that there has to be one or two bands that get settlement made to clearly show there is a desire on behalf of the provincial and federal governments to resolve the issue. As we work away at it, I think that it will prove that we are desirous of doing it, and formulas that are established will in fact, hopefully, be in agreement by both parties to the satisfaction of all the people involved.

**Mr. Storie:** Madam Chair, one final question before I turn it over to my colleague from The Pas (Mr. Lathlin). I am a little concerned by the minister's last statement because in that there sounds to be some backtracking.

When I asked the minister whether he supported the negotiated settlement the province signed off in September 1984, he indicated affirmatively, that, yes, the province did support it. Now he is saying that the province is discussing the whole formula

with respect to population. The Saskatchewan formula was part of the agreement.

\* (1650)

The date of census was decided to be 1976, not 1904, when some of the treaties were signed, or 1910 or 1899, but 1976. I am hoping the minister will indicate now quite clearly for the record that the 1976 formula is supported by the government as was the entire negotiated package, and then will he answer the further question, does he support in principle the position the bands have taken that, given the delay again in coming to a resolution of a problem that is now 100 years old, will the government concede that the population date of census should be some time further than 1976?

**Mr. Downey:** Madam Chairman, I am confused by the member's position. He is now suggesting that because I said that we supported the previous government's proposal, 1976 population, that I should go to the table inflexible not prepared to discuss an updating of that particular situation. That is what he is saying. On one hand, he is saying, do we support the government's position of 1986, and I said, yes, we did. Now he is saying, well, part of the Saskatchewan formula is part of that agreement.

**Mr. Storie:** Not part of it, all of it.

**Mr. Downey:** He is saying it is not part of it, it is all of it. Now he says I cannot support that position. I am not clear. He is really trying to get himself in a position of telling me not to be flexible, that I have to put forward the position of the previous NDP government. I can tell you that it was at the request of the bands that be reconsidered and I can assure him, as far as I am concerned, that we will not deal at any less position than we were at in 1986.

**Mr. Lathlin:** Madam Chair, given the nature in which the responses are being given by the minister, I am not at all convinced that his government is in fact serious in settling treaty land entitlement and so on, because it would seem to me that he treats this issue in a very lighthearted way. As a matter of fact, at times during his responses I get the impression that he is trying to be facetious.

Well, he says that he has carried on extensive consultation, extensive discussions with the bands who were involved. Maybe I can ask him how many bands in Manitoba in his mind, as far as he knows, are entitled to receive land under the treaty land entitlement process?

**Mr. Downey:** Well, Madam Chairman, with respect, I take very seriously the treaty land entitlement and I take serious objection to the cheap politics that the member for The Pas (Mr. Lathlin) is trying to play with this particular issue. I can go chapter, line and verse of the progress that has been made between the aboriginal people and the Progressive Conservative government of this province over the past three years, and I will compare that any day with the collection of people that he sits with -(interjection)- who absolutely, as my colleague the Minister of Health (Mr. Orchard) said, gave the Native people token treatment, token treatment in the province of Manitoba, whether it was Northern Flood, whether it was health, whether it was for the nursing program in the North, whether it was education, whether it was the Limestone program. A lot of tokenism by the former administration with the Native people of this province.

I can tell the member for The Pas we, the government of Manitoba, are serious about resolving the Native land entitlements, and there are some 23 bands that it has been identified that are entitled to treaty land entitlement settlements, 23 that have been validated by the Government of Canada and the Province of Manitoba. I can assure the member that if I get any support from him, not the kind of political gamery that he is trying to play in this particular House, but if I can get some support from members opposite in a legitimate way so that they are serious about dealing with it, then I will tell you, this government will deal very aggressively when it comes to the settlement of long-term outstanding agreements with our aboriginal people of this province. Quite honestly, Madam Chairman, the member may want to play his political games in here, and there is a time to do it, but not on a matter of such a serious issue as treaty land entitlement, particularly when we are serious and openly and honestly dealing with it in an up-front manner.

**An Honourable Member:** No tokenism.

**Mr. Downey:** It is not tokenism. I can go through example after example of how the government of Manitoba has aggressively dealt with outstanding issues with his people and the people that he represents in the aboriginal community. So I think it is unfair for the member to put the kind of comments that he put on the record. I would hope he would get on with the matter himself and deal with

it seriously, not in the spirit of political games that he trying to play.

Madam Chairperson, I can tell you that I think for far too long now the people of the Indian community of this province, who have legitimately have land claims coming, have waited and waited and waited. They waited for 16 out of 20 years that New Democrats were in this particular House—16 out of 20 years.

He may say, well, there was an agreement which the federal government backed away with. I will find out how hard the administration of the day pressed the federal government to get on with the resolve of the land claims. I know there was a proposal put forward. They walked away. I did not hear any public outcry at that particular time from the Premier of the province under the NDP government. I did not hear any outcry from the members representing our northern and aboriginal communities from the legislative elected people.

Madam Chairman, I think it is important not to deal with this in a lighthearted or a flippant manner, as I think the member is trying to put it into that perspective. I can tell you, it is extremely important that we get on with the settlement of outstanding treaty land entitlement. This government is committed to it. I am committed to it. I hope the member for The Pas is as committed to it as this government and we are.

**Mr. Lathlin:** Madam Chair, I am glad the Minister of Northern Affairs (Mr. Downey) was able to get back in a more serious vein of discussion, because up until that point he certainly was not showing it. I am glad he is telling us now that treaty land entitlement is going to be treated very seriously by his government.

It was not me who was being flippant in the first place. It was not me who was treating the issue in a lighthearted way. I have a vested interest in this issue. How can the minister accuse me of not treating the issue as seriously as he does, because the band that I come from is also very much interested in getting some land entitlement that is still owed to them?

I want to ask the minister a couple of more questions. Given the level of discussions that he has had with the bands, can he tell us to what degree—he keeps referring to the meetings, the discussions that he has had so far with all the Indian bands who are seeking treaty land entitlement.

Because of all that extensive consultation and those meetings that he keeps referring to, perhaps he can tell us where he is in terms of progress. Can he perhaps give us an idea of, say, how many years it will take, or how many months it will take, for those 23 bands to finally get their land entitlement?

**Mr. Downey:** Well, Madam Chairman, I cannot put a time frame on it because there are at least two other partners. There are the bands who I am sure have to be satisfied that they are getting an acceptable proposal. There is the federal government that is very important. There are discussions that are going on with the Assembly of Chiefs so I do not want to put a time frame on it, but I can tell you that as they become acceptable to the other partners and to the province, as quickly as we can deal with them, we will. I am saying that seriously. I could say I would hope within a year we could show serious progress with a particular group of bands.

If something were to go wrong, if they were to find out that there was something that was unacceptable to them, then it would not proceed. The member knows full well what happened in 1986 when, in fact, they thought a lot of them would be resolved. It is too bad that they were not because it would have meant that those communities could have had that issue and other work behind them as it related to their community development, without having to continue to be concerned about additional lands that they are entitled to, but that did not happen.

I am sure that the member opposite, if he were to have sat as a member of government, if he were to sit as a member of government or in opposition at that particular time, and there had been a time frame established of which—yes we came to 1986, and then the opposition would roast him for not being able to deliver the deal.

So putting a time frame on, I think, is not fair to the province. I do not think it is fair to the bands. I do not think it is fair to the federal government, but I think what we have heard the Prime Minister say, I think what we have heard this government say, what I know is coming from the bands, the leaderships of the Indian community, is they are very anxious to get on with the job. I can tell you again that commitment is here from the province and will move aggressively to try and resolve it as quickly as possible.

\* (1700)

**Madam Chairman:** Order, please. The hour being 5 p.m., I am interrupting the proceedings for private members' hour and will return at 8 p.m. this evening.

Call in the Speaker.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

**Mr. Speaker:** The hour being 5 p.m., time for private members' hour.

### PROPOSED RESOLUTIONS

#### Res. 18—Environmentally Acceptable Packaging

**Mr. Neil Gaudry (St. Boniface):** I move, seconded by the member for Inkster (Mr. Lamoureux):

WHEREAS disposable food and beverage packaging constitutes a significant proportion of Manitoba's waste stream; and

WHEREAS nonreturnable, nonbiodegradable, nonrecyclable and noncompostable plastic packaging products are replacing paper packaging; and

WHEREAS discarded packaging comprises a visual offence when it litters the environment; and

WHEREAS human health and the environment are adversely affected when plastic food packaging products are:

(a) dumped in landfill sites where hazardous chemicals can leach into the ground water;

(b) incinerated thereby releasing toxic by-products, and contributing to problems of disposing of ash residue; and

WHEREAS the government of Manitoba should take a lead role in assuring the promotion of environmentally sound policies.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba urge the Minister of Environment to consider bringing forth legislation which would ban the use of nonreturnable, nonbiodegradable, nonrecyclable, noncompostable food packaging materials, and promote the use of paper-based products wherever reasonable; and

BE IT FURTHER RESOLVED that such legislation would exclude disposable plastic utensils and drinking straws.

**Motion presented.**

**Mr. Gaudry:** Environmentally acceptable packaging is a subject that has been on the general public's mind for quite some time, and it is a great concern to me. When we speak about environment, we hear that through the media, through discussions on a daily basis. I think when we take that seriously, it is like a phobia nowadays.

Personally I know because newspapers, for example, I never throw them out in the garbage. It is the same thing with plastic containers or tin containers or anything that is recyclable. We have people at shopping centres who accept these packages on a weekly basis that I am aware of. We take them there. I think it is great, because you do not fill our landfill sites with these containers. -(interjection)- Yes, you are right, they are full.

We have serious problems of volume of fill going to municipal garbage dumps. The biggest problem we, as a whole, are faced with is what to do with it. How do we finally dispose of it? I think by taking them to these recycling depots, it is important to do so.

Everything gets used once it seems, or for a very short period of time, and then it is thrown away. Mr. Speaker, I am afraid the time has come when we can no longer go on with that practice. The time has come for us to look at biodegradable products or even at having reusable products. Many types of paper-based and cardboard-based products can be reused. They can be broken down and the fibre reused for a different product.

Mr. Speaker, people do not think or realize the hazards that come out of certain products. The government should take a leading role in determining how we use and abuse our environment in particular in recyclables and other packaging units.

If we continue, as we do with water and other resources, to undervalue them, then we will continue to abuse them. Perhaps we have to look at means whereby we can put a real value as to the cost in not recycling plastic products and throwing them into our waste stream and generating the product in the beginning and then using up the limited resources in the production of these products.

Mr. Speaker, we should be looking at cellulose-based packaging as much as possible and polyethylene or high density polyethylene should be put on the list of do-not-use types of products.

When you value the source all the way down the line, you will find that plastics are perhaps the greatest misusers of the environment. Yet, we throw them away and think nothing of it as we are overpackaged as we sell our products, our consumer's image, through the packaging process.

Mr. Speaker, I would, however, like to applaud the fast-food chains, for example McDonald's, that has in the past year been moving in the do-not-use-this-type-of-product line. They have discontinued the use of styrofoam containers for holding their Big Macs, Quarter Pounders, et cetera, and have replaced it with wrapping paper that is, if my understanding is correct, recyclable. My friend for Burrows (Mr. Martindale) does not understand that, so it is obvious that—

**An Honourable Member:** It is a corporation. They do not support corporations.

**Mr. Gaudry:** That is right.

The public as a whole is becoming much more aware and willing to participate in dealing with products that are environmentally sound and acceptable. Not only that, but I think all members should take an interest in doing that. They will even pay you to return them at these shopping centres, but if you do not want the money, just say that it can be used for other good supporting programs, like the CJOB Shut-ins. You can go down, I know at Kildonan Place, and bring these recyclable items and you do not want the money and say CJOB Shut-ins, and it is for a good cause.

Mr. Speaker, the public is becoming more aware and willing to participate in dealing with products that are environmentally sound and acceptable. Our schools, for example, are starting to take an active role in making our youth aware and having them environmentally friendly. I assisted a school in St. Boniface just last year, a year ago, where they started the fundraiser by taking in these recyclable items. I think it was a great project, and they are still doing it. It is important to make our youth aware of the environment.

The effort is there, and it will take some time and lots of work, but I believe that we as legislators can make a big difference. This can be done by passing legislation that would be better for our society and the environment that we live in. What better way to do this other than supporting this resolution that could ban the use of nonreturnable, nonbiodegradable, nonrecyclable food packaging

materials and promote the use of paper-based products wherever is reasonable.

\* (1710)

Again, I would strongly ask that this resolution be supported to make the people aware of the environment and about these recyclable items, where they can be returned. We hear that every day on an ongoing basis, the environment.

Mr. Speaker, in conclusion, I would ask strongly that this resolution be supported by my colleagues in the Legislature.

Thank you.

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, I am pleased to stand and join the debate on this resolution.

I think the intent of the resolution is commendable. I think I agree and our party would agree that we have to do something about packaging and the amount of waste that goes into excessive packaging, the way that packaging is being co-opted by a lot of industry, encouraging people to think that they can buy their way out of the environmental crisis that we are in. I think industry is capitalizing on the fact that they can use an excess of green packaging and think that people are going to not see that the packaging is still wasteful.

The problem with the resolution though is in talking about having something being recyclable. It does not deal with the problem that in the province right now we are suffering from a lack of recycling programs, where in fact you could say tin cans are recyclable. They are only recyclable if there is a recycling program that is going to be able to handle recycling them. The same would go for plastic bottles. The same would go for a lot of other material that is ending up in our waste stream currently that we could be reusing and recycling, but the fact that we have a government that is relying on the market forces to create the demand for a market or to deal with the problems in creating a market—I think we are going to be waiting a long time.

I would say that this resolution is not dealing with the reality that we are in right now, where what is required is that we have to start spending some money or coming up with some more creative ways of encouraging the development of markets. I appreciate that the government has set up the WRAP program, and I attended the part of the conference that they had. Through every one of the materials, whether it be newspaper, tires or

whatever, the problem is that things are not being recycled, they are being stockpiled. Even when I go around the side of the Legislature and think that we have a recycling program in the Legislature here, I go around the side of the building and find that the newspapers are piling up, and I wonder what is happening to those papers.

We saw an attempt to recycle telephone books, and those, too, ended up in the landfill. We saw another example with ACRE where we thought we were going to be reusing, or keeping plastic pesticide containers out of the landfill and handled in a safe way, and we find that they are being contained in large bags and they are within throwing distance from people's homes. So there are a number of problems with recycling in this province, and I would think that simply introducing this kind of a motion is not going to deal with those problems.

This government has talked a lot about sustainable development, but nowhere do we see that. They are missing the principle of sustainable development, which is trying to integrate environment into the economy; we see they do not seem to understand that when it comes to recycling. They seem to be waiting until recycling is going to make a buck, and right now in Manitoba we have a good amount of chaos going on when it comes to households recycling, recycling of household waste.

We have a number of different programs all collecting material. Some of these programs are very small, and there is no guarantee that any of that material is ever going to be recycled. We do not know if some of these small groups are, in effect, charging people to collect garbage and end up taking it to the landfills anyway.

The other thing that is a problem that this government could address which is directly in their power and authority is to deal with liquor bottles which—

**Mr. Doug Martindale (Burrows):** They have a monopoly.

**Ms. Cerilli:** They have a monopoly, as the member for Burrows (Mr. Martindale) says, on dealing with liquor bottles. We see how the beer manufacturers have an effective system where I think they get 95 percent return on beer bottles, and I question the governments to see why something like that cannot be set up to also deal with liquor bottles under the Manitoba Liquor Control Commission.

We also have had a program that demonstrated that curbside recycling is the way to go to get the greatest amount of waste out of the waste stream and that the public is eager to participate. This government has chosen not to fund programs that are going to develop curbside recycling. They are opting for the more economical depot system, which may be more economical but, if what you are trying to do is protect the environment and keep material out of the landfills, the studies show that there is no comparison, that the depot system will not keep nearly the amount of material out of the landfills and out of that waste disposal system. But this government is choosing to go that route.

They have not made any moves to deal with problems in the rural areas. I have always been impressed with the amount of commitment that volunteer groups in the rural areas have shown in organizing themselves to undertake recycling projects, in rural areas dealing with distance, dealing with the problems of collection. People in the rural areas are very frustrated because they feel like their concerns are not being addressed. Their problem of transporting material back to Winnipeg—they have come up with some creative ideas that they have presented to the Minister of Environment (Mr. Cummings), and I have not seen or heard of any response or way for rural communities to deal with the problem they have of having their materials taken to a place where it can be recycled. So again, we have specific problems depending on which area of the province you are in, that this government has failed to respond to.

\* (1720)

I guess to wrap up, I will just say that though the intent of this resolution may be a move in the right direction, the fact is that the problems facing recycling here in Manitoba would not be addressed by this resolution.

**Hon. Glen Cummings (Minister of Environment):** It is my pleasure to say a few words on this resolution. It seems to me that in proposing this resolution, the second opposition failed to really examine what are the problems associated with the solution that they are proposing as opposed to the real problems that are presented by the inappropriate use of certain materials and the ultimate disposition of those materials ending up in our waste disposal sites.

The fact is that, as the member appears to want to put everything in, he indicates that his mentality is that we should ban. He forgets that we have banned CFCs in this province already leading to all the polystyrene products that are coming down the waste stream, as it were, over the last number of years, will very quickly, within the next two to three years, be eliminated from the waste stream. The member, when he looks at switching everything also into a paper package, simply fails to recognize what is the real volume of waste that is in the waste stream today.

First of all, where is the main volume when you break down the capacity or the used capacity of our waste disposal grounds? You find that the biggest single culprit is newsprint, as a matter of fact, and corrugated—newsprint makes up over 14 percent, almost 15 percent along with another 20 percent of paper. So you are looking at almost 35 percent of the waste stream today is already made up out of paper.

Another rather startling figure of what appears in our waste stream, Mr. Speaker, is that we have 22 percent of the volume, according to information that was provided to our waste reduction committee, almost 22 percent of volume that ends up in the average urban waste disposal grounds is food waste and materials from households and restaurants, and we have another 15 percent made up of yard waste. So without having even begun to address the specifics of this resolution, I have to indicate that the member is only dealing with a very small portion of the waste stream that is produced in this province and probably is quite reflective of what is occurring across the country.

Now, I think there are a couple of other issues that are addressed within the resolution that give me some concern as well. When we talk about materials leaching hazardous chemicals out of our containers into the ground water, I would suggest that if the Canadian Department of Health and Welfare felt there were harmful chemicals leaching out of polystyrene containers, they would not be in the food chain as an individual serving container or in any other form. So I would hope they would consider that type of misrepresentation of the facts before we include that in our resolution.

Nevertheless, Mr. Speaker, when you look at a resolution to reduce waste, I want to clearly indicate that anything we can do to reduce the volume of waste in this society today, and reduce our demands

on the renewable resources and nonrenewable resources in our society, goes a long way towards improving how we will leave an environment for the future of our young people along with many of the other aspects of the society they are going to be living in as a result of the use and the pressures we have put on the resources that are available to us within the country, not the least of which is our resource of newsprint or paper of any type that can be used for packaging.

The fact is that there are a number of materials—the member wisely added a footnote at the end of his resolution which said: “. . . such legislation would exclude disposable plastic utensils and drinking straws.” I am not sure why that was stuck on the end, except I think there was a recognition that there are certain things that perhaps he is individually attracted to, or maybe he recognized a certain societal benefit that he did not want to have taken away from people and he tacked that on the end of his resolution. I would have to tell you that that does bring into attention just the type of problem that can be associated with putting a blanket ban in place. It would be far better that we go to a system, and I would hope that members of the opposition would continue to work with the government to develop systems, that will have the capacity to, first of all, take the recyclables out of the waste stream but, secondly, make sure that there is recycling capacity available.

The fact is that one of the greatest difficulties that recyclers do encounter is the ability to have markets that are able to absorb their product on a regular and ongoing basis. That does go a long ways toward reducing the ability to consume all of the product that can be made available through the recycling chain today.

Mr. Speaker, one of the things that is most intriguing about dealing with recycling and removing of materials from the waste stream is the fact that there are a number of benefits that are associated with it and, at the same time, a number of pitfalls that even the esteemed members of the opposition may not have considered in putting together their concerns such as they are voiced in this resolution.

The fact is, for those who encourage that we go to newsprint or to paper products, I only ask, have they considered what the draw is on our natural resources? Do they balance that off against the fact that polystyrene no longer uses CFCs? Do they balance that off against the demands on our



nonrenewable resources? The fact is that there are a number of ways, rather than banning, that we can force these products out of the waste stream.

**An Honourable Member:** Where are the Liberals?

**Mr. Cummings:** Well, they are I think a vanishing breed. My colleague was concerned about some of the rapt attention that we are getting in this Legislature.

Mr. Speaker, there are ways that are very proper ways to deal with the product rather than to ban it. That is exactly what our Waste Reduction and Prevention Act allows us to do. We can withdraw from the marketplace funds in the form of levies. These levies can then be used to increase the value of the recycled material so that some of the handling and transportation and redevelopment or recycling costs can be defrayed.

That all has to be based on one premise, and that is the premise that the polluter will pay or the producer of the product that is considered to be polluting will pay. We also know that in that equation, there really is only one person who will pay, whether we call it the polluter, whether we call it the product or whether we refer to it as the segment of the waste stream. There is only one person who will pay, and that is the consumer.

So we need to recognize up front that as we put our environmental concerns in place and deal with these products one by one, which is where the WRAP Act will lead us to dealing with them, that we do have to develop a system that will provide the capacity to do the recycling and provide a collection system, preferably by the producer of the product, that will get it back into a reusable form.

This, of course, leads to the age-old debate—well, it seems like ages in this Chamber at least—about whether curbside recycling versus depot collection systems are a better way to go. The fact is that in bringing together the product, you very well, if you do not have a properly organized process, can consume far more energy bringing the material in under the waste stream than what it would take to produce the material in the original form. That is very clearly demonstrated by the type of packaging that properly relates itself to being readily recyclable.

\* (1730)

Aluminum is an example of that type of product where the value of the product itself virtually pays for the recycling capacity. The fact is that with a

number of other materials, glass being one, which beverage containers are very often made out of, the product itself, unless it is in a completely reusable form and recycled in its original state—that the ground glass is, in fact, in and of itself, quite expensive to recycle back into new glass. Ultimately, a large percentage of it falls into that category that tends to be embarrassing from time to time to certain recycling programs, and that is that it is a product that is somewhat difficult to dispose of unless government is able to intervene through levies or other means in order to enhance the value of the product.

The fact is that both opposition parties have indicated that they feel this resolution is a reasonable attempt. While I do not doubt the value of the intent, and the sincerity of the intent, I would have to indicate that I think that the intent does not fit into what I would call a reasonable approach to dealing of these products. First of all, in terms of packaging across this country, the Province of Manitoba is an active participant in National Packaging Protocol where we are working with all the provinces, and the Territories, and the federal government, to develop standards that will reduce and eliminate vast amounts of packaging in this country without creating ghettos where companies that are producing products for sale are not subject to very stringent regulations in one part of the country and exempt from them in another.

A perfect example that demonstrates how this can be dealt with and still allow for the competitiveness to continue within this country is the ban on CFCs that was first proposed about three years ago at the national level and has now widely spread across the country. There is starting to become some equivalency. We certainly would not want to put ourselves in a position where we develop a system such as inadvertently came forward during the CFC debate when, in fact, Ontario had within its jurisdiction one of the few places in the country that could accept and recycle CFCs, but in fact they had a regulation that banned the transportation of them. So, if Manitoba collected its CFCs, they could not get them into Ontario to have them recycled. That is the type of national approach that we have to have to make sure we get around those types of very sticky problems.

That is why, when I talk about responsibility under the WRAP legislation, within the purview of this province, that those who wish to produce and use

certain products within the province will also provide the capacity to recycle and to remove that product from the waste stream. While we are talking what goes the beyond the purview of packaging, of course, we can look very easily at the priority materials that we are talking about. When I mentioned earlier about what is the largest volume of the product we find in our waste stream, then obviously what you are going to find is that newsprint and other paper packages are the major sources of waste.

Mr. Speaker, while I do not doubt the motives behind this motion, I would like to see it amended. I move, seconded by the Minister of Northern Affairs (Mr. Downey),

THAT the resolution be amended as follows by substituting all of the words after the first paragraph with the following:

WHEREAS waste, in the form of packaging, comprises an eyesore when it litters the environment; and

WHEREAS the government of Manitoba is an active partner in the development of a National Packaging Protocol, an organization whose mandate calls for the reduction of unnecessary and excessive consumer packaging; and

WHEREAS the government of Manitoba has brought forth and implemented legislation banning CFCs; and

WHEREAS the government of Manitoba has demonstrated its commitment to a strategy for cutting in half the wastes generated in Manitoba by the year 2000 as outlined in the WRAP Act; and

WHEREAS the government of Manitoba has taken a lead role in assuring the promotion of environmentally sound policies and legislation.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba congratulate the Minister of Environment (Mr. Cummings) for bringing forth positive, groundbreaking legislation and solutions to environmental challenges; and

BE IT FURTHER RESOLVED that the Legislative Assembly of Manitoba congratulate the government for continuing to support the efforts and work of community-based waste reduction initiatives in Manitoba.

Mr. Speaker, with that amendment, I think it recognizes the fact that our Waste Reduction and Prevention Act does put in place a logical and

progressive ability to reduce the amount of waste that goes into our waste stream. It allows us to penalize those producers of waste who are producing unsightly and improper packaging.

**Mr. Speaker:** The honourable minister's time has expired. Also there was an amendment for the House, and I have not decided whether or not the amendment is in order.

\* (1740)

**Motion presented.**

**Mr. Kevin Lamoureux (Inkster):** Mr. Speaker, this is becoming a fairly routine function during private members' hour where we see the government bringing forward an amendment, where we see that the government sees fit to congratulate itself for work it claims that it has done. This whole question of the environment and recycling, the government has done more towards lip service than actual actions and, I believe, that actions in fact speak louder than words.

Unfortunately, the government has done an unjust service to the original resolution, the resolution brought forward and seconded by myself and the member for St. Boniface (Mr. Gaudry), who brought forward a resolution that would have deserved the merit of being voted upon and, in fact, passed.

It was interesting, Mr. Speaker, to sit back and listen to the arguments both of the New Democratic Party and also the Minister of Environment (Mr. Cummings). They had talked about, this resolution does not address recycling, that it only addresses a very small minor part of recycling, and the minister, in fact, went on to list what is in the waste stream, things such as the newsprint and so forth. Then he actually came through with some of the percentages, and those I would like to comment on.

The point, Mr. Speaker, that I am trying to make is the fact that this government and the New Democratic Party, through their comments that they have put on the record, have really said that they oppose the resolution. The reason why they oppose the resolution primarily is because the resolution does not include other aspects, as the member for Rossmere, no, Radisson (Ms. Cerilli)—my apologies to the member for Radisson—had pointed out, and I believe that both the member for Radisson and the Minister of Environment would be better advised to look at other initiatives that have been put forward from the

Liberal Party. One that is, in fact, on the Order Paper and will be debated is The Beverage Containers Act, another progressive piece of private members' legislation that would go a long way to ensuring that we have a better environment not only for us, but our future children and, in fact, grandchildren.

So, this resolution, yes, does look at one aspect of recycling, Mr. Speaker. I do not deny that; nor would the member for St. Boniface (Mr. Gaudry) or any member of the Liberal Party deny that. I would go as far as to say that it would be awfully hard to come up with a resolution that would address all aspects of recycling or issues that in fact the minister himself has raised. We talk about the whole idea of the wraps, the plastic packaging. It has really become a fine art. You can walk into a grocery store or a confectionery store and you will see that in a chocolate bar package, it is all nicely packaged up and you take off that package and then you have the individual candies being packaged up. -(interjection)- To the Deputy Premier, that is in fact what is in many of the things.

Mr. Speaker, the way products are packaged is very important to many different companies and corporations, and some of them, I would argue, have gone a little bit overboard in the fashion in which they have decided to package some of these products or produce. Those are some of the things that we as elected officials, leaders of the community in many cases, should be bringing up with different stores, whether it is a larger store, a smaller store. If we can decrease demand for these packaged goods or goods that are packaged in that fashion, then, in fact, the stores will respond to that and will buy accordingly. That goes a long way in terms of being able to try and get some of that garbage out of the landfill site.

It interests me, Mr. Speaker, some of the remarks that the minister had put on the record regarding the waste and the amount of waste. He said that newsprint makes up 15 percent—I believe is what the minister said—of our landfill sites. What is the government doing about newsprint? We have in Ontario the likelihood of a de-inking plant being established in the province. What is the government of Manitoba doing towards bringing in something of that nature, something that would, in fact, create jobs? -(interjection)-

The Minister of Labour (Mr. Praznik) says I am not in touch with what is going on in Pine Falls.

Hopefully, the Minister of Labour will tell us what, in fact, is going on in Pine Falls, because the government in itself has not said anything about a de-inking plant and that we are going to be seeing a de-inking plant being constructed.

Then it goes on to paper, which consumes up to 20 percent, something that the Liberal Party in caucus started to recycle its own paper and the government in its collective wisdom chose to follow suit. It took a good idea from the former member for Wolseley and adopted the recycling within the building. The former member for Wolseley, Mr. Taylor, was very interested in the whole concept of recycling and reusing and so forth, and actually took many actions to ensure that, in fact, what could be done was being done.

I know the member for St. Boniface (Mr. Gaudry) had mentioned that we do see some indications from some companies and some corporations and cited the example of McDonald's. At one time, you would purchase a Big Mac, for example, from McDonald's, and it would be in styrofoam packaging. Now they have reverted to paper. That is the type of initiative that we like to see corporations or the private sector move into. I think it is because of companies that are being responsible, that are doing things that are more environmentally sound, are able to get that message out that they are concerned about the environment, and they want to play their role or play their part in ensuring the landfill sites are not filled with items or nonbiodegradable products.

They will be rewarded, I believe, because many consumers, when they go out to shop nowadays, will compare what is in fact recyclable, what has been recycled. I believe that the demand for recycled goods will increase in the next number of years, and I think that is a positive thing.

The government can do things to encourage or to speed up that whole process of recycling. The minister made reference to the amount of paper that goes into landfill sites. If the government made a commitment to use recyclable paper, you would find that the demand for recycled paper would—I could not give the actual but you are probably looking at quadruple.

\* (1750)

By doing that, what you are doing is you are cutting down the overhead of producing more recyclable paper, and so there are things that the

government can do, things that the government can take initiatives on that can speed up the process. The resolution that has been brought forward from the member for St. Boniface (Mr. Gaudry), I would suggest to you, also does that. It gives the government some ideas on how they, as a government, can speed up once again the process, so we get back on track or, at the very least, stay on track and move toward having more products being recyclable.

Mr. Speaker, I know that it is not any specific generation that is interested in recycling. In fact, I had the privilege of about—I guess it would have been about a year ago—where I had a group of kids that attended—I believe it was Meadows West School—come to my home. They brought with them that recycling was important to them, and they wanted to do what they could. In fact, they had a petition. They wanted to see the school get more involved in recycling.

We see volunteers from all over the province that contribute to recycling. We have had the opportunity as a caucus, as individual MLAs, to attend recycling depots where we have seen firsthand what type or how individuals can contribute to recycling.

I know the member for Wellington (Ms. Barrett) wanted to say a few words to this amendment, so on that I conclude my remarks and would encourage the government not to jump so quickly to move amendments to resolutions, to, in fact, allow them for debate. If they do not want to allow them to come to a vote, so be it; but do not change the intent of resolutions that are put forward by individual members that are trying to express their concerns.

**Ms. Becky Barrett (Wellington):** Mr. Speaker, I had some words to say about the resolution as it was presented; however, I do think it is necessary, as well as required, to speak on the amendment before one speaks on the entire resolution.

The tenor of the government's resolution, and I will agree with the member for Inkster (Mr. Lamoureux) in this, is to do as it has done in virtually every private member's resolution brought forward in this session of the Legislature, to completely gut and abrogate the reasoning and the thinking behind the private member's resolutions, to turn it totally into a self-congratulatory paean to themselves and thereby, I believe and I believe members on this side believe, to diminish the legislative process and the

debating that can carry on in this House. That aside, I would suggest that the government is a little premature in its self-congratulatory amendment.

I would like to put on record just a few statements from the government's own action plan, the final report of the Manitoba Recycling Action Committee of May, 1990, which outlines some of the other province's resources allocated to recycling.

For example, British Columbia—and I want the members opposite to understand that I am choosing provinces with which I do not necessarily agree ideologically, but there are actions taking place throughout the country. British Columbia allocates \$2 million for solid waste management this year, this year being '89-90, and a staff of four. A five-year proposal has been approved in principle for a budget of \$150 million, with a staff of 20.

Alberta, another province not noted for its concern over the years for reduction and recycling, particularly when it comes to products that are by-products of petroleum, has seven people employed in recycling and a budget of approximately \$2 million.

Ontario—29 staff years allocated to a variety of programs, expenditures in '89-90 estimated to be \$24 million, including more than \$11 million to support the blue box program. Even when you take into account the population of Ontario, this is a truly remarkable statistic.

Quebec—a budget of approximately \$1 million, 20 people in waste management and 10 in a depot system.

Now we get into some very interesting statistics, some very interesting provinces. These are the have-not provinces of the Maritimes.

New Brunswick—\$3 million budget, currently proposing a budget of \$5 million for five years.

Nova Scotia—two full-time staff in field services working on recycling.

Newfoundland—there is a budget, even in Newfoundland which is the poorest province in the country and one of the smallest, for the fiscal '90-91. There is to be a recycling co-ordinator and a budget of \$55,000 for delivering information programs.

Now Saskatchewan, again, is the province that we often compare ourselves to most frequently because they are comparable in kinds of provincial resources and population. There is no specific allocation for recycling. Staff includes

three-quarters of a staff year, not a very good record for a Conservative government next door. However, it is only barely worse than our own record here in Manitoba, one staff year, annual budget of \$25,000, resources allocated to recycling.

Now, Mr. Speaker, I find it passing strange, as it were, to think that with any sense of legitimacy this government could pass an amendment to this resolution that we are discussing here this evening, congratulating themselves on their performance in the area of recycling. They have chosen to not look at the curbside recycling program that is very popular, has proved to be an excellent method of guaranteeing individual and family participation in this program. They are choosing to say that the collection system must be by the producer of the product. Why is that the case? Why is the producer the only one who is to be charged with collecting the product, instead of allowing and enabling individuals and families to participate, when they have shown over and over again that they are more than willing to do so?

Again, we need to talk about the packaging. The only thing the minister can talk about is the participation in the National Packaging Protocol. I would like to ask the minister what this protocol is and what has been the outcome of any discussion so far. I think we can all see when we go to our local grocery store, as the member for Inkster (Mr. Lamoureux) has talked about, the enormous amount of over packaging that takes place today. The enormous amount of overpackaging, both in paper and plastics. How is the National Packaging Protocol going to deal with this kind of thing? What protocols has it established? If this is the only thing

that the minister can hang his congratulatory amendment on, it is a very, very weak hook and it is going to very shortly fall down and, to mix the analogy completely, show that this government, unlike the emperor, truly does have no clothes. Thank you, Mr. Speaker.

**Mr. Martindale:** It is a pleasure to run out the clock on this amendment which I think we should call it SCA, a self-congratulatory amendment. Mr. Speaker, the Province of Manitoba is in the dark ages compared to other provinces and other countries in the world, and I think it is helpful - (interjection) -

Let there be light, my colleagues say. I agree, especially when it comes to providing leadership in the area of the environment in Manitoba. It helps to have travelled to other countries. For example, in 1975, I travelled to Europe, and I can tell you that in 1975, 16 years ago, there was considerably more recycling in countries that we visited there than there is today in the province of Manitoba. From 1973 to '76, I lived in downtown Toronto while I was studying theology. At that time, we were recycling tin, glass, newspapers and compost in downtown Toronto, and that was 15 years ago. The City of Toronto is light years ahead of the Province of Manitoba—

**Mr. Speaker:** Order, please. When this matter is again before the House, the honourable member for Burrows (Mr. Martindale) will have 14 minutes remaining.

The hour being 6 p.m., I am leaving the Chair, with the understanding that the House will reconvene at 8 p.m. in Committee of Supply.

# Legislative Assembly of Manitoba

Monday, May 27, 1991

## CONTENTS

<b>ROUTINE PROCEEDINGS</b>			
<b>Presenting Petitions</b>		Claro Paqueo Martindale; McIntosh	2483
Winnipeg Canoe Club Render	2475	Selkirk, Manitoba Dewar; Downey	2483
<b>Reading and Receiving Petitions</b>		Education Facilities Carstairs; Filmon	2484
55-Plus Program Indexing Gaudry	2475	Employment Programs Storie; Stefanson	2484
<b>Introduction of Bills</b>		<b>Nonpolitical Statements</b>	
Bill 61, Communities Economic Development Fund Amendment Act Downey	2475	Provincial Mine Rescue Competition Praznik	2485
Bill 60, Law Society Amendment Act McCrae	2475	National Access Awareness Week Barrett	2485
<b>Oral Questions</b>		Peace Run '91 McCrae	2485
CP Rail Doer; Driedger; Reid	2476	Birth of Granddaughter McAlpine	2485
Transportation Industry Reid; Driedger	2478		
Manitoba Public Insurance Corp. Carstairs; Filmon	2478	<b>ORDERS OF THE DAY</b>	
Crown Corporations Carstairs; Filmon; Storie; Cummings; Ernst	2479	<b>Concurrent Committees of Supply</b>	
Impaired Driving Chomiak; McCrae	2480	Urban Affairs	2486
Immigration Consultants Cheema; Filmon	2481	Northern Affairs	2509
Immigration Cerilli; Mitchelson	2482	<b>Private Members' Business</b>	
City of Winnipeg Friesen; Ernst	2482	<b>Proposed Resolutions</b>	
		Res. 18, Environmentally Acceptable Packaging	
		Gaudry	2533
		Cerilli	2534
		Cummings	2535
		Lamoureux	2538
		Barrett	2540
		Martindale	2541