



Fifth Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley, Hon.	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin, Hon.	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
<i>Vacant</i>	St. Boniface	

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 8, 1999

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

#### Standing Committee on Municipal Affairs First Report

**Mr. Jack Penner (Chairperson of the Standing Committee on Municipal Affairs):** Madam Speaker, I wish to present the First Report of the Standing Committee on Municipal Affairs.

**Madam Speaker:** Dispense.

*Your Standing Committee on Municipal Affairs presents the following as its First Report.*

*Your committee met on Monday, June 7, 1999, at 10 a.m. in Room 255 of the Legislative Building to consider the progress report of The Forks-North Portage Partnership for the year ended March 31, 1997, and the annual report and the consolidated financial statements of The Forks-North Portage Partnership for the year ended March 31, 1998.*

*Mr. Ernst Keller, chairperson of the board, Ms. Janice Penner, interim general manager, and Mr. Paul Webster, chief financial officer, provided such information as was requested by members of the committee with respect to the progress report and the annual report and consolidated financial statements for The Forks-North Portage Partnership.*

*Your committee reports that it has considered the progress report of The Forks-North Portage Partnership for the year ended March 31, 1997, and the annual report and consolidated financial statements of The Forks-North Portage Partnership for the year ended March 31, 1998.*

**Mr. Penner:** I move, seconded by the honourable member for Steinbach (Mr. Driedger), that the report of the committee be now received.

Motion agreed to.

### Committee of Supply

**Mr. Marcel Laurendeau (Chairperson):** Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Charleswood (Ms. Driedger), that the report of the committee be received.

Motion agreed to.

### ORAL QUESTION PERIOD

#### Flood Conditions Compensation for Farmers

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, a meeting was held with producers and municipal officials yesterday in southern Manitoba, and businesses and producers want the provincial government to declare a disaster area. Further, they said a survival plan that would be necessary would require \$50 per acre for 50 percent survival rate; \$75 per acre for 75 percent survival rate; and up to \$100 per acre for a 95 percent survival rate. We have received over 30 letters from businesses and producers this morning. I am sure the government has as well.

I would like to again ask: what is the contingency plan of the provincial government for unseeded land? Is it similar to what is being proposed by the producers and by the businesses in the community, and can the Premier (Mr. Filmon) please elaborate on the existing business and contingency plan for this crisis?

**Hon. Harry Enns (Minister of Agriculture):** Madam Speaker, I am pleased to report to the

House that, further to conversations that I have already had with our federal minister, the Honourable Lyle Vanclief, I have today faxed him a letter which I would like to table with the House that extends to him an invitation to come and join us on Friday morning in Brandon where we will have an occasion to have him accompany us on touring some of the affected areas, both south and north of the Trans-Canada Highway. I have also indicated in this letter that it is my expectation, my hope that farmers in the stricken areas, wherever that may be in the province of Manitoba, will in the first instance be accorded the same level of support that farmers received during the disastrous 1997 flood of the Red River Valley; specifically, payments that account for input losses like fertilizer that were applied last fall and now are of no use. And, in lieu of the reseeding acreage allowance of \$10 an acre that the federal government offered Red River Valley farmers, that that allowance be transferred to a maintenance allowance because these lands have to be maintained and cleared of weed growth that is now profuse throughout that part of the province.

\* (1335)

**Mr. Doer:** Yesterday, I asked the First Minister about the statement that the federal minister made that he had received no application from Manitoba, and the Premier indicated that he would be writing the Prime Minister. I would like to receive a copy of that correspondence if we could, Madam Speaker, and ask the First Minister—the federal minister, on the weekend, said that there are no new programs to deal with this crisis. Mr. Duhamel said yesterday, or last week, rather, that the minister will meet with Manitoba ministers to discuss new aid packages and new programs to deal with the crisis. There is a great deal of confusion between the two ministers, the federal ministers, and obviously that creates more uncertainty for the producers.

I would like to ask the Premier: will he be alerting the Prime Minister to these apparent contradictions between the two federal ministers and call—it is hard enough to get two governments together, let alone having confusion with two ministers. Let us get a plan that works for farmers and producers, and let us take the leadership in this House.

**Hon. Gary Filmon (Premier):** Madam Speaker, yes, I did write to the Prime Minister yesterday. I do not have a copy of the letter here, but I will send it over momentarily or within some early time this afternoon to the Leader of the Opposition.

He will note from the letter that was tabled by the Minister of Agriculture (Mr. Enns) to his federal counterpart, Mr. Vanclief, that they had earlier discussed on Friday, May 28, ways in which both the AIDA and NISA programs could be customized to meet the needs of our flood-stricken producers. Those matters have been discussed with the federal people.

I know that in our meeting last week with some of the municipal and KAP leaders from the area, in which we had in attendance the chairman of the Crop Insurance Corporation board and the deputy minister, that those issues were all raised and work is being done on them. In most cases, they require a degree of federal co-operation, but it is certainly our contention that the existing programs can be utilized to provide the funding for farmers on an emergency basis.

#### **Teachers Retirement Allowances Fund Maternity Leave**

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, a new question. We will review this letter, and I thank the minister and government for a copy of it.

We have been advised, in dealing with pension plans for teachers, that Manitoba is the only province in Canada that does not provide the ability of teachers that are on maternity leave to buy back pension entitlements. I would like to know if in fact this is the case, and what policy will the provincial government be taking on this issue?

**Hon. James McCrae (Minister of Education and Training):** Madam Speaker, I was pleased just a few moments ago to receive a petition from a notable teacher in our province, in this case, Jan Speelman, the president of the Manitoba Teachers' Society, whom we welcome to our Legislative gallery today. I look forward as Ms. Speelman gets comfortable in her

position, as I am beginning to in mine, of scheduling a few meetings with Ms. Speelman and/or members of her organization to address a number of issues that I have already had some discussions about, and the one related to the honourable member's question is one of the ones that will be on our agenda for discussion in the very near future.

### Board Representation

**Mr. Gary Doer (Leader of the Opposition):** I thank the minister for his courteous answer, but I do not know if I got an answer to my specific question of what the policy was and what is he going to do about it. It seems to me to be an injustice, if this is the case, one which we should all collectively work to resolve.

Madam Speaker, the TRAF board has recommended to the minister and to the government that the former pension governance structure of a combination of teachers, trustees and government appointees be replaced with a four-person, teacher-elected or appointed board, a four-person elected by the government and a chair to be mutually agreeable between the two parties. This seems to have broad support from the existing governance body of the teachers' pension plan. This recommendation I believe was into the government last year. I would like to know: what is the policy of the provincial government to look at a sensible proposal to govern the pensions of teachers?

**Hon. James McCrae (Minister of Education and Training):** Unfortunately, Madam Speaker, perhaps due to the nature of what we do hear, courtesy is something that is a little too rare, and we might look forward to seeing it around here a little more often in our deliberations.

The issues raised in the petition that I have, as well as raised by the honourable Leader of the Opposition today, are matters that are of interest to myself and to the Minister of Finance (Mr. Gilleshammer), as well, obviously, as to the Manitoba Teachers' Society. We have not made any final decisions about this, but we are indeed interested in the dialogue that might lead to the types of improvements the honourable member is referring to.

\* (1340)

### Youth Court Backlog

**Mr. Gord Mackintosh (St. Johns):** To the Minister of Justice. The government is sending the federal Justice minister some recommendations about the federal young offender laws today, I understand. We have no big problems with the particular recommendations, but how does the government, we wonder, think it will have credibility with the federal minister when it is the same government that has the worst record when it comes to dealing with young offenders?

My question to the minister is: instead of just pointing fingers at the federal government, why does this government not clean up its own act and at least start by reducing what are, we are told by Statistics Canada, the worst backlogs in the youth court of all the provinces?

**Hon. Vic Toews (Minister of Justice and Attorney General):** The member has made certain allegations, and I do not accept his preamble in those allegations.

In respect of the particular recommendations, which were the result of a committee chaired by the member for Emerson (Mr. Penner), a number of government ministers and MLAs went throughout the province to hear what Manitobans had to say about the Young Offenders Act. We wanted to ensure that the federal government not only heard our point of view but the view of Manitobans in the various communities. I think that the recommendations are in fact an indication of the degree to which we wish to work with the federal government, and I think that I have emphasized that comment over and over. There are certain concerns that need to be addressed, and I have asked the federal government, the federal minister in particular, for a meeting to discuss those issues.

### Youth Crime Reduction Strategy

**Mr. Gord Mackintosh (St. Johns):** Would the minister answer this question? Instead of trying to divert attention from this government's pathetic record dealing with young offenders, would it take meaningful action, not just tokenism, to deal with what is the highest, the

worst increase in violent youth crime this decade of all the provinces?

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, I have in fact consulted with most of our police forces, and they indicate that the statistics in fact show that the programs of this government are working, that there are significant decreases in a number of areas in respect of crime statistics. It indicates not only that our tougher policies on bail and other criminal-related matters and processes are working, but also the programs that we are developing to divert youth out of the formal criminal justice system are working.

Madam Speaker, I think the statistics that the police provide me with in fact demonstrate how our programs in fact are working.

\* (1345)

**Mr. Mackintosh:** Would the minister, who should look to Stats Canada for information, explain what programs he is talking about? How about the 23 Conservative promises on crime? I do not know what ever happened to them, Madam Speaker. How about his phoney boot camps? Maybe he will explain how this government oversaw a rise of criminal street gangs in this province.

**Mr. Toews:** In fact, Madam Speaker, it is the kind of programs that the member for Burrows (Mr. Martindale) wrote me a letter about, saying that he would like them introduced into the city of Winnipeg because they have been working so effectively in rural Manitoba. In fact, I have had the opportunity to assist many citizens on patrol in other organizations in communities, like the member for St. Johns. I know a committee that he is involved in is involved in applying for a government grant in respect of a particular program. So obviously the member and his community see a great benefit in these programs, and I thank the member for encouraging his community members to take advantage of these programs.

\* \* \*

**Hon. Gary Filmon (Premier):** Madam Speaker, at the request of the Leader of the Opposition

(Mr. Doer), I am tabling copies of the letter that I sent to the Prime Minister yesterday.

**PC Party Campaign Manager  
Greg Lyle**

**Mr. Steve Ashton (Thompson):** It seems that the term "Tory ethics" is becoming an oxymoron in this province. We are seeing with the latest indication that the replacement of Taras Sokolyk, who was involved in vote splitting, is one Greg Lyle, who was also involved in that case not running additional candidates but trying to get an entire party to follow its candidates.

**An Honourable Member:** Not true.

**Mr. Ashton:** I notice the Tory ethics commissioner is speaking from the back bench saying it is not true. I wish I could ask him a few questions about this, but I can only ask questions to the Premier.

Since the Premier has indicated that he has conducted his own investigation into this matter, I am wondering if it is the same kind of investigation he conducted in the Monnin inquiry where he said on Monday, June 22, that he was satisfied from his investigations, and it turned out the only person he asked was Taras Sokolyk. What kind of investigation did he take into the role of Mr. Lyle in the vote-splitting scam in British Columbia?

**Hon. Gary Filmon (Premier):** Madam Speaker, any of the information that is available from British Columbia through the news reports indicates that Mr. Lyle was the person who put an end to the proposal. I think that that demonstrates ethical conduct, unlike the chairman of the NDP campaign who is the person who is proud of exam cheating and promotes it by breaking the rules of the provincial exams and sharing the copy of the exam before it is written with the math teacher.

**Mr. Ashton:** Madam Speaker, if the Premier is saying that his investigation involved reading newspaper reports, I am wondering if, in looking at those same reports, he can confirm that essentially what happened is that the Liberals and Socreds of British Columbia could not reach a deal, that Mr. Lyle's role was saying there was

no deal, that Mr. Lyle in fact was involved in back-room negotiations and attempting to set up a situation very similar to what we saw here in Manitoba in terms of vote splitting.

\* (1350)

**Mr. Filmon:** As usual, the member brings false information to this House. Mr. Lyle and each of the persons who were involved in the meeting confirmed that he was the person who said that he and his party would not participate in this. That is unlike the chairman of the NDP campaign in Manitoba who is proud that he attempted to subvert the use of provincial-wide examinations by opening the copy of the examination before it was to be written and sharing it with the math teacher in the school, Madam Speaker, and then firing the whistleblower who publicly identified him for that act. That is the kind of ethics that is leading the NDP campaign, and that is why we are seeing questions like this.

**Mr. Ashton:** I am wondering if the First Minister was showing today just how little he has learned from the Monnin inquiry that cited his party in terms of Judge Monnin never having seen so many liars in his career on the bench.

I want to ask the Premier again what investigation he conducted. Was it the same investigation he conducted with Taras Sokolyk? Why did he not deal with the fact that Mr. Lyle was involved with back-room dealing and, in fact, what happened in British Columbia was the deal fell through, not that Mr. Lyle was showing any ethical conduct at all? He was there; he was part of it, and he is very similar to Taras Sokolyk in his approach to ethics.

**Mr. Filmon:** Madam Speaker, if the member for Thompson wants to talk about the report of Mr. Justice Monnin, he should read pages 57 and 58, in which he says about his member for Crescentwood (Mr. Sale): "Sale, by his own admission, told Sorokowski, 'it is my understanding that if you don't want to meet with the investigators you don't have to,'" which is contrary to what he was saying in this House, to what New Democrats were saying in this House, that they wanted an open investigation, and

contrary to our laws which require full disclosure.

Madam Speaker, on the other hand, Mr. Lyle is the person who attended the meeting to say he wanted no part of any of that kind of action.

### **Education System Standards Testing Breach**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, I want to do some follow-up questions that I asked the Minister of Education the other day in committee, on May 26. There was a schoolteacher, and the Premier (Mr. Filmon) made reference to it in his answer. This particular schoolteacher, a year ago, did something which was mandated by this government, and that was to administer a standard exam. He followed the guidelines of this Department of Education that set forward saying he had to report a breach. As a result of reporting that breach, now, as opposed to teaching math, he is teaching computer classes. This government has done nothing in ensuring that justice was being delivered in this particular case.

I ask the Minister responsible for Education, as I asked him the other day in committee room: what is this government doing to ensure that an investigation which was supposed to be done months ago is in fact brought back to this Chamber?

\* (1355)

**Hon. James McCrae (Minister of Education and Training):** The honourable member would be incorrect to suggest the government has done nothing, but, on the other hand, the government shares the frustration of the honourable member for Inkster in the length of time the investigation is taking into the conduct complained of, that being a breach of the provincial standards test protocol. I understand there are people involved here whose lives and future and reputation are at stake. When a person allegedly makes a breach of this type, it ought to be remembered that other people's lives are very much affected.

The frustration I have is that repeatedly we have asked the school division involved to report

to us on the status of the investigation, and admittedly the investigation is taking a very long time, thus my own frustration. The latest news we have from the division which is investigating this alleged breach is that their report to the Department of Education and Training should be available before the end of the school year. But I can tell the honourable member, if he is frustrated, so am I, because I believe if you are going to have a quality standards testing—

**Madam Speaker:** Order, please.

**Mr. Lamoureux:** Madam Speaker, how does the Minister of Education justify to a teacher—forget the politics of the issue—who did what he was supposed to do and reported a breach, how does he justify sitting back, taking no action, while we have told this government months ago that there was an injustice that took place, and this government stood back and did absolutely nothing, other than instruct an investigation at the school board level but has not stood up for the teacher whatsoever? Shame on you.

**Madam Speaker:** Order, please. The question has been put.

**Mr. McCrae:** Madam Speaker, I can understand the honourable member's frustration, but I suggest he might try taking it out on people who are alleged to have been responsible for wrongdoing in this case that have this kind of an impact on people's lives.

I have said I share the honourable member's frustration, and then, through the Deputy Minister of Education, am endeavouring to get a report. The dangerous thing about trying to rush an investigation is then you leave yourself open to a suggestion that the investigation was not done properly, but we do have concerns about whether that investigation is being done properly simply because it is taking so long.

People's rights are at stake here. There is a very serious allegation of a principal at a high school in Winnipeg inappropriately opening an exam test before he was supposed to do so. That is a very serious thing, because we want to have integrity in our system of standards in our school system and integrity in our system of tests. Any breaches of security protocol like this, or alleged

breaches like this, ought to be handled very seriously, and we do. So I can only say I share the honourable member's frustration, but we are urging the school division involved to make that report available to us so that appropriate action can be taken.

**Mr. Lamoureux:** Madam Speaker, we are questioning the integrity of the standards exams and the way in which this whole issue has been breached.

Madam Speaker, my question to the Minister of Education, put quite simply: what message is this government sending to teachers, who have the responsibility to follow the directive of this minister, when this minister does not stand by the teachers when it comes time to report a breach? What message is he sending to thousands of teachers in the province of Manitoba?

**Mr. McCrae:** Madam Speaker, the difficulty the honourable member identifies is that there are agencies there to ensure that people's rights are protected. In the case of a teacher in the province of Manitoba, under collective agreements, the Manitoba Teachers' Society is there to look after the rights of teachers. But I still want to get to the bottom of whether the difficulties suffered by the teacher referred to by the honourable member are a direct result of the activities of the school principal who allegedly inappropriately breached examination protocol. That is where the finger ought to be pointed, and we are attempting to get to the bottom of this with every effort that we can bring forward.

### **Mining Industry Metallic Minerals Inspectors**

**Ms. MaryAnn Mihychuk (St. James):** Manitoba's metallic minerals industry is worth approximately a billion dollars. Quarry minerals are worth \$80 million, and our petroleum industry is worth approximately \$80 million.

How can the Minister of Energy and Mines justify the fact that there are five quarry inspectors, four petroleum inspectors and only one metallic minerals inspector, and, to add salt to the wound, that inspector is required to do all quarry inspections in northern Manitoba?



\* (1400)

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, I have no difficulty answering that question. We have two inspectors slotted for the minerals industry, and in this temporary adjustment period, we have contracted out services for that function to be performed by a very competent individual.

With respect to the method that we are endeavouring to implement in the minerals part, we trust essentially in the honour system of the people that do the staking, and the whole goal is to make the people that do the staking and are engaged in the exploration field take more responsibility for the ethical standards and legal standards that they observe in the performance of their functions. So we are tightening that up very considerably in light of a recent decision of the Mining Board.

#### Fraudulent Claims

**Ms. MaryAnn Mihychuk (St. James):** It is unclear that this minister understands the importance of the government's responsibility to regulate. Madam Speaker, does the minister understand the government's responsibility to have sufficient inspectors to inspect all mining claims? For instance, recently one major mining company lost \$160,000 on one claim because that claim was fraudulently staked.

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, that is the decision of the Mining Board that I just referred to in answering the first question. One of the consequences of anyone committing a fraud, which may or may not be caught by someone observing it, is that other people are injured by that fraud, and Bre-X is probably the best example worldwide of that taking place. The one thing is for sure, you cannot, simply by spending money in sort of a paternalistic way, supervise everybody doing everything they do in this particular business. The approach of my department and the philosophy of my government is to impose more individual and self-responsibility rather than to build up an internal bureaucracy of civil servants to effectively be the guardians of everyone out there. So we are encouraging a

self-responsibility approach to this particular issue.

**Ms. Mihychuk:** Will the minister admit that his new Mines Act is totally incompetent and weak, and in fact is unable to press charges in a situation that just came before the Mining Board where 40 claims were proved to be fraudulently staked? Is it not true that the government does not have the availability—

**Madam Speaker:** Order, please. The question has been put.

**Mr. Newman:** Madam Speaker, one of the features of the process for applying to be a claim staker is one must be licensed to be a claim staker. The particular instance here, the individual who was the fraudulent perpetrator had his licence suspended for two years and must reapply to ever have it reinstated again. There is also another legal consequence in that one files a statutory declaration supporting the information about the appropriateness of the staking. To violate a statutory declaration, as the Minister of Justice (Mr. Toews) well knows, involves a criminal offence. So there can be legal recourse for filing a false statutory declaration.

#### Mining Industry Fraudulent Claims

**Mr. Gerard Jennissen (Flin Flon):** My questions are also for the minister responsible for mining. When did the government find out about the fraudulent staking?

**Hon. David Newman (Minister of Energy and Mines):** Madam Speaker, I do not have the exact date that that was brought to the attention of the particular department, but I will undertake to bring that information back to the House.

**Mr. Jennissen:** Given the urgency for exploration, particularly in the Lynn Lake and Leaf Rapids region, what specific actions has the minister taken to reassure exploration companies and the entire industry that this government will not tolerate fraudulent claims?

**Mr. Newman:** Madam Speaker, without in any way intending to be facetious but being as

absolutely sincere in providing the best opinion I can on that matter, the best assurance the mining industry feels that they can be given that their interests will be protected against fraudulent activity is to have the Progressive Conservative government re-elected.

### **We Care Program Students Traffic Accident Investigation**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, given the dialogue and the discourse we have heard this morning, I hope that the Minister of Education will bring the same vigour and the members will be as concerned about the investigation that is taking place about We Care Services as they are about a breach of the exam regulations.

I would like to ask the Minister of Education: given the close relationship between We Care Health Services, which is long standing between the government and We Care, can the minister advise who will be undertaking the investigation that we asked for yesterday in the Legislature from his department? Who will be undertaking it, and when can we see the results of that investigation so that those issues can be remedied and those individuals can receive some form of compensation or recovery from this government?

**Hon. James McCrae (Minister of Education and Training):** Madam Speaker, with respect to injuries sustained unfortunately by anybody on our streets or roads and highways here in the province of Manitoba, through the Manitoba Public Insurance there is recourse to assistance for those who are unfortunately hurt. With respect to the school involved, that is a private vocational school governed by The Private Vocational Schools Act of this province, and we have a unit in the department that is investigating the allegations made yesterday by the honourable member.

**Mr. Chomiak:** Madam Speaker, I wonder if the minister might take the step in fact to agree to meet with the students from that class to hear first-hand the experiences, the difficulties, the problems and all of the circumstances surrounding that horrible incident. Will the

minister agree to meet with those students, as I have, to talk to them about their concerns and what problems occur at that particular school?

**Mr. McCrae:** Madam Speaker, I think before I make a commitment to do that—the honourable member knows that if it is appropriate for me to meet with anybody who wants to meet with me, I would do that if it was an appropriate thing to do. But I think it would be an appropriate thing also to await the initial findings that are sent my way by the branch that is looking into this before I make any such commitment. I think also it needs to be said that anyone involved in a high-way accident like that has recourse to justice through the Manitoba Public Insurance Corporation.

Let us have a look at the allegations the honourable member is making and find out what actually there is to them and what it is the honourable member is alleging is wrong or inappropriate versus the information we get as a result of looking into the matter. So I think the honourable member is trying to exploit some perceived relationship between this private company and myself or members of the government. You know, usually it is sort of beneath the honourable member for Kildonan to do that sort of thing. He leaves that to members like the member for Crescentwood (Mr. Sale) or his seatmate from Concordia to do that sort of dirty work. It is not usually like the honourable member for Kildonan to be engaged in that.

**Mr. Chomiak:** Madam Speaker, perhaps the minister can explain, and I have been through this before with the minister on Holiday Haven and other issues, why the accident occurred in September and the minister was made aware of it, and we are only now, eight months later, having an investigation into something that was as a result of an accident occurring under a school governed by this government where people were sent to that school by this government, where people were injured under this government, where people cannot get remedy under this government, cannot sue. Why did it take eight months for this minister to be made aware of this incident? Perhaps we are justified being a bit suspicious about the relationship with this government.

**Madam Speaker:** Order, please. The question has been put.

\* (1410)

**Mr. McCrae:** Madam Speaker, the honourable member seems so ideologically hidebound that he is unable to apply any common sense to any particular situation. That is unfortunate for him, I suggest, but it is not unfortunate for us as long as he stays over on the other side of the House where he belongs.

Madam Speaker, the fact is that there are many private vocational schools in this province providing valuable services to people. The honourable member thinks that if there is something that is privately operated or owned, it is bad. Frankly, let us look at the facts of the matter, leave it at that and deal with the facts and not with the ideological tirades of the honourable member.

#### **Breast Care Clinic Future Status**

**Ms. Diane McGifford (Osborne):** Madam Speaker, last week and yesterday we asked the Health minister questions, which he avoided directly answering, about problems in breast cancer care which stem from the June 15 closure at Misericordia Hospital and the delayed opening of the clinic at St. Boniface. I want to return to this topic today, and I want to assure the minister that my questions are not about breast screening.

Does the minister not know, despite information circulated by Jan Currie, that at a recent clinic 39 women, no less, 39 were lined up waiting to see Virginia Fraser at the Misericordia clinic? The Misericordia clinic remains a site of choice for women, regardless of this government's attempt to close this clinic.

**Hon. Eric Stefanson (Minister of Health):** Madam Speaker, as I have indicated in response to questions from the member for Osborne, all of the services are still available to Manitoba women. The services now will be provided by the physicians from their individual clinics. I believe staff at Misericordia breast care centre are providing that transitional service in terms of

redirecting patients to the private offices to be absolutely certain that women who require this service are getting that service on a timely basis.

So again, the services continue to be in place, and the new facility at Tache is expected to be open no later than September 1, potentially earlier.

**Ms. McGifford:** Madam Speaker, I wanted to demonstrate to the minister that women want this clinic to continue.

Is the minister not aware, and again this is contrary to information released by Jan Currie, that staff have already taken summer holidays, and so they would be available to provide education programs throughout the summer? This clinic does not have to close on June 15.

**Mr. Stefanson:** Again, Madam Speaker, there are services that certainly will be continuing. The Hope Breast Cancer Information and Resource Centre will continue to operate from its current location at 691 Wolseley Avenue. The Manitoba Breast Screening Program will continue to operate from its current site at 25 Sherbrook Street. So again, those services continue to be in place. The additional services for Manitoba women will be provided by physicians from their clinics.

**Ms. McGifford:** Madam Speaker, I want to ask this minister to admit that, given this administration's record with broken promises, given the failure of the new clinic to open in the spring when it was first promised, I would like him to admit that there is no reason for Manitobans to really believe that the Tache clinic will open on September 1.

**Mr. Stefanson:** Well, Madam Speaker, that is absolutely dead wrong. All Manitobans need to do is look at the number of improvements in our health care system, whether it be the significant capital projects that are underway all across Manitoba, whether it is the introduction of the Breast Screening Program in 1995, introduced by this government, now screening some 33,000 women each and every year. I believe that budget year was probably voted against by members opposite when the program was introduced back in 1995.

This budget that we brought down includes \$2.1 million for health care, \$194-million increase, and all of a sudden members opposite saw the wisdom to support this budget which continues to support programs like the Breast Screening Program, now screening a record level of women in Manitoba, some 33,000 each and every year.

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

### Speaker's Ruling

**Madam Speaker:** I have a ruling for the House.

I am ruling on a matter raised on May 13. It appeared that the honourable Minister of Agriculture (Mr. Enns) had raised a point of order respecting a question asked by the honourable member for Thompson (Mr. Ashton). Speaking to the matter were the honourable minister, the two House leaders and the honourable Leader of the official opposition (Mr. Doer).

Upon reading Hansard, it is clear that there was no point of order. The minister apparently was answering a question. The contributions by the government House leader (Mr. Praznik), the opposition House leader (Mr. Ashton) and the Leader of the official opposition were not related to a procedural point but were debating an issue raised in Question Period. I would ask members, when they rise on a point of order or when they make contributions to whether a matter is a point of order or not, to confine their remarks to whether a rule or a practice has been breached.

## MEMBERS' STATEMENTS

### Flood Conditions

**Mr. James Downey (Arthur-Virden):** Madam Speaker, there are two issues which I would like to raise today. The first one is I would like to acknowledge and put on the record how serious the situation is in southwestern Manitoba as it relates to the unprecedented rainfalls and the situation which many people find themselves in. The stresses and the pressures are causing considerable difficulties, and I want to acknowledge the Premier (Mr. Filmon), the Minister of

Agriculture (Mr. Enns) and my colleagues for the meetings they have had with individuals and the pressures they are continuing to put on the federal government and will continue to put on them as we see the issues develop and the pressures continue on those individuals.

It is unprecedented. That area is traditionally a drier area and people are equipped to deal with that. They certainly are not equipped to deal with the matter which is before them and the rainfall. I think it is very obvious that a lot of crop will not be put in, so people can relate that to not having an income from any source they traditionally would get, and that is the kind of devastation that is out there.

Secondly, Madam Speaker, really last year I was denied the opportunity, because the rules would not let me do it—no, this is four years ago—to congratulate Mike Harris on his tremendous victory in Ontario. Today I rise as well to congratulate Mr. Lord, who is the new Premier of New Brunswick, who has again, I understand, run on tax reductions which people of Canada are looking for. The election of the Progressive Conservatives in New Brunswick augurs very well for the province of Manitoba and the continuation of a Progressive Conservative government here in the province of Manitoba.

**Ms. Rosann Wowchuk (Swan River):** Madam Speaker, many farmers throughout Manitoba are facing serious challenges this year because of the unprecedented rainfall. Although the problem is most severe in the southwestern part of the province, there are areas that are affected throughout the province, areas north of the Yellowhead all the way to the Saskatchewan border, including areas such as Grandview, Gilbert Plains, Minnedosa, Neepawa, and in fact some parts of the Swan River area.

Many farmers will not be able to put in a crop this year. Municipalities have declared a state of emergency, and it is disappointing that the Premier (Mr. Filmon) waited until we raised the issue in the Legislature before he wrote a letter to the Prime Minister asking for assistance for Manitoba farmers. Only today did the Minister of Agriculture (Mr. Enns) write to the federal Minister of Agriculture to ask for assistance for farmers in the southwest part of

the province to be treated the same as the farmers in the Red River Valley. I know that the minister said he had telephone conversations with the Minister of Agriculture, and I believe him in that, but I am encouraged that he has finally put it down in writing and asked him for the support.

\* (1420)

Madam Speaker, the situation in southern Manitoba is a disaster situation, and farmers are looking for some kind of support. They are looking for financial support. They are looking for changes to crop insurance. We also need supports for families that are facing this disaster situation.

Madam Speaker, we had the opportunity to talk to many people who talk about the stress on their families, and unfortunately this government will not recognize that there is need for people who are under stress to have the mental health supports that they should be getting. It is quite unfortunate that this government will not recognize the important role that a rural stress line could play in these communities, not only in southwestern Manitoba but across the province where people are facing very serious situations. I encourage the government, now that they have written one letter, to look at another solution, and that is implement the rural stress line.

#### MARN Awards

**Mrs. Myrna Driedger (Charleswood):** Madam Speaker, last Thursday evening, colleagues and I had the pleasure of attending the Manitoba Association of Registered Nurses' awards dinner. This event honours nurses and community members whose work makes a substantial contribution to the overall health and well-being of our communities.

Recipients of the 1999 excellence in professional nursing awards, which recognizes nurses whose practice exemplifies excellence in direct care, nursing education, nursing research or nursing management, included: Esther Robertson, community health director, Marquette Regional Health Authority, Minnedosa Health Centre; Joan Honer, clinical nurses specialist, palliative care, St. Boniface Hospital; Jean McLennan, teacher, Women's Health Program, Health Sciences Centre; and Maureen Heamen,

director of research, Winnipeg Community and Long Term Care Authority.

The 1999 Professional Achievement Award, given in recognition of a MARN member's outstanding contribution to the nursing profession, went to Nettie Peters, retired program director of the baccalaureate program for registered nurses, Faculty of Nursing at the University of Manitoba.

These awards are symbolic of the high standards registered nurses strive to achieve and the value the profession places on their exemplary contributions to their fields of practice. The award winners, and indeed all nurses, are caring professionals whose work has had an important impact on patients, their families, and their communities. I would like to congratulate all the award winners and thank them for their dedicated service to the health care system. Thank you, Madam Speaker.

#### Royal Bank Cup Hockey Tournament

**Mr. Gerard Jennissen (Flin Flon):** The Canadian Hockey Association has honoured Flin Flon by awarding that city the conditional rights to host the 2001 Royal Bank Cup, a truly prestigious event in Canadian Junior A hockey. Once again, this puts Flin Flon on the national hockey map.

The final game of the Royal Bank Cup will be televised nationally. The volunteer organizing committee, which worked so hard to get Flin Flon approved over several other sites, deserves our congratulations. A particular thank you goes out to the chair of the organizing committee, Don McElroy, and vice-chair, Dan Reagan.

About 500 volunteers will be needed to make this event a success, and a success it will be, given the long history of community spirit in Flin Flon. Flin Flon has often been referred to, somewhat jokingly, as a hockey factory. Indeed, we are very proud of the many hockey players who were born in Flin Flon or played hockey there.

To mention only a few of the many, many greats: Walt Cunningham, Fred Bowman, Mel Pearson, Bobby Clarke, Reggie Leach, Ken Baumgartner, Jerry Hart, Patty Ginell, and Reed Simpson.

As MLA for Flin Flon, I join many other voices in congratulating the organizers and the community for their support which will make the 2001 Royal Bank Cup Hockey Tournament a reality. Thank you, Madam Speaker.

### Standards Testing Breach

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, it was last year that I was over—I believe it was in the month of June—at Garden City having breakfast. Being at Garden City, I was approached by a constituent of mine, a very well-known individual from within the New Democratic Party who wanted me to join with him and listen to some concerns. I did that, and there was a group of teachers who were from the Maples Collegiate, and they expressed a lot of concern that they had as to what was happening to one of their peers.

I brought it up back then as an issue, as something which does need, at the very least, to be looked into. The allegation then was that a standard exam was in fact tampered with and this particular individual's perception was—because who knows the reality might have been somewhat different—that this particular math teacher was demoted and put into another school because he reported what the provincial Department of Education mandates, and that is a breach of security for the standard exams. This is an issue that has been out and about for the last virtually 12 months, 10, 11 months at the very least, and only today are we starting to see some sort of action being taken.

It disappoints me in the sense that so much time has to lapse, and the impact that it has had on the integrity of standard exams is very significant. The impact that it has had on the individual in question is very significant. So I stand today to express my disappointment that the Department of Education did not take more tangible action to try to get this thing resolved in a more timely time frame. Thank you.

## ORDERS OF THE DAY

### House Business

**Hon. Darren Praznik (Government House Leader):** Madam Speaker, there are a number

of issues to be dealt with by way of House business.

There are some changes to the order of Estimates. I understand that for today, I believe the leave that I will be requesting is for today for the Department of Rural Development to proceed in the Chamber; as well, for the Department of Sport to be moved into Room 255 should the matter currently under consideration in that room, which I believe is the Department of Environment, should they conclude today, then the order would be amended to allow for Sport to proceed and that would carry, as I understand it, beyond today should those Estimates not be concluded. So those are the first two things that I ask for.

**Madam Speaker:** Order, please. Is there unanimous consent of the House to allow Rural Development to move into the Chamber to be dealt with for today? [agreed]

Is there leave to permit the Department of Sport to move into Room 255 should the Department of Environment, currently being dealt with in that room, be completed before the time allocated today?

**Mr. Praznik:** And, Madam Speaker, on that point that Sport would continue should they not be completed today, would continue in the same room in that changed sequence of Estimates.

**Madam Speaker:** And Sport to continue then to be dealt with in Room 255 should it not be dealt with today. Is there unanimous consent? [agreed]

**Mr. Praznik:** Madam Speaker, two other matters seeking unanimous agreement. We would also ask that in the Chamber today should the committee reach agreement to adjourn before the final hour, that the Chamber then would adjourn. The Committee of Supply sitting in the Chamber would have the authority then to adjourn, as would be agreed between the minister and the critic, while the other two Committees of Supply would continue.

**Madam Speaker:** Is there leave of the House to permit the Committee of Supply dealing with the

Department of Rural Development to determine its own adjournment time? [agreed]

**Mr. Praznik:** Madam Speaker, I would also ask if there is leave of the House to waive private members' hour, appreciating that we would be using Thursday morning sitting for Private Members' Business?

**Madam Speaker:** Is there unanimous consent of the House to waive private members' hour today and have private members' hour on Thursday morning? [agreed]

\* (1430)

**Mr. Praznik:** I would then move, seconded by the honourable Minister of Finance (Mr. Gilleshammer), that Madam Speaker do now leave the Chair and this House resolve itself into a committee to consider of the Supply to be granted to Her Most Gracious Majesty.

**Motion agreed to.**

## COMMITTEE OF SUPPLY (Concurrent Sections)

### LABOUR

**Mr. Chairperson (Gerry McAlpine):** Order, please. Will the Committee of Supply please come to order. This afternoon, this section of the Committee of Supply meeting in Room 254 will resume the consideration of the Estimates of the Department of Labour.

When the committee last sat, we were considering item 11.2. Labour Programs (a) Management Services (1) Salaries and Employee Benefits on page 115 of the Estimates book. Shall the item pass?

**Mr. Daryl Reid (Transcona):** To continue on where we left off yesterday, I believe I had asked questions with respect to the vacancies and secondments for the department. I am not certain whether I got that information or not, whether it is available. I think I had also asked with respect to the LMRC, Labour Management Review Committee, meetings that have occurred and if there have been any recommendations made to

the minister with respect to the work of that committee.

**Hon. Mike Radcliffe (Minister of Labour):** I am told that there are currently five full-time equivalents that are in the vacancy management. There is one research assistant and one financial officer AO2 in Labour/Management Services located in Winnipeg. The vacancy date was July of '96 for the research assistant and October of '98 for the financial officer in the Labour/Management Services department.

In Workplace Safety and Health, there was an industrial hygienist IG2 located in Winnipeg, became vacant in March of '99. Nextly, a mines inspector M15 located in Thompson became vacant January of '99, and Mechanical and Engineering person, oil and gas inspector IM2 located in Winnipeg. The department's plan is to fill this position. So I misspoke myself. There are four vacancy management positions that will be ongoing. This last one in Mechanical and Engineering is a vacancy due to retirement, and the department plans to fill it.

With regard to my honourable colleague's questions from LMRC, the minister received a report from Mr. Fox-Decent, the chair of the LMRC, touching on the labour code, the employment standards code. I am told that this is the culmination of a significant number of years of work from all members involved in the labour forum. A number of important issues have been identified and as a result, I believe, this report coming from LMRC formed the basis for the modification and update of the labour code which cleared cabinet and is now in force at this point in time.

\* (1440)

**Mr. Reid:** So there have been no other reports that have come to cabinet, no other meetings of the LMRC since that last report that has been received?

**Mr. Radcliffe:** That is correct.

**Mr. Chairperson:** Item 11.2. Labour Programs (a) Management Services (1) Salaries and Employee Benefits \$1,074,300-pass; (2) Other Expenditures \$318,400-pass. Item 11.2.(b)

Mechanical and Engineering (1) Salaries and Employee Benefits \$1,694,500.

**Mr. Reid:** Dealing with the issue of Mechanical and Engineering, in the Expected Results you talk about inspections and reviews of plans and rides, elevators, et cetera. I am wondering can you give me an indication, do you have a breakdown of the revenues that would be generated for those inspections, if you have that breakdown by area?

**Mr. Radcliffe:** I am pleased to tell my honourable colleague that the revenue detail is as follows, and I will give him printed adjusted—well, I will ask him first of all, I guess. Would you like printed adjusted for '98-99 or just forecast for '99-2000?

**Mr. Reid:** If you have both. I do not know if you have a paper on this or a chart that you can provide. If you want to save some time, just perhaps provide us with a copy of that if you are agreeable to that.

**Mr. Radcliffe:** I am told at this point it is more appropriate if I just give him the figures. We can isolate these figures and supply him with a spreadsheet on it. So '98-99 printed adjusted amusement rides \$6,200. So all these figures, first of all, will be adjusted printed '98-99. Amusement rides \$6,200; electrical inspections and approvals \$90,000; electricians \$25,000; power engineers \$260; gas and oil \$920; elevators \$400; elevator design \$10; design and shop inspection \$60; boilers and refrigeration \$775; welders \$53; affidavit processing fee \$20,000; registration fee quality assurance certificates \$5; and fee for pressure piping systems \$20.

*Mr. Peter Dyck, Acting Chairperson, in the Chair*

Now, moving ahead to estimates for '99-2000: amusement rides is \$12,400; electrical inspections \$90; electricians \$25; power engineers \$230; gas and oil \$920; elevators \$400; elevator design \$5; design and shop inspections \$80; boiler and refrigeration \$775; welders \$53; affidavit processing \$20; registration quality assurance \$5; and pressure piping systems \$2.

**Mr. Reid:** Two seems like a strange number for a revenue. Do you have the global numbers there too, a total for the revenue that would be obtained as a result of the licensing?

**Mr. Radcliffe:** Total licensing recovery is very close to \$2.3 million.

**Mr. Reid:** Is the department contemplating any adjustments to the licensing and inspection fees that you have within the department? I know there were some adjustments with respect to licensing and there was a change in the duration and the amounts charged, but I am just trying to get an understanding whether or not you are contemplating or you are in the process of moving to changes in fees.

**Mr. Radcliffe:** The only rate or fee that is going to change, apparently, is an inspection rate for amusement rides. That is currently at \$75 an inspection and is going to double to \$150 an inspection. Other than that, everything else will be stable.

**Mr. Reid:** Is that for cost of recovery of the inspection? Is that why the fee is doubling?

**Mr. Radcliffe:** Yes.

**Mr. Reid:** Sorry for the jumping back and forth, Mr. Chairperson. I have an issue I want to raise with respect to boiler inspections, but first I would like to ask on the number of inspections that the department would perform on structures or facilities that have boilers contained within them.

**Mr. Radcliffe:** I am advised that in 1997-98, there were 7,206 inspections of boilers and pressure vessels, and in '98-99, there were 7,480 of the same equipment.

**Mr. Reid:** Can you tell me, is it a requirement to have boilers inspected at regular intervals, and, if so, is it the Department of Labour that undertakes those inspections or is it the responsibility of the owner of the building or the manager of the building to contract for inspection services to comply with legislation requirements?

**Mr. Radcliffe:** I am told that the general requirement is an annual inspection. The



obligation is on the owner of the equipment to contact the Department of Labour, and the Department of Labour performs the inspection.

\* (1450)

**Mr. Reid:** Does the department maintain a database on the inspections and the facilities that have boilers contained within them?

**Mr. Radcliffe:** Yes.

**Mr. Reid:** How are you made aware of a structure that is being constructed or modified that may have a boiler placed within a structure? Is there an obligation for when you apply for a modification or a building permit, for example, that the applicant would have to notify the department, Mechanical and Engineering Services, to make them aware that they have a boiler and that it should fall under the inspection protocol?

**Mr. Radcliffe:** I am told that on new installations, the procedure is that the boiler installers insist on an inspection prior to the start-up of the operation of the boiler, and then on any modification, the individuals who are performing the modification demand that the owner comply with the inspection process.

**Mr. Reid:** I received information that the Mechanical and Engineering Services' database may not be complete and that there are structures right here in the city even that have not had inspections performed, have never had inspections performed, from what I am advised. In fact, there are three buildings for which this has occurred, and there may be others.

That is why I am asking about your database. What do you do to ensure that where there are boilers in situations like that, when you encounter structures that have boilers in them that perhaps have never complied, what steps do you take, other than doing the inspection to make sure they are safe and issuing improvement orders where necessary? Are there any other actions that the department takes when you encounter situations like that?

**Mr. Radcliffe:** I am told that there are no penalties per se for failure to report, but I am

told that Winnipeg is a small enough centre and Manitoba is a small enough field of operation that there is a close relationship between the installers of the boilers and pressure vessels and the government inspectors, that these do ultimately get picked up.

In addition, the utility people who deliver fuel to such an installation, if they notice that there is not a certificate, they will pick up on that issue, as well, and report it, and I would also invite my honourable colleague if he has some names, in specificity, that he supply it to us and the department will be reactive to it.

**Mr. Reid:** From my understanding, this information has been passed on to the branch already and the inspections, I believe, have occurred. This is just recently, and the question is: are there other apartment blocks or other office complexes or building structures that have boilers in them? How do we ensure where there are facilities that have boilers in them that they are going to comply with the requirements of the law with respect to inspections and the safety? If I understand the fueling that takes place for facilities that use boilers, some of those boilers have natural gas, so perhaps you would not have someone go into the building to do that inspection because they are on the natural gas system.

I am not sure that Centra, for example, would go out and do those inspections without being requested to do so, and if it comes to Bunker C fuel or other oil, sometimes there are external filling devices so that you may not ever have to enter a structure so at least that is my personal experience, my observation, so there may not be the time or the requirement of those who are supplying the fuel to do those inspections, so I would like to know how we ensure the safety of the public.

**Mr. Radcliffe:** I am told that there is a network of information here that Centra will not deliver gas, will not hook up gas to a location until the installer has satisfied Centra that there is a permit in existence at the location. I am also told, in many cases with apartment blocks in the city of Winnipeg or commercial establishments where there are large steam boilers and pressure vessels, that the custom of these people is to turn

their gas off during the nonheating season. Then, to turn the gas back on again in the fall, you need another permit to make sure that the boiler has been inspected, so it is at the consumer end of the chain that the safety net exists, in addition to the requirements that the control is really on the installers themselves, if the owners are not self-reporting.

\* (1500)

**Mr. Reid:** I guess it is a possibility that those structures that are using natural gas could lock out the gas service during the course of the warmer months like we are in now, but the information that has come to my attention is that there are buildings that have boilers in them that have not been inspected. Now how many I do not know, and that is one of the reasons I am asking the question with respect to public safety.

One of the buildings happens to be the constituency office for one of my colleagues, and it has been subsequently inspected after it was found out that no inspection had been done; they cannot even recollect the last time it was done. There were improvement orders that were issued and undertaken, but the word was that there was some likelihood that there could have been an explosion and perhaps injury or loss of life if that had occurred. So when I raise this, it is with respect to public safety because members of the public come into that building to speak with my colleague, and I know they do perhaps for the minister as well. He has constituents that come in with different issues to his constituency office.

This is not the only building that I have been told about that is in a situation like this, so I just draw it to the attention of the department, that there may be a requirement to do some communication with the owners of larger structures to kind of cross-reference with the information that you have in your database, to make sure that all of the structures that are there that are perhaps using the boiler system, which I think most of them would be in the larger facilities and to make sure that you have that information for inspections on your database to make sure that they can get their annual inspection. In a word of advice to you, that is what I am suggesting here if it is possible to do that.

**Mr. Radcliffe:** Just to pick up on what my honourable colleague is suggesting, if I could just push that envelope a little further, how are you suggesting that the comparison with the existing database be gleaned? You are saying contact the existing apartment owners or large building owners, but you have to get that list from somewhere. Where are you saying would be an appropriate place to get it?

**Mr. Reid:** Well, I guess you could use the phone book. There are lists of different types of business establishments that are within the city. There must be other databases that the Department of Labour keeps on different-sized structures.

I mean, I am not an expert on the internal workings of the department, but I would expect you would have some listing somewhere that would allow you access to those structures, just to ensure that those inspections are indeed occurring. Perhaps you have people who are wiser about the operations of your department than I am. Perhaps you could rely on that advice from within the department.

**Mr. Radcliffe:** Thank you very much, my honourable colleague, for bringing this to our attention. I think it is something that is worthy of merit, and this will be followed up on.

**Mr. Reid:** I have no further questions on this part, Mr. Chairperson.

**The Acting Chairperson (Mr. Dyck):** Item 11.2.(b) Mechanical and Engineering (1) Salaries and Employee Benefits \$1,694,500—pass; (2) Other Expenditures \$473,000—pass.

11.2.(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$376,800.

**Mr. Reid:** Mr. Chairperson, there has been a reduction in the Professional/Technical line in staff years for full-time equivalents. I was wondering if the minister can tell me why we have reduced the conciliation and mediation officer position. Who was the person that was performing that job? Why was that position eliminated? When did that position become unnecessary within the department?

**Mr. Radcliffe:** Mr. Chairman, I am advised that the former director, an individual by the name of Jim Davidge, retired. He retired in the spring of 1998, and he has been replaced on an acting basis by an individual by the name of Al Fleury, who has moved up into the director—oh, I see, I am sorry, I misspoke myself. Mr. Fleury is, in fact, performing as manager, confirmed as manager of the department. Mr. Fleury's former position was then eliminated, so there was a domino reaction here.

**Mr. Reid:** Can you tell me the statistics related to, and I am asking this for the current year. I mean, the annual report references the previous year '97-98. Do you have the information available for '98-99 that ended, what, two or three months back?

**Mr. Radcliffe:** Mr. Chairman, I am told that there is one administrative secretary in this department and there are five conciliation officers, the fifth being Mr. Fleury, and Mr. Fleury is acting as the manager as well. The Estimates of Expenditures: Managerial is one staff year at 67.9; Professional/Technical at 244.0; Administrative Support at 32.0; Employee Benefits or soft costs at 29.8; and Salary Accrual at 3.1, for a total of 376.8.

**Mr. Reid:** I am not sure that was my question. Was that my question? I thought I was looking for the overall numbers, time lost to strike and lockout.

**Mr. Radcliffe:** From January 1 to March 31, 1999, total person days lost to strike or lockout is 2,604. That is 5.9 days per thousand paid workers. That ranks Manitoba third lowest in the country in this series of 10 units.

**Mr. Reid:** Is there a breakdown on strike versus lockout in those numbers?

**Mr. Radcliffe:** I am told that we can produce that figure. The figures we have do not distinguish between strike and lockout, but that is something we can undertake to produce.

\* (1510)

**Mr. Reid:** That would be fine. Later is not a problem. Lately we have been seeing, this year,

a number of strikes and lockouts that are occurring and also the possibility of work stoppages. I know one of your mediators, Mr. Fox-Decent, is actively involved, as we spoke to him again this morning, trying to resolve those issues and has been somewhat successful in the ones he has been involved in, at least to this point.

Can you tell me with respect to the lockout of the workers at MTS—I believe it is the operators and CEP is the union, I believe—has the department been requested to appoint a conciliation officer or mediation officer?

**Mr. Radcliffe:** No. The provincial Department of Labour of Manitoba has not been involved at all, because that is a federal jurisdiction, so we have had no contact from either side of that discussion, collective agreement.

**Mr. Reid:** So then there is no role for the department to play in that and it would be left up to the federal Department of Labour to appoint a mediator in that process.

**Mr. Radcliffe:** That is correct.

**Mr. Reid:** With respect to services, conciliation, mediation services, you have one less position now and a person, a manager, doing double duty. Do you have the ability within the department to hire in contract mediation services or conciliation services? If so, do you have a list of people that is utilized by the department or do you leave it to the parties to determine or make a selection that is perhaps mutually agreeable?

**Mr. Radcliffe:** I am told that we have two retired employees who are available to provide services on a contract basis to the department. The department has not had the need to call on these individuals at this point in time, but I am advised that they, in fact, are still current on their knowledge and skill set and still very vital and are a value to the department. My honourable colleague mentioned as well, that it is often left to the mutual choice of the parties involved. He is correct in that assumption in a number of cases.

*Mr. Chairperson in the Chair*

**Mr. Reid:** I often wondered how one gets to be a conciliation officer or a mediator. Is there a

special training that is provided? Are there courses that are available through university or community colleges, or is this just on-the-job experience over a number of years that one would gather and put them in a position to be competent at resolving disputes?

**Mr. Radcliffe:** Well, I asked that very question of Mr. Fox-Decent because I, too, was curious about that. One of my former partners took a mediation course in dispute resolution which is offered I think by the University of Manitoba. So there is some training on it. Mr. Fox-Decent advised me that he just fell into this by happenstance and gained experience and training on the job and developed an expertise. His background, as you know, I think is either political science and/or history from the University of Manitoba. He does not lecture anymore.

**Mr. Reid:** I thank the minister for that information. In your annual report for '97-98, it references a database that conciliation, mediation officers can use with clients. It says: can be beneficial in clarifying and in resolving disputes. Can you describe for me the type of information you may perhaps keep in that database that would assist that process?

**Mr. Radcliffe:** I would liken it to a bank of precedents that these officers have access to. What it is is current collective agreements that are of similar job activity, and it sets out particular terms which might be negotiated or terms that are at issue that are the flavour of the times in which we live, plus the significant amount of money that is awarded on account of or agreed on account of wage levels and employee benefits.

So it is all the minutiae and nuts and bolts really that go into a collective agreement. These are recorded so that people who are in this business can resort to them so that, for example, registered nurses could look to collective agreements in other provinces perhaps or LPNs could look to the registered nurses, the minutiae of their agreement, support workers, et cetera, and on down the line just in the health care industry. So it gives somebody a context and background when they are coming into this market.

**Mr. Reid:** In the annual report, it also references statistics relating to conciliation, mediation services for public schools, and I do not know if you have the numbers available for the past year, '98-99. But, in the last two years, the percentage of assignments settled prior to compulsory arbitration has been decreasing. I am talking page 20 of the annual report.

Do you have numbers for your assignments that are settled prior to compulsory arbitration for the past year?

**Mr. Radcliffe:** The collective agreements in the public school environment are directed and controlled by The Public Schools Act, and those officers are not found in the stream in which we are referring right now. There is another separate list of individuals. The custom in the collective bargaining milieu, I am told, with public school units is to go to arbitration because it is a compulsory nature. I guess, from the advocacy skills of both sides, that it is the preferred custom to go right to arbitration.

\* (1520)

**Mr. Reid:** So I take it we do not have the new number for this year, '98-99 year, which was ended a few months ago, in percentages.

**Mr. Radcliffe:** We do not have it here, but we can get it for my honourable colleague.

**Mr. Reid:** I am just trying to get a picture of why we are unable to resolve the disputes prior to going to the binding arbitration process. Perhaps it has something to do with the funding levels and perhaps a more hard line in the decision making that would be associated with that versus settlement prior to arbitration. So, if you can provide that number, that would be appreciated.

With respect to the changes in The Labour Relations Act that occurred on, I think, it was Bill 26, there was a change in procedures with respect to expedited, I think, grievances that occurred as a result of that. In the '97-98 report, there were 49 that were listed. Do you have the number for the current year, '98-99?

**Mr. Radcliffe:** I am told that there are 15 expedited grievances last year.

**Mr. Reid:** Do you have any background information on the nature of the grievances there with respect to suspension or job loss? Is that what would make up the bulk of the grievances?

**Mr. Radcliffe:** Yes, my honourable colleague is correct. They were job-loss situations or more significant grievances, and that was the nature of the expedited field.

**Mr. Reid:** One last question. Looking at what has been happening in the labour front in the province here in almost the first six months of the year, there have been a considerable number of operations, business operations, and employees who have been affected as a result of contractual problems. I am not certain that that number is going to shrink.

Does the department have any planning or forecasting with respect to contracts that may be coming due that might require the services of a conciliation or mediation officer?

**Mr. Radcliffe:** I cannot anticipate which negotiations are going to fail or fall apart, but I can tell my honourable colleague some of the significant agreements that are coming up that we anticipate. They are, for example, the Thompson General Hospital, MGEU home care, Holy Family nursing, Lion's Prairie Manor, Neepawa Food Processors, North West Company, Manitoba Lotteries Foundation, Amsco Cast, Versa Services, Boeing, Bristol-Bristol is out, I think, yes-Inco, MacDonaldis Consolidated, Brandon School Division 40. Tolko has settled now after an 18-day strike. That just gives my honourable colleague a flavour of what is brewing at this point that is still out there.

**Mr. Reid:** So there are a considerable number of contracts that are coming due that would represent a very large number of working people, and I am wondering how it is at this time that we could reduce our officers that would be utilized to resolve outstanding contractual difficulties, or is it the anticipation of the department you will bring in your experienced officers who are now retired to fill in those instead of having a full-time staff available to do that work?

**Mr. Radcliffe:** I would suggest to my honourable colleague that we are probably over the hump now in the year. We have worked our way through or are working our way through some of the more significant potential labour negotiations. There has not been an excessive demand over supply for conciliation staff at this point. The department has been able to meet all the demands placed upon it without having to call upon the reserve individuals. So, in fact, what my honourable colleague is suggesting is hypothetical because it has not yet come to pass. Now, I hesitate to say that it will not because, sure as I say it, then it will happen.

**Mr. Reid:** Murphy's law.

**Mr. Radcliffe:** Exactly, but from our experience to date, the department has met the need.

**Mr. Reid:** The minister has indicated that we hope that there are no work interruptions either by lockout or strike for which we have some care and control. I hope that because conditions change from year to year and what you have put in here now by reducing one officer, if I understand the budgetary process—and I am sure that the minister does better than I from behind the scenes on cabinet discussions, caucus discussions, for his party—once you have lost an officer or a staffperson, it is sometimes much more difficult to recover that position, to bring forward the arguments that would restore or recover versus elimination of that position.

So I guess if you make the argument now that you can do without that position and down the road a year you decide you need to have that because we are into a position where we require more people to do the work, I would expect it would be much more difficult. Perhaps you have experiences you would like to share on the decision that was made to eliminate that position on a permanent basis?

**Mr. Radcliffe:** I can only tell my honourable colleague that my experience, having had the responsibility, now this is my second department, that when I see a need I have been reasonably aggressive about going after the resources to fill those needs. I do function on the basis with my colleagues that if you do not give me the tools, I will not give you the results. So it is

a collective decision, and you have to suffer the results if, in fact, the resources are not there. I think it is a very straightforward rationale.

I have, as I say, been very aggressive with my colleagues from time to time when there has been need, and I have gone after individual resources for departments. I am quite prepared to do it again if, in fact, our collective bargaining situation should change.

**Mr. Reid:** The contract negotiations, I think there is a mediator, Mr. Teskey, who is involved now with the paramedics. Can you tell me the reporting date for Mr. Teskey and whether or not his report will be made publicly available from the minister?

**Mr. Radcliffe:** Mr. Teskey is the mediator with the City of Winnipeg and the paramedics, and his return date is June 16, 1999. While he will be issuing a report to me, I am hopeful that either one side or the other would make the report available to the public. They usually are made public, and I cannot say anything more than that at this point in time.

If I thought it was going to be helpful to the bargaining process to resolve any disputes, I certainly would not hesitate to make it public, but that is speculation on my part at this point in time. I would hesitate to say what I am going to do in the future until I am faced with an actual confrontation or dynamic labour negotiation.

**Mr. Reid:** I understand there are a variety of circumstances that can occur and you may not want to release. Correct me if I am wrong. You have the ability as minister to release the report if you so choose to do that without having to have approval of either or both of the parties. Is that correct?

**Mr. Radcliffe:** Yes.

**Mr. Reid:** Those are all the questions I have on this section, Mr. Chair.

\* (1530)

**Mr. Chairperson:** 11.2.(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$376,800—pass; (2) Other Expenditures \$95,300—pass.

11.2.(d) Pension Commission (1) Salaries and Employee Benefits \$275,300.

**Mr. Reid:** I think Mr. Gordon used to be involved with the Pension Commission. Is he still seconded to other duties within the government?

**Mr. Radcliffe:** Yes. He is with Service First Initiatives.

**Mr. Reid:** How long has he been gone now? Is that going to be made a permanent vacancy with his departure?

**Mr. Radcliffe:** He has been gone for over a year at this point in time. His position has been backfilled. We cannot say at this point, because we do not know how much longer he is going to be gone. So this is a matter of some flexibility at this point with the management.

**Mr. Reid:** His salary, is that forming or a part of the Estimates of Expenditure for the Pension Commission? Is his salary shown in this total?

**Mr. Radcliffe:** The net effect is, no, his salary is not in this line. From a theoretical basis, it is there, but it is recovered from Service First, so, in fact, it is zeroed out. So the 275 as a bottom line does not represent Mr. Gordon's salary at all.

**Mr. Reid:** I have received calls from a number of people, in large part from Winnipeggers, with respect to contribution holidays. It is an issue that seems to come along every once in a while. Then you get several calls on it, and then you do not hear about the issue for a while.

Can you tell me, because I look in your annual report and it talks about planned amendments and planned windups and conversions, et cetera, but I would like to know what your contribution holidays are for the current year, if you have that information available, '98 and '99.

Last year's report shows that you had four surplus refund requests. That also does not tell me whether the requests were granted. It just says they are requests. I would like to know whether or not they were granted as well.

**Mr. Radcliffe:** I am told that the parameters or the jurisdiction and authority for declaring a surplus pension holiday is governed by the document or the trust agreement or the indenture that creates the pension in the first place. I guess indenture is not the right word, but the document or agreement that creates the pension plan in the first place.

Last year, of the four that were requested, two were granted. This year, there are none requested at this time.

**Mr. Reid:** Can you tell me the grounds on which the requests were granted for the two of the four refund requests that came in?

**Mr. Radcliffe:** The pension act requires that the document creating the fund must show that the employer owns the fund. In the two cases that were under discussion right now, that was the case, that the employer was the owner of the fund, so, therefore, the surplus was paid back to the owner.

**Mr. Reid:** It is interesting the term that is used, the employer is the owner of the fund. I have always viewed pension earnings as deferred wages, as I would hope and expect that most of us would for those of us who are entitled to some form of pension. Had we not had pensions, I am sure that our wages would have been adjusted perhaps upwards and that therefore the wages would have been paid directly, and the employer would have had no further control over those monies.

So I am trying to understand the concept here, how we can say that the employer continues to hold those monies when, in fact, they are deferred wages.

**Mr. Radcliffe:** One gets into a concept here, I would suggest, of legal theory. Ownership is a relative term. I can, for example, describe to my honourable colleague that you may or may not own a freestanding residential dwelling, and if so, you have what is called a fee simple in our parlance here in western Canada. That is, in fact, a bundle of rights which you exercise over a certain tangible object.

In different civilizations, in different jurisdictions, say, for example, India, you can have a

landlord who owns real property. The real property stands in the name of the particular landlord, but there are obligations that go with it. He does not have the right of sole occupancy. He does not have the right, say, of alienation. There could be serfs or indentured individuals who reside on that property who have the right to sharecrop with the individual owner. So I give him a bit of a history lesson only to illustrate that ownership is a defined issue, a defined object. With personal property, with intangible hereditaments is what they are referred to or personal property, these two will be a defined object, defined by the document that the two parties have attended to sign which governs their behaviour.

One person may think, ah, in all cases they are deferred wages, but, in fact, they are not, that there will be shading, and other people will have rights over that fund until such time as it becomes vested. If it is capitalized, it is held, and there are competing rights to that fund, but if it does not crystalize, then there may not be a payout, and therefore the employee may have no rights at all to the fund until it crystalizes.

\* (1540)

So I share this with my honourable colleague in the fact that legal theory, legal ownership, the concept of ownership is, in fact, a moving, flexible, transitory thing, and that is where the Crown derives the right even to tax on death, on succession duty, because traditionally in the feudal state, the theory was that all property reverted to the Crown, and the Crown would then have the right to reissue the property to an appropriate recipient. So on the movement of any wealth, which we still apply today, whenever wealth moves, the Crown tends to tax it.

So that is the background of why these things come into existence today. You have to look to the underlying document which gives rise to the fund in the first place in order to understand the relative rights of ownership or claim, and it is really the bundle of rights. The bundle of rights are who has the right to enjoy it, who has the right to invest it, who has the right to receive an accounting, who has the right to alienate it, and on and on it goes. There is a whole myriad of rights that come into play with that issue.

**Mr. Reid:** The minister says that the Crown has the right to tax wealth. I guess that is the case except where we have the Bronfman family and Seagrams and you are allowed to take several billion dollars of your wealth out of the country without having to pay any tax on it. So there are different rules for different people with respect to taxation in this country. No doubt that will continue to be an issue that will be debated for some time to come.

With respect to the pensions, has the University of Winnipeg applied for a contribution holiday or a refund request with respect to their pension plan?

**Mr. Radcliffe:** I would for the purposes of the record point out, in fact, the illustration that my honourable colleague referenced did not happen in Manitoba. Therefore, that was not subject to the vigilance of our tax department, which I am sure is hands-on.

With regard to the University of Winnipeg, I am told that this is confidential information. It is available to the policyholders, but it is not something we are at liberty to disclose and make public.

**Mr. Reid:** I have a pretty good idea that it occurred because I have had calls on it. Some of the plan contributors or beneficiaries are upset that that is occurring. Can you suggest ways that we could give the beneficiaries of the plan the opportunity to have some say on whether or not those refunds are occurring or those contribution holidays are occurring? In other words, they are involved in the decision before the decision is made to issue those monies back to whoever the contributors were.

**Mr. Radcliffe:** I guess the only thing I can do would be to direct my honourable colleague and through him the individuals which he is referencing to inspect the trusts document, the trust deed which gives rise to the fund. That document will set out who has the rights. Again it goes back to, it is a repetition of my previous answer. Who has the bundle of rights on that particular issue? Who has the right to control or influence the decision?

I think that any policyholder or pension holder would have the right to inspect that

document so they could satisfy themselves as to who has the contractual right, because here, what we are talking about is a contractual legal right. That is what the whole issue turns on. Apart from the frustrations and sense of, not fairness exactly, it is not an issue of fairness. It is an issue of legality, of terminology, and the answer to the question is found in the terms of this document.

**Mr. Reid:** I think it is an issue of fairness, because it goes back to my original comment about deferred earnings. That is the way members of the public perceive the pension plans to be. In that case, the calls that I am receiving, the people are quite irate that those refunds are being given and that they have no ability to have any input or control over the decision-making process.

To modify those plans, I guess in cases as the case I am describing here and perhaps many others, we would have to move to a joint trustee plan to have any control or say in the decisions made with respect to distribution of any refunds. Can you tell me how many plans we have in the province that are joint trustee and how many plans we have in the province that are perhaps sole funding source, like the employer, for example, or the employee side?

**Mr. Radcliffe:** We do not have that information here. We can undertake to provide it to my honourable colleague. That information is apparently available.

**Mr. Reid:** In the annual report, it talks about funding on page 23 of the annual report. It talks about funding under the heading of performance indicators. It talks about adequate funding of promised benefits. We have seen the drop in adequate funding by 5 percent year over year. I am wondering if you could explain to me what that is an indication of. Are we seeing short-falls? Are we seeing unfunded liabilities in these pension plans as a result of short contributions from whichever source they come?

**Mr. Radcliffe:** The funding of these plans is basically a function of the current interest rates, and the liability remains a relatively fixed liability to provide the pension on the date and time and amount to the individuals designated



within the plan. So, therefore, if the interest rates were to drop, then a higher premium would be demanded of the employer, if that is, in fact, the case, if it is a single payor instead of a mix in order to sustain a consistent level and it is inversely proportionate to the interest rates.

**Mr. Reid:** Mr. Chairperson, in the annual report, it also references the number of Manitobans that are involved in pension plans as being very stagnant at 51 percent. I think our workforce, if I recall correctly, is around 540,000 or thereabouts, people employed in the province. So there is a large number of people that do not have the benefit of pension plans involved here.

What efforts are being made to encourage Manitobans to take part in planning for their future with respect to pension plans, or are we just going to leave them to their own devices, considering that we have essentially an aging population? If the sheets that were given to me by the department is any indication, there is a large block of people that are in the 40 to 55 bracket. What are we doing to encourage Manitobans to become involved in pension plans and, in fact, encouraging both employees and employers to even perhaps establish joint plans?

\* (1550)

**Mr. Radcliffe:** Pensions, I think, for the large part in the workplace are a product either of collective agreements or significantly large employers where the pension is a benefit or emolument or term of payment for the wage earner. Where you have self-employed people or where you have people working for small establishments, I do not think there is the custom or I do not think we find many pension plans among the small employers—and I am looking to the staff on that. Is that a correct analysis? [interjection]

Oh, I stand corrected. The majority of pension plans are for small employers, but the bulk of the pension plan members are from the larger employers. I think the field or the path that my honourable colleague is walking down at this point conceptually is that it is prudent and it is wise to encourage wage earners to start up RSPs. I think that we have insurance salesmen and we have financial planners and we have all a

myriad of folk right now in our financial industries who are selling these sort of plans and advocating this sort of prudent activity. I can relate to my honourable colleague's and my personal experience that right now we have the opportunity to contribute to an RSP where the government pays half and we pay half. They match our contributions up to, I think, \$13,500 a year, up to the limit; yes, that is 7 percent of our wages.

What we have done, which I guess modified the financial environment somewhat, is where people have the heel of a plan or a very small amount sitting in a locked-in pension, and we have changed the rules in order to allow them to roll that out in order to give them some sort of authority over their own investments and to move those monies around. We also started up the LRIF plan in order that folks could have another investment vehicle, so we have been proactive in that respect. This is, again, almost the passive governance, offering the facility, offering the resource, but it is up to the individual earner to avail themselves of that benefit. We have provided the framework for it to the best of our abilities to date.

**Mr. Reid:** Now that the minister raises the issue with respect to the ability to transfer or to withdraw from small plans—and I think there is criteria that, perhaps when I talked to the department, I got some background information on, on the amounts that you could withdraw if the plan could not provide X number of dollars per month, et cetera.

I have received calls, not a lot but some calls, on that level being inappropriate. In other words, they would like to have more flexibility to withdraw funds at a slightly higher level, even though the criteria would—or the money is there that would provide slightly more income per month. The individuals still want to have more say and more flexibility over how those funds are cared for and, in fact, paid out to the beneficiaries of the plan. So I just reference that for the minister's information. Perhaps his department is getting calls on this, as well, with respect to this issue.

I look at the recent information that came out with respect to RRSP contributions, and we

are not that long past the end of the contribution year, the contribution time for last year, and it showed that there were a significant number of Canadians that were unable or unwilling to contribute to RRSPs, and there was some suspicion that perhaps that was as a result of levels of income being insufficient to provide for discretionary funds being set aside for other purposes, for future purposes.

So I always see pension plans as a mandatory deduction, yes, and it does create some hardship, but it is in smaller amounts in the beginning, and it does give the beneficiary the ability to have some source of income further down the road in retirement years, or survivors of that beneficiary. That is why I am inquiring as to whether or not there is any kind of effort on the department's behalf to encourage Manitoba employers and employees to commence pension plans, to allow for protection of a standard of living in retirement years, to make sure that an individual is not just going to be solely reliant upon the Canada Pension Plan over which there is a lot of dispute right now about its longevity.

So when I reference those two, I look at this as a means of providing some future security for the individual and their families, and that is why I am asking about the efforts the Pension Commission and others are making to start up more pension plans.

**Mr. Radcliffe:** The department apparently issued a scheme a number of years ago, and perhaps scheme is a loaded word. I should not use the word "scheme," but perhaps a plan entitled a Simplified Money Plan, which is now being sold by financial people in the industry which enabled smaller groups of employees with an employer to enter into plans similar to a pension plan, and apparently there has been some uptake on this issue. The rules are simpler. The forms are simpler, and the groups are smaller, but it follows a similar principle. This came out approximately three years ago in Manitoba.

**Mr. Reid:** The annual report references that the Pension Commission last year received 6,300 phone calls. This year's Supplementary Estimates indicate 7,500 inquiries, plus 500 written

inquiries. It seems like a lot of communication, written correspondence, for a total of five staff.

Can you tell me what are the general concerns that the public is raising with the Pension Commission, and are they common issues that are being dealt with within the branch?

**Mr. Radcliffe:** The inquiries that come from members of the public cover the full spectrum of requests. Basically, individuals are phoning in to find out what their rights are or what their entitlement is, what are the particulars of the legislation, how it applies to them. There is no one particular pattern that these inquiries follow. It is a broad-stroke level of inquiry.

\* (1600)

**Mr. Reid:** Seventy-five hundred different complaints or inquiries for information. I would have expected that there would have been some common thread or theme that would have been running through them that would allow for some understanding of where changes may be required to The Pension Benefits Act, which the department may be able to respond to, and that is why I was making inquiries in that regard.

**Mr. Radcliffe:** There was a body of calls and information by individuals asking what they could do with their money, and there was considerable concern and interest over the LRIFs, and that was a concern that was met. So that would be one particular category of requests that we can identify.

**Mr. Reid:** Okay, thank you for that information. Of the 51 percent of Manitobans who are in pension plans, that includes federally regulated plans as well, or is that just provincial?

**Mr. Radcliffe:** Just provincial.

**Mr. Reid:** There is a discrepancy in the numbers there, unless my math is wrong again as it was this morning, and I could stand corrected on this. If you have 51 percent of Manitobans in pension plans and your Supplementary Estimates indicate 140,000 plan members, so 50 percent of 540,000 working Manitobans—[interjection] Right.

So I am just wondering why the discrepancy in the numbers between the annual report and the Expected Results here indicating the total plan members.

**Mr. Radcliffe:** Staff advise me that they are quite prepared to sit down and analyze the numbers and work it through and see if there is some logical explanation for this. One suggestion at this juncture is that with the migration of MTS employees from provincial jurisdiction to federal jurisdiction—

**An Honourable Member:** Not that many, though.

**Mr. Radcliffe:** 45,000—that is one item that we can point to, but there would have to be some analysis done to come up with any other intelligence.

*Mr. Peter Dyck, Acting Chairperson, in the Chair*

**Mr. Reid:** Well, perhaps then I will just leave that with the Pension Commission and the minister. They can advise when the information is available and let us know, please.

I am prepared to move to the next section then, Mr. Chairperson.

**The Acting Chairperson (Mr. Dyck):** 11.2.(d) Pension Commission (1) Salaries and Employee Benefits \$275,300—pass; (2) Other Expenditures \$90,000—pass.

11.2.(e) Manitoba Labour Board (1) Salaries and Employee Benefits \$699,800.

**Mr. Reid:** Are we on 2.(e), Mr. Chairperson?

**The Acting Chairperson (Mr. Dyck):** That is correct.

**Mr. Reid:** I forgot to ask one question. Perhaps the minister can explain with respect to minor capital items that are referenced in the Supplementary Estimates, are we talking with respect to the desktop computer initiative, additional items that would be required?

**Mr. Radcliffe:** I am told these are really minor capital items. These are chairs and clocks. We

are getting almost down to the paper clip category.

**Mr. Reid:** I did not know you did that detailed accounting in the Supplementary Estimates book, but I will know what to expect in the future.

With respect to the Manitoba Labour Board's operations, I welcome Mr. Korpesho here. We have had the opportunity now to see the effects of the changes with respect to The Labour Relations Act in the province and the effects on the Labour Board. I do note that there has been an increase in the professional/technical staff that are attached with the board's operations.

Can you give me some background on the duties that would be assigned to the additional individual? Are they conducting the mandatory secret ballot votes that are ongoing with respect to certifications or decertifications, or are there other duties?

**Mr. Radcliffe:** I am told there was an addition of one board officer and, in fact, my honourable friend is correct that that individual is involved in certification and decertification.

**Mr. Reid:** I have asked this question in the past, as well, with respect to access to information for issues involving the new legislation. Can you tell me: have you had any requests for information regarding contracts or financial matters that may be now covered as a result of Bill 26? In the past I know that there were one or two requests that were made and I think they were denied. I am just wondering whether or not there have been requests made in the current year or the past year.

**Mr. Radcliffe:** Currently there is one pending request right now for financial information from a union. That is still before the Labour Board at this point.

**Mr. Reid:** Is that an employee request or is this from some other source perhaps, such as media?

**Mr. Radcliffe:** All employee requests.

**Mr. Reid:** This would be employees contained within the bargaining unit to which the information is being sought?

**Mr. Radcliffe:** That is correct.

**Mr. Reid:** With respect to the annual report from the Manitoba Labour Board, and perhaps I am not looking at the exact right document, but it is under Labour department. It references Manitoba Labour Board operations, page 25, Applications filed with the Manitoba Labour Board have significantly increased year over year. In fact, in Labour Relations Act applications for the board, they have doubled from 386 up to 756. It is page 25 of the Labour annual document.

If you look at The Employment Standards Act and The Payment of Wages Act, the number of applications filed, we are seeing increases there as well. Can you provide some background on the types of applications that the Labour Board is receiving and the requests that are being made for some resolution of these matters, I suppose?

**Mr. Radcliffe:** I am told the largest increase is for the financial statements that the labour unions are obliged to file on an annual basis.

**Mr. Reid:** I take it that is dealing with The Labour Relations Act then. Can you tell me, are those requests that are coming to the Labour Board as a result of information not being freely forthcoming from the organization? Between the organization and, I take it, it would be the member of that particular union or association. Is that part of the problem or is there some other factor that is involved?

**Mr. Radcliffe:** I was getting snarled up walking down the same road as my honourable colleague. The law now requires that the labour unions file their annual statements on a regular basis. The Labour Board sends a request to the labour union. The response from the labour union back to the board supplying the financial information is considered a file or an application, because, in fact, the Labour Board deals in applications.

So it is a problem of nomenclature here. These are not members of the unions or media people or mischievous people or whatever coming in and saying, I want to know about A, B and C. It is, in fact, the operation of the whole

structure or network of supplying the financial information to this structure. So they call them applications, but, in fact, the increase of 375 files or entries or responses are called applications just because that is the term that is given to them. But, in fact, what those applications are is the labour unions supplying their financial statements. I went the same road you did.

\*(1610)

**Mr. Reid:** I was wondering about the number of applications. I thought perhaps there was suddenly a skyrocketing of people making requests for information. I would have thought would have been more readily available, but knowing at least my involvement in my past years with respect to associations and unions, financial information was freely available and any questions to the organizations I belonged were openly allowed and desired as a part of the process. I am glad to hear that it is just the various organizations submitting the financial applications.

**Mr. Radcliffe:** There were apparently four applications or requests for disclosure of information last year—oh, since the act came into place, even better. So that gives my honourable colleague the context of there have been four requests, period.

**Mr. Reid:** So if there were four requests, and I believe one of them was from media, were there others? Perhaps I do not recollect exactly. Were the majority of the four from the employees of those various associations or unions?

**Mr. Radcliffe:** The Labour Board would not entertain a request from the media. They would only entertain a request from an employee.

**Mr. Reid:** So a member of the plan or the union itself.

**Mr. Radcliffe:** Yes.

**Mr. Reid:** There has been an increase in the staff. I take it there has been obviously an increased workload. I know this has been a problem at the Labour Board for some time, and I am happy to see there has been further staff

assignment in this regard and funding attached. Can you tell me the number of votes that were conducted in the year 1998-1999, votes related to The Labour Relations Act, which are mandatory secret ballot votes on contracts?

**Mr. Radcliffe:** There were approximately 60 votes.

**Mr. Reid:** That is for the certification process. Did that deal with decertification as well?

**Mr. Radcliffe:** No, it just dealt with certification.

**Mr. Reid:** The actual number for last year on certain occasions, I think, was 22, if you look in the annual report again, so we have seen a significant increase. You said there was 68?

**Mr. Radcliffe:** 6-0.

**Mr. Reid:** So we have seen a 40-vote increase on the certifications, or am I looking at the wrong numbers here with respect to numbers? Perhaps you can give me the number, then, for the last year prior to the '97-98 year, if you have it.

**Mr. Radcliffe:** Mr. Chair, '97-98 apparently there were 72 applications for certification. We do not know, we cannot say at this point how many of those applications actually went to votes.

**Mr. Reid:** The question I think I asked earlier was with respect to expedited grievances. That would be the expedited arbitration proceedings. Are they one and the same, the numbers you have given me, which were 15?

**Mr. Radcliffe:** Apparently, the number of expedited grievances filed year to date, '98-99, was 26.

\* (1620)

**Mr. Reid:** Are there any difficulties that the board is having with respect to the change in The Labour Relations Act or changes with respect to The Payment of Wages Act that the government has introduced for which the board has some responsibility in adjudicating any claims that

may come forward? Are there any difficulties that are being encountered?

**Mr. Radcliffe:** This would be other than collection from people who do not have any money, yes. Apparently, the Labour Board has not seen any applications under The Payment of Wages Act yet. This is still back in Employment Standards and takes a while for these cases to work their way through the system.

**Mr. Reid:** You have an increase of staff, and their duties, obviously, involve some travelling with respect to the votes process that is in place. Your Transportation line has remained stagnant year over year. If you had five people that required 45,000 for travel, would there not be an expectation that if you have six people now, perhaps there may be more travel that would be required? I am trying to get an understanding how you determine if you are going to remain stagnant for this year.

**Mr. Radcliffe:** I am told that over the last several years the number of cases being considered is a constant number. So the reality is that we have had more employees servicing a constant number of cases; therefore, the total amount of travelling is constant. Each individual member is doing a little less, but there are more of them. So it is a constant pool.

**Mr. Reid:** I understand that you are spreading the workload out a little thinner than it was before, which is, I suppose, unusual for government to do that, looking at other sections of the department that are trying to double up duties for individuals.

In fact, I think we just referenced that a few moments ago with Conciliation, Mediation. We have the manager now doing double duty. I know the Labour Board was underresourced for some time. It has been even back to previous governments. So I am happy to see that there has been some change in regard to their requirements, and I hope that they will be able to meet their anticipated workload with the resources that have been made available to them.

I have no other questions at this point.

**The Acting Chairperson (Mr. Dyck):** Item 11.2. Labour Programs (e) Manitoba Labour Board (1) Salaries and Employee Benefits \$699,800—pass; (2) Other Expenditures \$403,100—pass.

Item 11.2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits \$2,569,300—pass. (2) Other Expenditures \$773,400.

*Mr. Chairperson in the Chair*

**Mr. Reid:** Mr. Chairperson, I have a number of questions under the Workplace Safety and Health. In the past I have asked for information. I will ask again with respect to the number of workplace accidents that have been investigated by the branch and also the number of recommendations for prosecution. If you have a list of the names of those that have been prosecuted and perhaps fined, I would appreciate receiving that information once again.

**Mr. Radcliffe:** Mr. Chairman, I have for my honourable colleague's perusal and attention a series of persons charged, the contravention, the penalties found. This is public information; it starts in January of '97 and runs through to January of '99. This is our only copy and I am quite willing to share it with my honourable colleague at this point in time.

**Mr. Reid:** I thank the minister for the information. Unfortunately, we are seeing an overall increase in the number of reported accidents in the province, and it has gone up substantially in this last year. For a period of time it had been on the decline and perhaps part of it can be associated with the number of people in the workforce. I know that argument has been put forward before. The difficulty that we have with using that as the argument is when accidents decline, of course, it looks like we are doing a great and wonderful job in prevention. When accidents go up, things do not look so rosy and it leads one to conclude that there are things that we can do in our efforts on the prevention side.

Can you tell me what efforts you are making? Because in the paper that came out recently with respect to the Advisory Council on Workplace Safety, which no doubt members of the committee have, you talked about one

particular program, project Minerva, dealing with increase of knowledge for university students about safety matters and raising awareness of high school students.

Can you give me some background on this particular initiative? Are you going into all of the universities talking to the students? Are you into the high schools and speaking to all of the classes? What are the criteria that are used to decide who you communicate with?

**Mr. Radcliffe:** I am told the Minerva program is targeted at the faculties of law, the faculties of engineering, and the ambit of the program is to give case studies to, say, for example, engineering people, engineering students, so that they have a familiarity with the rights, privileges, limits of behaviour, et cetera, according to the act in the workplace. Minerva does not enter into the high school program. There is an individual by the name of Ellen Olfert, wife of Peter, and she apparently runs a speakers' bureau that dispenses disks to the high school and information packets that go out into the high school process. The Minerva program is financed by Workers Comp, and right now it has been targeted at those two faculties which were felt to be faculties that would not necessarily have exposure to this body of information otherwise.

**Mr. Reid:** If one looks at the likelihood of what Workplace Safety and Health would mean in the educational component, to instruct law students in this regard, I understand someone perhaps would be able to make use of that information with respect to legal matters in the future once they have graduated. I understand in engineering that, if you are designing and taking part in the building of projects, you would require that as a part of your engineering.

Maybe I should put this in the form of the question, because there seems to be a split in the jurisdiction here between the Workers Compensation Board and Workplace Safety and Health with respect to the prevention programs. Whose duty and responsibility is it to undertake to instruct our youth, for example, our young people prior to their entering the workforce? So I would expect 15 years of age and up that we would want to look at doing some instruction.

Who has the budget for instruction, and what efforts are we making to instruct our youth in Workplace Safety and Health prevention programs or initiatives? And what is the budget that is set aside for this? Perhaps I should be asking this question more appropriately through the Workers Compensation committee, which may be coming back again.

\* (1630)

**Mr. Radcliffe:** I am told that the training component and the prevention side is exclusively the jurisdiction of Workplace Safety and Health. However, what is going on right now is that the Workplace Safety and Health is working in partnership with Education, with WCB. The WCB right now funds the Minerva program to the extent of \$20,000. This is a pilot at this point in time.

What I did not explain was that the first step is to take it to Law and to take it to Engineering. This is then proposed to expand it down the line, say, to the colleges, other institutions as the program grows. So this is just the beginning on the issue.

The Manitoba Federation of Labour, Workplace Safety and Health, and Employment Standards are all involved, as well, in a program called Skills for Living. The expertise for the program comes significantly from Employment Standards.

**Mr. Reid:** I guess it goes back to the question with respect to the increasing number of accidents, and it is not just associated with industry. I mean, if you want to look at the number of farm accidents that are occurring, we are seeing an increase in that area as well. I know farming is not a direct responsibility or not involved with the Workers Compensation Board with respect to prevention programs. I think there are inspectors from the Department of Agriculture, or perhaps they work for Workplace Safety and Health that do those inspections, but we are seeing an overall increase in accidents.

I am looking for ways that we can facilitate or move in the direction of reducing the number of accidents. I think we are in the range of over 42,000 reported accidents this past reporting year in 1998, which is a significant increase over

the previous year, and looking for ways where we can decrease the number of accidents that are occurring. We have it broken down sector by sector. We know what time of the year the majority of those accidents are happening. We know what time of day the majority of those accidents are happening, and we can almost take it right down to the minute detail of what the individuals had for breakfast, telling what the influences would be with respect to matters leading up to accidents.

I am wondering why—and perhaps I should put this in the form of a question. What type of resources in dollars are we putting towards prevention programs, since you say the branch Workplace Safety and Health is directly responsible for those programs? What kind of dollars are we investing into prevention-awareness programs for the public, the public of all ages?

\* (1640)

**Mr. Radcliffe:** Mr. Chairman, I have just had a very quick briefing on safety and prevention in the workforce, and I am told that in categories such as mining and retail, a lot of the different areas, the accident levels are down. The level that is hot right now that is increasing significantly is the manufacturing area. So my honourable colleague is correct when he states that one of the reasons why there is a rise in accident rates in the workplace is because there are more people involved. Then an additional reason is it is the type of people who are involved as well. I am told that if you have an experienced senior worker, you tend to have fewer accidents, and I guess that is the product of wisdom. If you have younger people who are a little more enthusiastic and a little more involved as risk takers, then that tends to be borne out in its results and reaction.

Approximately 30 percent of the department's resources will be devoted this year to the manufacturing sector, because it is a flexible moving market at this point in time. I am told that the department has produced a disk, and I can share these with my honourable colleague—[interjection] You have two already, good. All right. If you want more, you know where they are. We would not want to burden him.

I am told that there has been an increase of 40 percent in the safety committees in the manufacturing workplace at this point. It has moved from 900 to 1,400, so there is activity in this area. But you specifically asked what resources were being allocated to that, so 30 percent of the departmental resources are moving to that. In addition to that, there is a grant from the Workers Comp Board of \$130,000 for a special project which employs two ergonomists, a student, a kinesiologist to study and review the frequency, I guess, the background of these types of accidents, and to create a body of knowledge on it so that we can be reactive. So this gives you an overview of what the department is doing and some of the special projects that are ongoing.

**Mr. Reid:** I thank you for the information with respect to the WCB grant for the ergonomists. That is referenced in the advisory council's minutes. They are available. Yes, I understand that there is a need to undertake this type of work to evaluate work stations, work environment, to make sure that we minimize the risks for the people who are doing the work, especially where you have repetitive-type work which seems to be more along the lines. And yes, we do have an increase in the number of repetitive strain injuries associated with that type of work.

When it comes to advertising, do we leave it up to the Compensation Board or does the branch undertake the work with respect to doing advertising, because in your comments, Mr. Minister, you referenced the fact that it is the responsibility of the Workplace Safety and Health, and yet I see the Compensation Board undertaking to do advertising at specific times of the year with respect to prevention. I do not know if this is a duplication of efforts. I guess the question I should put is: is there some coordinated effort that is taking place between the two branches, the Workers Compensation Board and the Workplace Safety and Health? Because there was a problem with budget allocation at the Compensation Board a couple of years ago. They were allocating \$60,000 for a whole year's prevention work for the entire province. One knows that the cost of advertising and one television commercial can run several thousand dollars, so \$60,000 does not go very far.

I am looking for some efforts you are making to go at the public to reinforce that message over and over because I think it has to be a repetitive message—we cannot let down our guard on that—to make sure that they are aware of when accidents are occurring, the type that are occurring and who is most affected so that we get the message to sink in.

I am looking for some understanding on what efforts are being made, what resources—and I am talking dollars here now—are being allocated to that. You said 30 percent of your time for the Workplace Safety and Health. I would take it that would be your field inspectors going out and doing inspections in the high-risk area because in past years you have mentioned that you concentrate or focus in on high-risk industry to do that type of inspection or audits. What I am looking for is prevention work here, as well, with respect to advertising or information programs or outreach.

**Mr. Radcliffe:** My honourable colleague is correct that it is a very significant issue, the coordination of resources and expertise between the Workers Comp Board and Workplace Safety and Health. I can advise my honourable colleague that staff is very much aware of this. There is a strategic alliance between the two arms of government, or the two arms of administration I guess you could say, because the WCB is really independent of government, and this is effected by constant communication, a transposition of ideas really, where the Workplace Safety and Health people will have input on the focus of the advertising campaign, for example. There is a \$300,000 advertising campaign that the Workers Compensation Board underwent last year. This was done in conjunction with both arms of government. The Workplace Safety and Health logo was involved on the adverts.

In addition to that, there is a bulletin that goes out three times a year to over 40,000 business locations, setting out informational items of Workplace Safety and Health issues. There is a website that Workplace Safety maintains. I am told in the last year it had over 100,000 hits on it, so this is one of the more busy electronic centres or focuses in government.



There is also a joint guideline program that is issued by the two branches, the two departments, setting out how to set up a safety program. So these are a few of the initiatives that the department runs, co-ordinates with, and it really is truly a partnership between the two groups.

\* (1650)

**Mr. Reid:** So the program that I have seen, or the advertising that I have seen undertaken, I think it is by the compensation board, is the back to basics program in advertising, which I would expect would have consumed a fair amount of that \$300,000, because there was a fair number of advertisements that were occurring on television during prime time viewing, so that I would expect that the majority of that budget would have been consumed by that process.

Do you have a breakdown of that particular \$300,000 expenditure that you are talking about so I might see more clearly where and how that money is being expended?

**Mr. Radcliffe:** We do not have that with us right now. That is information that is held by the Workers Comp Board. We are prepared to undertake to request it and, upon receipt, forward it to you.

**Mr. Reid:** Can you tell me, I think you keep statistics on this with respect to the number of lost-time accidents, I think it is per thousand workers is the calculation that you would have in your records, and also the number of farm accidents that have occurred in the past year. I am not sure if you do it by calendar year now, from January to the end of December, and whether or not you have a breakdown by age as well, particularly of the farm accidents, so I might have an understanding of where those accidents are occurring and which age groups?

**Mr. Radcliffe:** Mr. Chairman, we can undertake to have that here tomorrow.

**Mr. Reid:** Perhaps you can explain this term that you have in your Supplementary Estimates. It is on page 34. It says: developing standards that provide for the maintenance of reasonable standards for safety.

**Mr. Radcliffe:** Mr. Chairman, I have just been reviewing this term actually with my staff. When one uses that term to somebody who is a lawyer, "reasonable" has a very specific meaning. I am told that, in fact, many of those attributes apply to this term as well.

I harken back again, and my honourable colleague may be sick of my history anecdotes, but there was a case in, I think, 1896 involving a Mrs. Donoghue with a snail in the ginger beer. She drank a bottle of ginger beer, and noticed halfway through imbibing the drink that there was a decomposed snail in the bottom of the ginger beer. She suffered gastroenteritis. That lawsuit started a whole new branch of law called tort law.

One of the fundamental terms of that branch of law, and therefore loaded in the term "reasonable," was that the loss must be foreseeable. The behaviour must be foreseeable. It must be sequential. The reaction must flow from a given behaviour and must be a logical sequential product of it. So there has been almost a hundred years, well, over a hundred years of litigation now on defining the term "reasonable."

Reasonable in this context has those attributes as well. It is not an absolute or vicarious level of standard of behaviour but rather that which one—again another euphemism, is the behaviour of the common person. The Brits refer to it in the legal books as the person on the Clapham omnibus, and that is a euphemism for saying the average person who would be normally cautious, have a duty of care to the people around them and would behave in the common parlance of a reasonable fashion.

So these are some of the attributes. This is some of the background for the definition and use of that term. The term is used in the statute itself and so is rolled out into the programming as well. It is an adoption of a legislated term. But in the courthouse, the term "reasonable" is a very specific test, and that takes on some of the characteristics here as well.

**Mr. Reid:** When I raised the issue a few moments ago with respect to communication, advertising prevention of workplace accidents, it

is interesting to note in the newspaper today that workers' safety is an issue and has been referenced with respect to changes that are affecting the global economy and how workplace safety and health, our health and safety system needs to be revamped to focus on prevention of workplace injuries. That is happening at a conference that is occurring. So it is an ongoing problem, and as we see increasing numbers, of course—the previous, previous Minister of Labour and I agreed to disagree on the effectiveness of sanctions and what I would consider to be a serious hard line for those that fail to protect employees in a workplace.

I have referenced on a number of occasions that I think there is room, a strong place for sanctions to play a role in prevention as a means to discourage, because one of the things that business understands very clearly is the effect on the bottom line. If one has to pay for any fines or any other actions imposed by the courts, of course that is the deterrent and will affect ultimately the bottom line of that operation. So there is a potential for cost-saving if one takes prevention seriously and implements measures to protect the health and safety of employees versus waiting for the courts to impose sanctions and then also impose improvements as well.

In the information that you have tabled here with respect to contraventions and charges, can you tell me, because this list only goes up to January of this year, are there other charges or recommendations that have gone from the branch to Justice pending that perhaps you can advise of at this time and give me some background on those, if you will?

\* (1700)

**Mr. Radcliffe:** I am told, Mr. Chairman, that there are another six cases that are pending before the courts right now on information received from the department.

**Mr. Reid:** Can you reference perhaps some information so I might be aware of which ones they are with respect to the industry that is involved?

**Mr. Radcliffe:** Manufacturing and construction are the two industries that are involved.

**Mr. Reid:** Okay, I see, looking at the minutes of the advisory council meeting, manufacturing represents 12 percent of the workers and yet has 40 percent of the lost-time cases. So I take it that there is some significant room for improvement in dealing with that. I hope that these cases will send a message. This, I believe, falls under the new legislation.

I am not certain on whether the branch plays this role or not because I have asked this question in the past with respect to advice, and I know the branch does the ground work, the inspections or the investigations and then provides the report through your staff to the Justice department, and then the Justice department—and they go back and forth for a while before they make a decision on whether or not prosecution is going to occur.

Are there also recommendations that will occur with respect to whether or not the Crown prosecutor that would be assigned to these cases would work directly with Workplace Safety and Health, in other words, in communication, or are they totally isolated from any involvement from the branch while that matter is before the courts? I am looking for some understanding here on whether or not the branch is able to look at the seriousness of the contravention that has occurred, the breach of the law that has occurred, and whether or not you can make recommendations in that regard, or do you leave it still strictly up to the Crown prosecutor and the Justice department to make that determination?

**Mr. Radcliffe:** Mr. Chairman, I am advised that the department has a point person who is a liaison from the department of Workplace Safety and Health who relates to a counterpart in Justice. So there is communication back and forth between these two individuals; however, the discretion to prosecute, the penalties sought, the conduct of the case and all the case management issues, once the initial platform is prepared, rests solely with the Crown prosecutor, and that is how our system works at this point in time.

I can attest to a certain familiarity with the system that our prosecutors are a very independent bunch and are very careful, I guess, to maintain their independence either from the political arm of government or the bureaucratic

arm of government, and they guard this jealously. I once can recall that I very innocently encountered a situation just after I had been elected. I was going to do a remand on a particular case in PJC for one of my partners while I was still a backbencher, and I had phoned the Crown to get particulars. It was a domestic violence issue. I was starting the case off and doing all the normal routine things that one does.

At that point in time, I had phoned the consultative process, the consultative branch where people receive independent advice as victims of violence. I had phoned the Crown prosecutor and I was trying to establish a date. I had given my phone number here as a 945-exchange return. I was walking down the hallway about two days later and a senior member of government came up to me and said, Michael, what are you doing? You must never do this again. I said, why, what have I done wrong?

It was explained to me how, in fact, this was a significant faux pas and that the Crown looks upon it as a very significant invasion of their jurisdiction and authority if one even makes a phone call other than through the appointed process. Ultimately, you have to respect that if you start nibbling away at that path, then they could fall prey to political persuasion or political interference, and that is not a place where we want to go. I can assure my honourable colleague that I promptly withdrew and apologized all over the mat because of what was, in fact, innocence on my part at that point.

**Mr. Reid:** I understand what the minister is saying with respect to the independence of the prosecution. There are times though, from my experience in dealing with the branch, that prosecutors come and go, as they do for any other profession or trade, and in that sense the prosecutors may not be familiar with the severity of the contravention or the breach of the law that has occurred.

I would want to have the opportunity for that Crown prosecutor to become familiar very quickly and utilizing the experience of the Workplace Safety and Health branch to impress, and I have said this and I will say it once again, to impress the seriousness of the offences that

are occurring and what this meant to the individuals, to their families and to other people in that particular work area that may have also been traumatized by events that have occurred. The branch through their investigation unit has that ability and the experience to be able to provide that education or that knowledge and pass that on to the Crown prosecutor.

So I do not see that as an interference, but I see that as a means of assisting the process.

**Mr. Radcliffe:** What I did overlook putting on the record, as well, Mr. Chairman, is that there is a designated Crown that does handle all these prosecutions. So my honourable colleague is on the mark on that, that, in fact, there is somebody with experience on the Crown side who has some history, continuity and background, because you are quite right that Crowns do tend to come and go just like everybody else does.

**Mr. Reid:** Can you tell me who the designated Crown person is that the branch deals with then, and how long has the individual been handling these types of cases, if you have that information?

**Mr. Radcliffe:** I know the individual who is in charge and I can tell my honourable colleague that I helped train this individual. She served her articles under me. I am loathe to disclose her identity at this point in time for fear of subjecting her to harassment, not from my honourable colleague obviously but from putting this name on the record. Perhaps this is something that we could share through Mr. Finlayson's office or at a later time.

**Mr. Reid:** I understand what the minister is saying. It is not our intent to create any more difficulties for the Crown than they already have to deal with. Perhaps if the minister could write that name on a piece of paper for me and forward it to me, that would be the same way of receiving the information.

With respect to the six cases you have outstanding or that have charges pending, can you provide me with a list of the names of the companies that are involved without putting them on the record perhaps and the contraventions of the act for which prosecutions are occurring?

**Mr. Radcliffe:** Just out of an abundance of caution, and this is again my legal background, I guess, surfacing, but I am loath to disclose the names of the individuals who have been charged at this point in time or the names of the corporations that have been charged. I certainly do not have a problem disclosing the charges, the sections of the act, but at this point until, you know, the matter before the court, I do not know that I would want to comment any further than that. But we can bring a list tomorrow morning with the list of the charges.

\* (1710)

**Mr. Reid:** Well, it is my understanding that when charges are filed before the courts that the respondent is, I think the proper term is listed on there, the person who is being charged or the company name that is being charged. That is a matter of public record. It is available to any member of the public who wants to see that. The charges that are there are a matter of the court records as well. That document is available to the public. I do not ask for it to be put on public record here. All I am asking for is access to the information if you have that on a sheet that you could forward with the names of the company or perhaps with the individuals who are charged and the charges that are pending to be dealt with by the courts. That is the information that I am seeking, not necessarily to put it on the record, but to have access to the information.

**Mr. Radcliffe:** I certainly understand my honourable colleague's request. I will take counsel on disclosing their identity, but I am most happy to disclose the nature of the charges and the sections that are involved. If counsel has no problem with my disclosing the identity, then I would be delighted to reveal that information as well.

**Mr. Reid:** Whose counsel?

**Mr. Radcliffe:** From our government's legal branch inside government.

**Mr. Reid:** Well, I hope the minister will impress during that discussion that is going to occur that this is already public record. I am just asking for the courtesy of having to avoid

walking across the street to get the information. I know it is available. I have accessed it in past when it was necessary for my investigation and research, so I know that it is available. I am just asking for the courtesy of that information, which is probably available within the branch, to be made available to myself as the critic.

I want to deal with the issue involving a matter that was raised earlier by the minister with respect to the way he is going to transform the department over the next period of time in the reassignment of work and using laptops, I think he referenced as one of the ways where people could get their assignments at home. There are bigger questions that come with that as a result of moving in that direction. I do not know if the government has contemplated or not, because if someone receives their work assignment at home and they have a space set aside for that, it becomes a tax deductible provision because you are working out of your home. So therefore there are tax ramifications for the province in that regard as well.

Leaving that issue aside on that part, there is also the matter of equipment that is assigned to staff, particularly within the Workplace Safety and Health Branch, because your inspectors go into the field and they take this equipment, these monitors and other testing equipment and the laptops along with them. There are problems with security of equipment.

Does the department cover any loss, for example, of the laptop if it was left, whether it is in a locked vehicle, whether in the trunk or in the backseat of a car? Is the department insured for that? Are they responsible for any loss in that regard? Will there be any ramifications for the employees who are utilizing that equipment?

**Mr. Radcliffe:** Mr. Chairman, my honourable colleague raises some very good points, and these are matters that will be the subject of an ongoing debate and discussion between the employees in the department and management. Management maintains a flexibility on this issue. They want to make sure that it is a successful operation for both management and employees.

With regard to liability, which my honourable colleague has touched upon, if, in fact,

employees of government are reckless or negligent with government property, then there will be consequences that would flow, which would be replacement if they were deliberately malicious and damaged property, and this were ascertainable. Then obviously there would be consequences. But, in the normal course of reasonable behaviour, if reasonable—and again we go back to this ubiquitous word—measures were taken, then there would not be consequences flowing from mistakes from unfortunate incidents, whatever.

With regard to the appropriateness of equipment, this is something that would have to be worked out with the employees. The skill sets would have to be discussed and worked out together. I guess the entire environment of how these changes will be implemented and effected is something that will evolve over the course of time. It is something that I think behoves management to keep their ears open and to react to what they learn from their own employees who are the front-line people operating this technology.

\* (1720)

**Mr. Reid:** Can you tell me how many people from Workplace Safety and Health Branch, how many of your staff that you have farmed out or seconded to other government functions or services?

**Mr. Radcliffe:** Mr. Chairman, I am advised that there are three individuals involved in the department that are seconded at the present time. One individual will be returning within six weeks to that person's former status and capacity. There is one full-time person who is seconded out and has been backfilled with an occupational hygienist, and that is a term contract. The second person, 80 percent of this person's time is seconded out, and again that person has been backfilled with a safety and health officer. So the net result within six weeks will be—so there will, in fact, be minimal diminution in the department.

**Mr. Reid:** From what functions were these people seconded?

**Mr. Radcliffe:** One individual is the manager of Occupational Hygiene, and the other individual is a safety and health officer.

**Mr. Reid:** You mentioned I think that someone has been brought in on a short-term basis; perhaps the name Paddy St. Loe will mean something to members inside the branch. My understanding is that St. Loe had retired late last year. Has the branch brought this individual back in to fill one of those seconded positions?

**Mr. Radcliffe:** Yes.

**Mr. Reid:** Which position?

**Mr. Radcliffe:** To backfill the safety and health officer.

**Mr. Reid:** Can you tell me how long that person will be filling that position?

**Mr. Radcliffe:** Six months at 80 percent of the FTE.

**Mr. Reid:** Is this a common practice, to bring people back into the branch, into the Department of Labour that have already retired from service?

**Mr. Radcliffe:** I am told this is very rare.

**Mr. Reid:** Last year I raised the issue of parking passes with respect to field officers that need to go out and do the work within urban settings, and the department had, in its wisdom, taken those passes away. Can you tell me the disposition of the grievance that has currently been filed with the department?

**Mr. Radcliffe:** It is going to arbitration in August.

**Mr. Reid:** So I take it then that while last year I was laughed at, this year it has become a more serious matter than that it has gone to arbitration.

**Mr. Radcliffe:** There is obviously due process, which is inexorably grinding on, and there will be a conclusion.

**Mr. Reid:** Since your field officers no longer have the ability to utilize those parking passes, they must plug meters and then put in a claim for any expenses occurred. Can you tell me what

your practice was with respect to reimbursement of those claims for the month of April?

**Mr. Radcliffe:** April of '99? Yes. Apparently the government policy is that one is not compensated for parking at headquarters. I am told that there are practically no inspections in the downtown area of the city of Winnipeg where there are parking meters. At the present time, staff is not aware of any significant claims for compensation in this regard at all. However, we will make due diligence and if there have been claims, we certainly will bring that forward and let my honourable colleague know.

At the present time, our best information is that from a factual point of view—we are not talking about the principle now, but we are talking about the facts—there have been no claims, there has been no compensation, just by virtue of the nature of the work.

**Mr. Reid:** Well, I was going to ask the next question. What is your policy for the month of May and what is your policy for the month of June? Because it is my understanding that your policies vary month by month. So I would like an understanding here of what your overall policy is going to be with respect to reimbursement of your field officers that are required to go into the field, whether it be in the downtown area of Winnipeg or anywhere within the province that requires them to perform inspections for which they have to park at metered parking, whether it be in a parking lot or on the street. It is a performance of their duties. Since the ministry took away the parking passes, we are looking for some understanding here of what the policy is.

**Mr. Radcliffe:** I am a little askance at where my honourable colleague is going on this matter, because I guess for the record I will say most emphatically that the policy is consistent from month to month. There is no variation. If he is suggesting there is, then I want to disabuse him of that impression forthwith. My honourable colleague is gesticulating in a fashion that would lead me to think otherwise, but for purposes of the record, I am told that it is a consistent package and a consistent form. The matter is going to arbitration. There may be compensation flowing, I do not know, but I would

hesitate to comment any further on that at this point in time, other than to say that if there have been claims, we certainly will make them known to my honourable colleague.

**Mr. Reid:** Well, I guess the only comment that I could make is try and make sure that you have all of the facts with respect to this issue, because what I am hearing is that there are problems. Last year when I raised it, while it seems to be a relatively minor cost for the department, it is an issue of the ability of the people that are doing the field inspections to be able to do those without having to worry about plugging money into a meter or being responsible to pay parking tickets.

So there is a bigger issue with respect to freedom of mobility with respect to the inspector out in the field, and there appears, from what I am hearing, to be some inconsistency in policy. It is not a major issue at this point, but perhaps it could become a larger issue that I would prefer not to see go to arbitration. It would be more appropriately dealt with in-house in a fashion that would lead to some consensus.

With respect to travel by the department heads or your staff within the Workplace Safety and Health Branch, I know there are conferences that are required to be participating in and attending throughout the course of the year, and I know the minister referenced this in some of his opening comments. Can you tell me, you have your travel expenditures and what conferences you anticipate participating in for the year?

\* (1730)

**Mr. Radcliffe:** I have for my honourable member's perusal and consideration the 1998-99 completed staff training and development paid by Workplace Safety and Health. This sets out the level of the officer involved, the type of course the person went to, the name of the staffperson, the date completed and the cost of the course. These are some four sheets of information, totalling \$23,742.59, which I will share with my honourable colleague. I am advised in addition that there are a number of other trips involving airline costs, hotels, meals, ground transportation, et cetera. We do not have

those at hand today. We can produce them by tomorrow morning or tomorrow afternoon.

**Mr. Reid:** That would be fine. I imagine we will be continuing with the Estimates so we will have a chance to collect that information.

Can you also tell me in the course of last year what travel was incurred by the department, who travelled, where did they travel to, and what were the expenses that were involved for those trips?

**Mr. Radcliffe:** Certainly.

**Mr. Reid:** Can you tell me, with respect to travel, does the deputy minister also travel on some of those issues? Do those funds for travelling, if he does, come out of the budget from Workplace Safety and Health?

**Mr. Radcliffe:** The greater part of the deputy's travel budget comes out of his line designation, save and except we are told that Workplace Safety and Health did send the deputy to Thompson on one occasion last year for a mine safety program course or workshop, and it is anticipated that Workplace will do the same again this year. Save and except for that one item, his travelling is allocated in his own line.

**Mr. Reid:** You have indicated most of it, I think was the term you used. Were there other parts of travel, other than to Thompson, which is his old stomping grounds, that perhaps the deputy minister travelled in the past year?

**Mr. Radcliffe:** The only exception to his line of budget is the trip to Thompson which I referenced.

**Mr. Reid:** Can you tell me was there an instruction issued to the Workplace Safety and Health Branch staff people prior to March 31 of this year indicating that they must cease travel in the performance of their duties due to a shortage of funds?

**Mr. Radcliffe:** I just want to pick on the question for a moment so that I understand the total question. Was that that staff must desist on travelling for workshops and education purposes, or must they refrain from travel in the

normal course of their duty, to fulfil their regular duties?

*Mr. Jack Penner, Acting Chairperson, in the Chair*

**Mr. Reid:** Your field officers are required to travel in the performance of their duties. They would be required in some cases to be reimbursed for mileage for the use of their vehicles, and in other cases, if there was requirement to utilize other modes of transportation, they would then be reimbursed for that as well. I am looking for indication here on whether or not the employees were instructed that they would have to seek prior approval prior to doing any travelling before the end of the past budget year which expired March 31?

**Mr. Radcliffe:** Mr. Chairman, I can advise for purposes of record that as a general matter of frugality in government and a matter of principle, each department is given a budget and each department is told they have to live within the confines of that budget line. So management tells their employees that they have to be reasonable and function within those lines. Was there a specific admonition given to staff that they could not travel? Absolutely not. There was, I am told, a significant amount of travelling that was done at this particular time of year, i.e., March 1999, because staff were involved in a safety committee development program which did involve a significant amount of travelling.

I would presume that management was in communication and on top of where staff was travelling and what they were doing, and that would be just good administration from my perspective. In addition, I could share with my honourable colleague that the Department of Labour lapsed some \$60,000 at the end of the year. So if there was travel that was required, there would have been excess funds that would have been available because the department and the deputy has the ability to move funds around as required in order to make sure that the service is maintained at the appropriate level. So that is as specific as I can get.

If my honourable colleague has some specific information that a particular employee has an anecdotal experience that he wants to

share with us, I would be more than happy to hear it and obviously follow up with it. I obviously, as well, respect the privacy of the individuals who choose to talk to my honourable colleague.

**Mr. Reid:** So when you say there was lapsed \$60,000 from the last budget year, are you talking the entire department or are you talking specifically from the budget allocations for the Workplace Safety and Health Branch?

**Mr. Radcliffe:** The entire budget.

\* (1740)

**Mr. Reid:** So, if there was a problem with respect to the travel budget allocation for the reimbursements for that travel within the Workplace Safety and Health Branch, the ministry would have upon request given some serious consideration, perhaps approval, for further allocation of the funding necessary?

**Mr. Radcliffe:** Absolutely.

**Mr. Reid:** Did you receive such a request?

**Mr. Radcliffe:** No.

**Mr. Reid:** Then the branch itself with respect to travel at the end of the budget year for the people working within the branch did not run short of funds then. Is that my understanding? Is that accurate?

**Mr. Radcliffe:** The branch would have access on request and through the authority of the deputy minister, if it were appropriate to these funds. They did not use them all up, so therefore there was more than enough money available.

**Mr. Reid:** More than enough money available within the department with the \$60,000 lapsed amount. It is my understanding that there was some difficulty with respect to travel that prevented your field officers from undertaking their duties and responsibilities. I am just trying to determine, if that is the case, I am trying to find some new funds for the branch that you can access, that may be available so we would have a continuation of inspection services and audits by the field officers.

I do not want to put them in a position of—yes, I want them to be responsible for the way they perform their job and the travel which they undertake on behalf of the department, to do it in an efficient manner and responsible manner. I also want to make sure that there is nothing preventing them from fulfilling their mandate and their obligations as the inspection and the audit arm of the branch.

That is why I raised the matter with the minister. Perhaps he would undertake further discussions with his branch to make sure that they have the resources necessary. If they require the resources coming near the end of this and perhaps future budget years, they would be able to have some discussion on that issue without fear of any repercussions in that regard.

**Mr. Radcliffe:** I certainly will, and I challenge my honourable colleague if he can share with me without jeopardizing the individuals involved any more particulars than we already have. Then we would be glad to share it, and I appreciate the confidentiality of the information he has received. If he can be of any more help, I certainly would appreciate it.

**Mr. Reid:** I think I have indicated already where the minister might find that information. It is within the branch. I am sure he has senior managers that have open and frank discussions with him. At least I hope that would be the case, and if there were any difficulties, they would feel comfortable enough in talking to both the deputy and the minister with respect to any budget shortfalls at the end of our budget year so that we would have continuity of inspection and audits by the field officers.

I had recently applied for information relating to a particular industry, a manufacturing industry here in Winnipeg, Buhler Industries. Perhaps the minister has been advised on this matter already. I am sure that his access to information officer would keep the minister informed of events that are occurring within the department or the deputy minister would. I have not received that information yet. It has been a period of time now, and I have sent the necessary funds over for that freedom of information application. I am wondering when I might expect to receive that information.



**Mr. Radcliffe:** I am advised that the FOI is in process right now. I think the termination date for the ultimate production of information is June 18, and staff hope to get that to my honourable colleague well before that date. Obviously, it depends on how long we are here in Estimates and being consumed at this point in time.

With regard to the issue of Buhler Industries, I am told that, in fact, there was an inspection. There was a significant delay, and this arose out of error in the department, that a Workplace Safety and Health order did not flow. The department went back a significant length of time later, almost a year, I believe, and readdressed the issue, and issued an order which was then alleged to be on stale-dated facts. So in order to try and come to some sort of meeting of the minds, the order itself was withdrawn.

The parties are negotiating and discussing the issue at this point in time to see if there is any satisfactory and reasonable solution that can be reached. There is no explanation—excuse, sorry. I have given you the explanation. There is no excuse for the fact that the file got lost. It was misplaced. The department is moving at this point in time with all due dispatch to try and solve the problem that has arisen on this issue. I think the steelworkers' union, Mr. Hunt, has been involved, obviously Mr. Buhler and a number of employees. So that is, in a nutshell, the parameters of the problem and what the department is trying to do about it.

\* (1750)

**Mr. Reid:** I am trying to get an understanding here of what has occurred. I have not seen the information that is going to be coming in the FOI, and I am taking my information second-hand. It is my understanding the field officer went into this work environment, which is heavy manufacturing. There is welding involved. The field officer undertook to make a direction or provide orders for improvement. I do not think it was stop work orders. I think it was orders for improvement.

With respect to no respirators being utilized and no exhausting of the welding fumes for the people that were working in that work

environment, correct me if I am wrong, I think part of the improvement orders, and we will see this when we have the information forwarded to us, dealt with air sampling to make sure that not only was there monitoring taking place but there was an improvement to the actual worksite to protect the health and safety of the people doing that welding.

Can you confirm that that was part of the order that the field officer had provided as a direction to Buhler Industries and that that was contained in that particular file?

**Mr. Radcliffe:** First of all, my honourable colleague has the correct basis of information. I am not sure what the exact machinery or rectification of the problem was, but it was to do with the air purity in the particular workplace. I am told that as late as last week an individual from Workplace Safety and Health was at Buhler Industries ensuring that, in fact, the employees were not at risk. There are ongoing discussions right now with management and with the union individuals and the safety committee to ensure that, in fact, it will be a safe environment for the employees in this particular location.

**Mr. Reid:** What did the improvement order say?

**Mr. Radcliffe:** It was to improve the ventilation system in the workplace. The safety committee is working right now with Workplace Safety and Health with regard to a new kind of helmet which has an air purifier in conjunction with the helmet and this is under discussion at this point in time. The improvement order was a generic improvement order to improve the ventilation. There are obviously different ways to obtain that level of rectification, so that is what is under discussion at this point in time.

**Mr. Reid:** That does not sound like a very heavy-handed improvement order from my experience. I am not an expert in these matters, but it seemed to be pretty straightforward, looking for some improvement, in the sense of wanting to protect the health of the people that are doing that particular work. Can you tell me: was there some direction given to the field officer who issued this order to have this order pulled?

**Mr. Radcliffe:** Apparently an order was issued, as I tried to tell my honourable colleague, some 11 months after the initial inspection. At that point in time, the order was challenged and the basis upon which the order was challenged was that the information which formed the basis for the order was almost a year out of date, and that was a valid basis for challenging an order. So the order was withdrawn. Then Workplace Safety and Health and the inspection officer who I think is the shop steward has been attending on a regular basis to move forward from that position and improve the environment in the workplace with regard to the specifics that I have just related.

**Mr. Reid:** I am not sure exactly what you mean by 11 months. Correct me if I am wrong, is it not a standard practice of the field officer conducting the audit or the investigation and finding any deficiencies in writing those up immediately and giving that information directly to the plant managers and also directly to the health and safety co-chairs for that particular operation, and did that occur in this situation?

**Mr. Radcliffe:** You are correct. That is the appropriate and that is the normal routine flow and due process that should occur. It should have occurred in this case and I do not want to beat a dead horse, but, in fact, it did not occur in this case. There is no excuse for the fact it did not occur. There was an error on the part of the individual health inspection officer, that those steps were not taken. It came to the attention of the department 11 months later, and the department now is moving to rectify the situation as quickly and as effectively as possible.

**Mr. Reid:** How did they come to the attention of the department 11 months later? What was the trigger here that caused this to become more of notice to the managers of the Workplace Safety and Health Branch?

**Mr. Radcliffe:** The order apparently issued 11 months later, and management looked, when they saw the order issue, and did their mathematics and realized that there was a significant error here and moved to rectify the situation immediately upon the issuance of the order.

**Mr. Reid:** Had the issue for which the order was originally issued been dealt with or resolved from the time the order was issued to the time when the plant principals or managers received the order, you say some 11 months later? Had that matter that had been identified in need of improvement been rectified?

**Mr. Radcliffe:** My information is that the owner alleges that the environment has been improved subsequent to the inspection and prior to the issuance of the order. The department wants to satisfy itself that the improvement that the owner alleges has been effected is, in fact, appropriate, and has had the effect that is required in order to ensure that the employers are safe. In other words, they want to do their due diligence at this point because there was an error in the passage of time.

The owner alleges that the environment has changed, and therefore he should not be subject to an order now because an improvement was effected. The department wants to assure and do its due diligence to make sure that, No. 1, the improvement was effected, and No. 2, is the improvement that was effected sufficient and appropriate in order to ensure the safety of the employers in the workplace? So they are in the process at this point in time of working with the safety committee to ascertain that fact.

**The Acting Chairperson (Mr. Penner):** The hour being six o'clock, committee is adjourned.

\* (1440)

## ENVIRONMENT

**Mr. Chairman (Ben Sveinson):** 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 Environment. When the committee last sat, it had been considering item 1.(b)1 on page 62 of the Estimates book.

**Mr. Gregory Dewar (Selkirk):** I would like to ask the minister a series of questions as it relates to the expanding hog industry here in the province. As the minister is, I am sure, aware,

the Department of Agriculture has a mandate to double the production of hogs in this province by the end of this year. That was a goal set, I believe, two or three years ago. I assume that they are on their way. Last year myself, the member for Swan River (Ms. Wowchuk), the member for Dauphin (Mr. Struthers), the member for Interlake (Mr. C. Evans), and others held a number of forums across the province dealing with hog production. There were some concerns raised from residents and producers regarding the lack of land use plans and assessing the location of large-scale hog operations. We heard of proposed barns being located on poorly drained soil near sink holes, over aquifers.

My question would be to the minister. What is this minister doing in conjunction with the Department of Natural Resources, which I am sure would be part of this discussion? What is she doing in conjunction with the Department of Natural Resources to provide a better systems approach to hog barn location, taking in the physical features of a region, including of course the soil, water, vegetation, et cetera?

**Hon. Linda McIntosh (Minister of Environment):** Mr. Chairman, we have got together a livestock management team, which is composed of a very diverse group of people. Eight existing staff have been reassigned to a support role, six new staff, four assigned to the livestock team, and two providing indirect support. Amongst the people that are looking at this management program, we have got water quality representatives, ground water experts, hydrogeologists, engineers, et cetera, that are in place around the province in various locations in Steinbach and in the Interlake, et cetera, who are experts in certain areas that we have targeted to make certain that they are well managed.

We have got, as the member has indicated, a very rapid expansion in pork production as well as in beef and poultry in Manitoba, but we have taken pains to address potential pollution of soil and water systems, and the public advocates sustain development in environmental protection. So we have put special measures in place or systems in place to address concerns, real and perceived.

In 1996 Manitoba Environment initiated a stakeholder consultation. It was a process which resulted in a new Livestock, Manure and Mortalities Management Regulation, which we passed on April 1, 1998, a year ago, just a little over a year ago. That then led to the livestock management team, which I just referred to. They provide the new regulatory requirements for environmental monitoring for compliance. They also are there to meet the expectations of Manitobans that environmental integrity will not be compromised by increased production. That cost about \$35,000 in '98-99. That was mostly to have meetings for the development of the team unit, protocols, and guidelines for implementing consistent program delivery, et cetera. That was about \$8,000.

The training of new staff, the preparation of outreach information for clients and for the public, brochures in English, French, and German, because a lot of the producers speak that language, support for a video and a contract for engineering assessment guidelines, those guidelines for manure storage facilities. Increased inspection for the five-month period under discussion there, that was \$13,000. In the year that we are entering, the '99-2000 year, the livestock management team will be in full operation. The operating expenditures will be estimated to be about \$60,000. A lot of that will be for travel to deliver regulatory requirements on inspection and enforcement activities and as well for the delivery of outreach and communication activities.

So those are some of the background on the question. We do have some challenges that we are looking at, that we will be addressing, and that we are currently working upon. That is like manure storage facilities, you know, what is the permitting process going to be for new manure storage facilities, et cetera, because we have 115 new facilities. That is a huge increase, over 400 percent increase. We are moving rapidly to stay in front of it.

That challenge for '99 and beyond is the administration of the manure management plans and the auditing of these plans for large operations. Inspection and compliance are the current policies. We will be continuing that, but existing facilities will be a priority after 2003

when the moratorium on winter spreading is in place for everybody.

Generally speaking, hog producers are aware of the regulatory requirements. They are generally supportive of them. That is about it for now. If you have other details, I will try.

**Mr. Dewar:** You mentioned in your answer the new waste management regulation. One of the aspects of that, of course, is the moratorium on winter spreading. Maybe you can just enlarge upon that? What size of operation now will not be allowed to spread slurry in the winter?

**Mrs. McIntosh:** The livestock manure and mortality regulation covers this. All new facilities with over 400 animal units; after the year 2003, all existing facilities over 400 animal units. They cannot spread between November 15 and April 15. Those are considered to be the winter months. The size limitation will be reviewed again in five years from the inception. So it is really 2004 that it will be reviewed again. Our anticipation is it will most likely be reduced at that time although I guess we cannot say for sure, but that is the expectation at this point.

\* (1450)

**Mr. Dewar:** I had a chance to attend a meeting in Portage when this regulation was being put forward for public consultation, and I had a chance to listen in to some of the conversations. There were some producers who felt that the winter spreading would mean the end of their operation. They were raising some serious concerns at that time. I heard one person say: well, this does nothing, of course, to really decrease the volume of slurry. It just requires them, I suppose, to have a larger lagoon to store it until they can then apply it to the land.

Have you noticed an impact upon the number of producers? What is their general feeling now about this regulation, which I think is a good regulation, by the way.

**Mrs. McIntosh:** The act was endorsed by KAP, the Keystone Agricultural Producers. So that stakeholder approval was there.

Farmers do understand and appreciate that the objective here is to protect soil, ground

water, and surface water. So they have opted in, so to speak, conceptually to what we are about here and what we are trying to do. Those of us who have such facilities in our constituencies have not been receiving complaints. We have not, in the department, that we are aware of, heard anything that would indicate there are objections or concerns. I mean, everything requires a little work and everything that is new requires a bit of adjustment, but we have not had it brought to our attention that this is an adjustment that people are unwilling or unable to make.

The short answer, we have not noticed a decrease or concerns because of it.

**Mr. Dewar:** Well, I have not. I have a couple of hog operations. In fact I had complaints to the opposite in that there were people who were raising issues, neighbours and so on, regarding winter spraying, winter spreading, obviously, in that they did not appreciate that activity being done at a time when the soil was not conducive to accepting the slurry.

Has your department detected any contamination of any aquifers from any of the large-scale hog operations in this province?

**Mrs. McIntosh:** Mr. Chairman, we have not had any contamination from the new facilities. There is one historic contamination, an old site that is being worked on to get thoroughly cleaned, and that is between Carberry and Brandon. There is an area in there where there is an old development that is still in need of some cleansing. But, in terms of the new ones, no, there has not been any contamination noted.

**Mr. Dewar:** Well, I am quite pleased to hear that. That is an issue that people raise, of course, the quality of the water, and another one is the odour from lagoons which may not affect someone's health. I guess it could, but it affects people in the—

**Mrs. McIntosh:** It is very unpleasant.

\* (1500)

**Mr. Dewar:** It is unpleasant, and it does so in a different way, not so much a physical way, but a

psychological way. I am quite intrigued by a proposal or an idea put forward, and I was reading in the Manitoba Livestock Manure Management Initiative about placing a plastic lagoon cover as opposed to straw because the plastic, I think, works better according to this study or to the analysis done in here. So I am intrigued by that.

Is your department working on other initiatives similar to this?

**Mrs. McIntosh:** Mr. Chairman, we have a board, a Manure Management Board. There is representation from the department on that, in fact, in the person of the deputy. They have explored about 30 different initiatives so far; one of them was the one the member alluded to just now. They do look at innovative ideas and suggestions, and they do brainstorm around activities that might help offset the unpleasant effects of odours and other side effects that come from hog operations. That is a self-sustaining board where the money for it comes from the industry itself, so it is not paid for by taxpayers as a whole. It is paid for by those who are involved in the industry and will directly benefit ultimately from good and workable ideas that might come out of that committee.

**Mr. Dewar:** I would like to move on, in some of the time we have remaining, to talk about the federal-provincial agreements and the concerns raised by the federal environment commissioner. Some of these issues I raised with the minister in the House last week.

In your response to my question, you indicated that you had raised concerns with the federal government over the classification of chemicals and pesticides and so on. The commissioner in his report stated that of the 23,000 chemicals in this country, only 67 have been researched so far. This, of course, is a serious concern and has the potential for repercussions on the health of Manitobans and the state of our local environment.

You said at that time, I believe, that you have had some discussions with the federal minister. Would you be prepared to enlighten us as to what those discussions were and the response that you received back from the federal minister?

**Mrs. McIntosh:** We have a philosophy or a belief that the federal government should do what the federal government can do best, is in the best position to do, and that is research that type of thing. We agree, to a certain extent at any rate, with the federal commissioner of sustainable development, who said there is not enough research being done into a number of these areas. We would like to see more of that occur.

To address our concerns more directly, our own Environmental Operations Division has recently appointed a senior consultant, toxic chemicals, to work with provincial and federal agencies. I should indicate, as well, that the communications that I have had with the federal minister have been written communications, at this point, and verbal telephone conversations, but we have not yet had a face-to-face meeting which we hope to have soon. So they have been verbal and/or written communications at this point.

So we have agreements going back and forth. We have some correspondence **that has** gone back and forth, and we have not only telephone conversations but telephone conferences where the ministers talk to all the other ministers simultaneously on certain issues, or at least a portion of us in some cases. So that is just for clarification.

**Mr. Dewar:** I want to talk about some of these harmonization agreements. Some have argued that these agreements are an offload of duties from the federal government to the provinces. Do you agree with that?

\* (1510)

**Mrs. McIntosh:** Mr. Chairman, the short answer, no. A little detail around it, as I indicated in the answer to my previous question, we believe the federal government should do what it does best, which is the opportunity for big massive research projects, et cetera. We similarly believe the provinces should do what they do best, and our big concern is that we do not want to see money wasted while both entities duplicate each other's work.

So if we can avoid overlap and duplication and redundancy by having each area do what it

does best, which means sitting down together and discussing with each other what areas we feel we are most capable of doing and what areas we feel they are most capable of doing and then agreeing that we will not trip over each other or us try to reinvent their wheel or vice versa, I think it is a better way to make use of the money we have and a better way to become specialists in areas of endeavour.

At the same time, of course, we remain very highly conscious of what the other jurisdictions are doing, both our provincial counterparts and the federal government, because overall in the end, the word "harmonize" is not a word chosen by accident. We do want to see a harmonized effort where you do not have components working at odds with each other or contradicting each other or, worse, acting in ways that are counterproductive to each other because that then would be to waste all the energy and talent and money that we have.

So that is basically the philosophy we bring to the agreements, and we believe the agreements reflect that. We believe that as time goes on and these things are in place and people start to have a record that we can point to, that the wisdom of that approach would be revealed.

**Mr. Dewar:** I want to read from the federal commissioner's observations: The federal government has entered into environmental partnership agreements with the provinces to reduce overlap and duplication. The seven agreements we audited cover activities such as inspection, enforcement, monitoring and reporting. We found that these agreements do not always work well as intended. Many activities that are essential to implementing them are not working as well as they could. Before entering into these agreements, the federal government did not formally analyze and document the potential for failure, including whether both parties could do what they were agreeing to do. There is no ongoing analysis of the impact of the agreements on environmental performance or the industries involved. The federal government does not have a documented plan in the event that a province is unable to carry out its assigned responsibility or an agreement is terminated.

Now we asked a question in the House about whether or not you have in your department an auditing procedure being used to ensure that this province has the capability to handle responsibilities given to it from these new agreements.

**Mrs. McIntosh:** I think just before I begin, reading the commissioner's comments, the member indicates that the commissioner himself or herself has zeroed in on the objective that we seek, that each area does what it does best, they do not duplicate, you do not overlap, it is not redundant, et cetera. So the goals that the commissioner is identifying are the ones that I myself would identify, that the province did identify in coming to these agreements.

There is a requirement right in the agreement part of the agreement that a review be done and that the review be done, in this case, on January 1, 2001, that all signatories to the agreement committed to that review for the end of next year when they signed on. Each jurisdiction—I will speak specifically about ours because I think that is where our interest lies—Manitoba is compiling information on the performance under the umbrella agreement on a systemic basis, and that information will be part of the major review that is done on January 1, 2001. So that audit, if you want to use the word, or that tracking or tracing of information, that compilation, is underway now. Indeed, it has to be underway as part of the agreement itself. The agreement stipulates it, not just for Manitoba, but for all signatories.

**Mr. Dewar:** I would like to move on to waste management and in particular in the Capital Region. I live in the Capital Region, and this, of course, is one of the areas that has the highest concentration of population in the province, within the outlying areas of the Capital Region. We have seen a rapid increase in the southern part of my constituency in terms of the population in West St. Paul and St. Andrews and East St. Paul. There have been some concerns raised by individuals regarding the number of septic fields, the expansion of septic fields and lagoons. Are you seeing any increase in terms of the complaints raised with your department as it relates to the septic fields in the Capital Region?

\* (1520)

**Mrs. McIntosh:** Two points I would like to make. One, the answer to the question: no, we are not seeing an increase in complaints. In general, complaints are usually related to the weather. If you have a lot of rain and flooding and high water runoffs and so on, fields that are really saturated surface runoff ponds, that runoff water will pond and the field will fail and so then you will have a bit of a problem, but that is weather related. It is not due to any increase in the number of fields or anything like that.

We are initiating, though, a septic field survey which might give an indication of, you know, are there systemic problems any place or are there ongoing problems that are not related to an increase of water in the fields, et cetera. That septic field survey will be done at East St. Paul, West St. Paul and St. Clements, and we are starting that later this month or this summer and we are working with the R.M.s on that. As well, there are new ways of putting in septic fields that are useful and helpful and state-of-the-art kind of things like new technologies or new improved ways of putting in the fields. The short answer, we are not seeing an increase in complaints about septic fields.

**Mr. Dewar:** In the 1997 State of the Environment Report, there is quite a good article related to private sewage treatment systems. They talk about holding tanks or injector systems and fields and trenches and so on.

Do you feel in the long term that the septic tank and the septic disposal field is a sustainable way to deal with, to handle this human waste?

**Mrs. McIntosh:** I think, Mr. Chairman, that I do not have any trouble long term with the septic field being a common long-term solution for the disposal or the human waste management. That is, of course, with the understanding, as with any system, that it has to be well maintained. It has to have the pumping and the cleaning and all of those things that need to be done, repairs when required, and so on. Properly maintained, there is no reason a good septic field that is kept well cleaned, et cetera, that it should not have any problem standing a fairly good, long test of time. There are other technologies that abound that are

new and that are experimental and that do seem to have credibility and merit to them. But the old, time-honoured septic field, if it is properly maintained, as I say, I think can stand the test of time for many years to come.

**Mr. Dewar:** In your answer, you reference some experimental methods and procedures. Maybe you can just expand upon that.

**Mrs. McIntosh:** Sure. There are several that are in existence. One, the composting, Abby Rockefeller is heavily involved in that one; Clivus Multrum, that is very intriguing, and it is in use. One of the proponents of that particular methodology has had a facility with that technology in his home for 23 years, in a fairly large, gracious home that he feels has been a very successful endeavour. So that is the composting. They will put earthworms, for example, in that, but in the final analysis they are able to open the box at the base of the device and take out composting that they can use for fertilizer. There are also biological filtration systems that are utilized. Some of these are very, very good. Some of them also have higher than normal costs. I think practically speaking, if you have a combination of a good, solid, time-tested, workable system that is in an affordable price range that people can afford to maintain well, you probably have the most practical and pragmatic solution, although some of these Clivus Multrum model proponents who have them just swear by them.

I do not know if staff has any other indications there of other—oh, the package plants, the mechanical "package" plants. There is the jet aeration system; they use aerobic technologies. Of course, there are holding tanks that people are familiar with.

So all of those, plus the old-fashioned biffy, which is not in a lot of use, but is still in use in many parts of Canada and the United States. I would not call it sort of new high technology.

**Mr. Dewar:** I thank the minister for her answer.

What does she think then about holding tanks? It seems to me that this is a fairly good method to deal with it, in that the sewage is placed in the tank, and the grey water would

then find its way and would be applied to the soil, as the sewage is now. The sewage then would be taken either to a storage facility or a lagoon, or in fact ultimately would be treated, so that it could be applied without any contamination to the soil or to the water.

Do you think that we, as a community or as a province, should be moving towards requiring that more and more homes, say in the Capital Region, should in fact be relying upon a storage-tank system as their means of disposing of their waste?

\* (1530)

**Mrs. McIntosh:** We have not considered requiring them. Holding tanks are acceptable. I mean they are very good, but they are expensive as well, and they must be, absolutely must be, emptied out on a regular basis. They have to be well maintained. If there are a lot of people living in a particular home, they can become quite expensive. The pump-out costs are about \$40 a trip, and a four-member family may have to have a pump out every three to four weeks. So, you know, that can get pretty costly. Pump-out systems, like holding tanks, require a municipal lagoon or treatment plant to take the waste to, so you still have the eventual problem of disposal and treatment. So you are going to end up with the waste product in lagoon at some point requiring some kind of treatment. So it is introducing another step. If you do not want the waste products coming in contact directly with the soil then that is really good because this keeps them right away from the ground. But the cost is a factor. They can also be used as a last resort, but I do not think we should be designing our lots or development plans based on holding tanks, for a couple of reasons. In the eventuality that they leak which sometimes they do—that is not very good—you are designing a very costly system at that point.

**Mr. Dewar:** As the minister is aware, in '95-96, there was a great debate in this province in terms of the licensing of BFI, the BFI landfill site in Rosser. I guess the plant has been in operation now for a couple of years. I know the R.M. of West St. Paul had a lot of fears about the potential for ground water contamination, and they very much opposed the approval of the

licence. But the operation received this licence and now is in operation. So maybe you can just enlighten us as to any of the results of the monitoring that has been done by your department in that area.

**Mrs. McIntosh:** Mr. Chairman, the facility has been very well monitored by the department and probably others as well. It is running very smoothly. There have been no problems. I guess there probably have been some problems but none that have been brought to our attention as problems. The concerns that were identified at the time of the hearings or the licensing process as potential problems never developed, so it is said that it is probably one of the best run facilities in the province. Recently, you maybe saw, it is one of the ones that has the radioactive detectors there which others do not. So it seems to be running very well. The R.M. of Rosser has been very supportive initially and I think continues to be. Now that it is up and running, its support I think has been justified in municipalities' thinking. We have not had any concerns. The proponent, BFI, is required to monitor extensively the ground water. No contamination has been detected. The whole site is lined. The crucial areas have double liners. The leachate is collected and treated at the Selkirk Wastewater Treatment Plant.

**Mr. Dewar:** Yes, you mentioned the fact that it was a truck entering the compound that set off alarms, that the truck had in its storage container these radioactive, I think they were smoke detectors. You mentioned that in your answer, and I recall that, seeing the story. Were you able to find out the source of these smoke detectors?

**Mrs. McIntosh:** We do not know yet where they came from. The RCMP are involved in doing an investigation to try to seek out the source, but they have not as yet been able to report what that source was.

**Mr. Dewar:** Well, it is quite interesting that they have the technology to be able to detect that, which I thought was quite intriguing. Do you know if they have that similar technology at the Brady landfill site operated by the City of Winnipeg?

**Mrs. McIntosh:** No, they do not. They are looking at getting it, but they do not have it yet.



**Mr. Dewar:** An ongoing issue, of course, is analyzing and dealing with waste management in the Capital Region as a whole. I believe the City of Selkirk is looking at either closing down their landfill site or they are, they will be doing that soon. I know the R.M. of St. Clements opened a Class 1 landfill site and then decided to close down all their Class 3 landfill sites because they thought at the time they were under pressure from the minister's office, from the minister's department to do so. They felt it was somewhat unfair, because they went ahead and did that, but other R.M.s in the Capital Region were not.

\* (1540)

Now they placed themselves in a bit of a difficult spot, because they have this nice, new Class 1 facility, but they do not have enough waste and the corresponding tipping fees to make it a viable operation. That is just one example of some of the situations that are going on.

What is your vision in terms of waste management in the Capital Region in terms of dealing with some of these Class 3s, Class 2 disposal grounds?

**Mrs. McIntosh:** I am not familiar with the example you cited. I hope people are not feeling, you know, that they have been pressured to do something that was not what they should have done. But, having said that, in answer to your question, we support a regional waste management concept. We have a regional waste management task force underway right now with a task force of municipal officials. They are reviewing solid waste management in the Capital Region. That group will report to the Capital Region Committee, which, as the member is probably aware, is made up of the reeves and mayors from the region plus three cabinet ministers from the provincial government. So we support that. That study may eventually point out where we should finally settle in terms of where our big sites should be. We are encouraging throughout Manitoba the closure of small garbage dump-type areas, and we have seen many operations come together in a consolidated format where they will build one really good waste disposal

grounds and have pick-up points along the way. This means, in some cases, closing down six or seven sites to create two or three new ones. So there is a bit of a transition period there and a state of flux that some of the R.M.s are going through.

In the Capital Region, we have sort of an ongoing business as usual while we are awaiting the results of the review to give us further guidance.

If the member will forgive me, my staff have just given me a little update on that one that you were referring to. It was the R.M. of St. Clements. They did develop a first-class facility, and they will reap the benefits of that. As time goes on, it is a good decision. They will be able to accept waste that others cannot, for starters, and Manitoba Environment was able to approve the Domtar waste soil for disposal in St. Clements. So it will be taken there for disposal, and that is a large amount. That was more than or roughly equivalent to 20,000 cubic metres of contaminated soil or soil to be cleansed that is going to St. Clements, so they will get those benefits accruing to them.

We are also trying to divert waste away from disposal grounds through waste reduction, so that there is not as much going to them in the first place. We have talked about that earlier in Estimates, recycling, the Product Stewardship Program, waste oil program, Used Tire Program, et cetera. But I do support a regional waste management.

Right now we say that, if you have a population of up to 5,000 people and you meet all the required criteria, you would be eligible, provided you met all the criteria, for a Class 1 licence because of the size of the population served, but you still have to meet all of the criteria as, say, BFI did when it was being established. I do not know if that provides you what you are seeking.

**Mr. Dewar:** So is it then the policy of your department to close down these Class 3 operations here in the Capital Region? That was the impression that I had from speaking with one of the councillors. He said: here we are closing down our Class 3s, and we open up this nice new

facility, Class 1. Other R.M.s still have their Class 3 in operation, disposal grounds in operation.

So what they were doing is that they were trying to entice other municipalities within the Capital Region to provide them with their waste through a series of stations. They were looking at different proposals at the meeting I went to. It was just an introduction to the notion. This one councillor felt that they were under pressure to close down their Class 3s. So they did so, and, at great cost to the taxpayers of the R.M., they built this new Class 1. They are just concerned that right now they do not have the volume to make it sustainable, but there is no policy of your department to close these down within the Capital Region.

**Mrs. McIntosh:** The basic policy is not to do with class or size per se; the basic policy is to try to get rid of all of the disposal systems that come into what I call the garbage dump type thing where they do not have certain standards, and most of those fall into the Class 3, the small areas where it is for basically places to throw things that have not had to meet the higher standards of the bigger waste disposal locations. It does happen then that, as we clean things up, the ones that are most likely to be closed would be the Class 3s but they are not being closed because they are Class 3.

\* (1550)

**Mr. Dewar:** As the minister should be aware, the federal government has decided that they will no longer be dredging the Red River and the mouth of the river and certain locations along the lake and as well, the Coast Guard base out of Selkirk has been closed. First they spent \$3 million renovating it; then two years later they closed it down, but have you any concerns regarding this? Do you think your department is able to deal with any type of an environmental spill on the lake because of the lack of Coast Guard services. In fact, now, because this is the last year of full-scale dredging, it is anticipated that larger vessels will not be able to enter the lake because of the silt and so on that is collected at the mouth of the river.

**Mrs. McIntosh:** I think that would certainly be a government concern, more a government

concern than an environmental concern because there are so many different aspects to it. Yes, there would be help that could be provided in terms of a spill on the lake or something like that, that we would hope to see a federal presence for, but we really have not had a lot of dialogue or concern in that area environmentally. It is a multifaceted thing that would have more of a government-wide concern.

**Mr. Dewar:** Mr. Chairperson, that concludes my questions. I would just like to thank the minister and her staff.

**Mrs. McIntosh:** I thank the member as well for his questions. They were very interesting questions, and I want to thank my staff for the assistance they provided in answering them.

**Ms. Marianne Cerilli (Radisson):** I just want to take a few minutes of the minister's and her staff's time to ask some questions that relate to my constituency. I am going to start off with asking some air quality questions. There have been recently calls to my office about New Flyer, and the chemical smell probably from spray paint that is actually drifting quite far north from the Pandora plant. I was surprised to find out that the plant is just currently going through the licensing procedure for an environment licence.

The first question I have related to this is: how does it work? This is a plant that has been operating there for a number of years. They have changed their production over the years, but there has not been an operations licence previously in terms of their environmental requirements. At the same time though, there must be requirements for them in terms of any emissions that they have had. I know in the past, years back, when they used to do more motor testing on the buses that they were manufacturing there was a problem where residents were complaining that the fumes from the exhaust, as they were testing and running the buses, was a problem and it was drifting throughout the neighbourhood, and now it is paint fumes. So maybe, first of all, just some clarification on how it works when you have a plant of this size that has been operating for some time and only now they are getting

licensed, and how it is that they were controlled previously.

**Mrs. McIntosh:** New Flyer was in existence predating the existing act, so places like that, that one in specific terms, had a lot of its existing items grandfathered. As time has gone on, they are bringing those grandfathered items under the licensing process. The time that they passed the act, all of those things not specifically identified for inclusion in the act were grandfathered. Those are now in the process of being licensed, having to meet the criteria and coming up to whatever the act specifies.

I imagine the reason it has taken a long time in New Flyer's case is that they probably have not had a lot of concerns expressed. I mean, if they have some being expressed now, and those items are being addressed, they are coming under the licensing provisions now and coming off the grandfather status. Does that answer your questions?

**Ms. Cerilli:** We are getting there. That is okay. So was the licence process now triggered by the expansion at New Flyer or is there a system in the department where you are going industry or plant-by-plant or facility-by-facility to sort of bring the ones that have been in existence prior to the new act under compliance?

**Mrs. McIntosh:** We are not exactly sure with New Flyer, although we could find out for the member if she wishes. But certainly the point that the member made about expansion would be one trigger. Another might be if people have phoned in with concerns or complaints. That might be another trigger. So there would be triggers that would activate getting the grandfathering status removed aside from just the regular time going on and getting-around-to-it way of doing things. But the specific triggers, we do not know for this one but we can find out if you would like us to.

\* (1600)

**Ms. Cerilli:** Yes, I think it is important. I would also just like to clarify then if there are all these manufacturing plants and different industries in the province, and a number of them have been around since before '88 or '89 or whenever we

got the new act proclaimed, what is the process in the department for determining which ones are going to get addressed in terms of under compliance of the new act, other than the kind of triggers you have just described of community concern or them wanting to expand?

**Mrs. McIntosh:** Another aspect could be looking at different sectors where we would take a look at a particular sector of industry, and that could contain several different plants all of the same type. If there is a new plant about to be built, that could trigger then a removal of the grandfather status on the old plants that everybody is up to the new act standard. Also, and this one I think is fairly common and very pragmatic, that as new information is found, new information is discovered, new scientific writings are done, that would make it possible to improve air quality, or whatever the issue may be in a particular plant, where they would say: now I would like to see this new way of doing things implemented, grandfathering status should be removed because there is now technology here to address a particular point. So those are a couple of the other things that go on. I do not know if staff would like to add anything to that.

There is an example that has just been indicated to me. Three years ago, we began the process of licensing about 250 pesticide and herbicide dealers and warehouses. Those had been previously grandfathered, but that has now been completed. That took three years of work, but those are now licensed and off grandfather status. So we use the risk assessment approach in dealing with most—all of our things have a risk assessment, a risk management component to it as we make decisions.

**Ms. Cerilli:** This is sort of getting off the topic about the specifics as it relates just to New Flyer, but I find that this process in the department is pretty interesting and important. I think it would be useful information for us to get, if we could get sort of a report on this, in terms of the number of facilities then that are still grandfathered under the old process, the number that need to then be brought up to date and the different kinds of industries that are in—and a report over the last 10 years what has occurred in terms of different plants being brought up to date

under the new legislation, and exactly what the changes are. I mean, I am not as familiar at all with the old act—I was not around during that time—what the requirements for licensing were under the old process, but sort of then a comparison. I think that would be really interesting and useful information.

**Mrs. McIntosh:** We will provide that information for the member. We do not have it here right now, but we will put it together for her.

**Ms. Cerilli:** I would appreciate that. Getting back then to the specifics of New Flyer in Transcona, I just wanted to ask then: what was Manitoba Environment's involvement when the expansion at New Flyer occurred a few years ago?

**Mrs. McIntosh:** Apologies to the member. I am not sure, and the deputy is not sure either, but we can again find that information for her.

**Ms. Cerilli:** Given that they would not have had a licence at that time, I am just wondering how it would be that Manitoba Environment would find out. This was a fairly public, high-profile kind of expansion. The city was involved, public dollars were involved in terms of land and that. Would Manitoba Environment see that going on and then respond and get in touch with them to be part of the expansion and make sure that they were going to be involved in establishing things like ensuring that at the time of the expansion, when it would make the most sense, perhaps, to implement emissions technologies, or the best possible technology, that that would be done at that time and be included as part of their expansion. Is that the kind of thing that would occur?

**Mrs. McIntosh:** We have been discussing this on the assumption that New Flyer never had a licence originally. We do not know that for certain. It may have had a licence, but we are not certain. But the rule is that even for a facility that has been grandfathered, whether it had a licence before or not, if they go to make changes then they must get licensed under the act. For them it could possibly mean some major pieces of work that they would have to do in order to meet the standard for the act. So if they are going to expand or if they are going to do some-

thing different or renovate or whatever, then they must get licensed, and the grandfathering disappears. Whatever it is, it has to fall under the definition of development under the act.

**Ms. Cerilli:** I guess the minister's last comment is sort of more getting at what I am interested in here. That is that facilities that are expanding would come to the attention of Manitoba Environment so that Manitoba Environment would see that they are going to do their expansion in keeping with environmental regulations but specifically that they are going to start employing environmental technologies that would control emissions while they are doing their expansion. I am not convinced that that is the case that occurred in the situation of New Flyer.

The question I am asking is: How is Manitoba Environment keeping up with industries as they are expanding in terms of reviewing to see if they are going to comply with the definition of a Class 1, 2, or 3 development and how that process would affect, then, their expansion?

\* (1610)

**Mrs. McIntosh:** Things will come to the department through a whole series of ways. There is an internal network of intelligence, so to speak, where applications made in one department are known by another department, et cetera. That, plus the industries themselves phoning to make inquiries to ask procedures, et cetera, are all sort of the standard ways that information comes to the department. We do not have sort of a search team that goes out because the information will almost invariably come to us through one of those sources, other government departments, companies themselves.

**Ms. Cerilli:** My concern is it does seem to be a kind of hit-and-miss system in a way, and I will be interested to find out for sure if Manitoba Environment was involved when the expansion occurred at New Flyer and what that involvement was, and if it is possible under legislation, at the time of the expansion, if a company is not licensed then, there is probably, I do not know of any way then that Manitoba Environment could require them to use a certain kind of technology

to control their emissions. But that is going to happen after the fact. Once they are licensed, then you can go in and say, you know, this is what is going to be required for you to meet the licence specifications. So that seems like a bit of a gap that is occurring with some of these facilities. It seems like it will improve once all these facilities are licensed. But I just want to clarify if that is the case then that Manitoba Environment really does not have any way that they can require certain emissions technologies during an expansion if that facility is not licensed or maybe if it is classified as a development under the three classifications, if then you can sort of step in and say, well, if you are going to do this expansion, it is only going to be licensed and allowed to go forward if it has this kind of emissions technology.

**Mrs. McIntosh:** Mr. Chairman, once something is in the licensing process, there may not be a restriction on what we can require, but—my mind has gone blank. I forgot what the question was now. I was thinking about something else. Oh, yes, that we may not be able to require specific technologies and so on.

I was just thinking of something the member had said. I would just like to make reference back to it, because I did not want to leave an incorrect impression. When I said there is an internal network or internal sort of intelligence that information comes to us by, it is actually quite an intricate mesh of information coming into government when people are applying for various things, and we do become aware in fairly rapid succession of things that we need to know. The member had indicated it sounded kind of hit and miss, and I just wanted to indicate that it is not quite as hit and miss as it may sound. I apologize. I was thinking more on that as I was listening to her last question.

I do not know if that very simple response to—we may not be able to be restrictive in what we can require in terms of technology or not.

*Mr. Edward Helwer, Acting Chairperson, in the Chair*

Mr. Chairman, the trend is not to be prescriptive. In certain circumstances, of course, we can specify certain technologies if it is

deemed to be the way to address a particular problem or complaint that has been brought forward. So the trend is not to be prescriptive. We have authorities, particularly where environmental concerns are paramount, and that is our *raison d'être*, that is our reason for being. So all of those are given very careful considerations when brought forward, particularly when licensing is the topic under discussion.

**Ms. Cerilli:** Well, over the years I have gotten involved in these issues in a number of industries in Transcona and the Radisson area. As the minister may know—actually, I live very close to New Flyer as well—that whole area is highly industrialized, and there is residential housing that is very close. It is a zoning nightmare, quite frankly, and I have been talking about these issues since the nine years I have been in this Legislature.

One of the things that is a concern, then, is specifically in this plant I would be interested in finding out if there were specific requirements that are being made on the emissions technology, because, as I have been dealing with other plants—for example, I know at Dominion Malting that they were required to put in a specific new kind of ventilation system and fans and blowers to deal with the emissions from their facility. What I am trying to do is understand if that was the same process. They, I think, expanded, and they made some changes over there. Manitoba Environment was involved in having them prove their ventilation and emission systems because people in the neighbourhood again were complaining. Thank you.

\* (1620)

**Mrs. McIntosh:** So just for clarification, are you asking then if there were those kind of conditions placed on New Flyer?

**Ms. Cerilli:** I am asking if, as in the case of Dominion Malting where there were specific requirements on the types of fans and ventilation systems that needed to be put in place, the same kind of thing is going to be done in the case of New Flyer?

**Mrs. McIntosh:** The authority is there for us to use if we are in need of it, so we have that

authority. If we require certain changes to be made, we can require it. Before we would use that authority of course, we would need to be certain that we know what the options might be for the company. If there was only one option of course, then that is what we would order. If there are a variety of options, maybe three options, any one of which would accomplish the goal, then perhaps the company might have a choice of A, B or C. But whatever we would ask for in terms of requirement, we have the authority, but of course we need to have the specific details around any particular requirements that we would make.

**Ms. Cerilli:** I guess that begs the question of where public concern, public health and safety comes into these kind of decisions, especially when you have got an industry like New Flyer where just across the street are residential homes. They are right across the street from the large doors that open up where the buses are painted and are tested and all that kind of thing.

So I am wanting to see if you can tell me what the possibilities are that the public, in the case of the licensing of New Flyer, and I am not even in this case I do not think going to ask for a full public hearing. I am not sure what the classification of development this is going to receive, but for sure to have some kind of a public meeting, an open house, a public forum, where community residents could be informed about the kind of things that are going on at New Flyer, the kind of airborne contaminants that are being emitted, what they are trying to do to control it, what is going to be required in their licence, the requirements for the community when they do want to complain, all these kind of things could be explained in a meeting and information could be then sent out into the community as well.

I am wondering if the minister and her staff would consider having at least that kind of public input into the licensing of the New Flyer facility.

**Mrs. McIntosh:** The member is speaking with some detail, probably greater than we happen to have here in terms of what is going on in her neighbourhood, because at this level, at any rate, we do not have the detail about a proposed

expansion to New Flyer that staff in the department might have.

I am presuming from what the member is saying that there is a rather sizable expansion about to occur—[interjection] It is one that is finished. We thought we were talking about something that was underway. So, if it is completed, then what would the public hearings you are requesting be for?

**Ms. Cerilli:** We just finished discussing that the expansion is likely, in my way of thinking, even though you are going to confirm this, to be what triggered the new licensing process that is going on, because this is an older facility. The expansion also means that there are new things going on that are putting new smells, new chemicals into the neighbourhood, and the licensing—there is an option. It is at the discretion of the minister or the director to have a community meeting, some type of community input, community information as part of the licensing process. That is what I am asking for. I am wanting there to be some acknowledgment that there is community concern, that this is in very close proximity to people's homes, that there is a drift that has occurred with airborne contaminants into a large residential area that is just north of the facility. I am just wanting to see if you will entertain having some kind of community information meeting, open house kind of forum as part of the licensing process.

**Mrs. McIntosh:** I hope I did not leave a wrong impression when the member said that I had responded that it was likely because of the expansion that a licensing process was underway. I believe what I indicated was there could be several reasons. One of them could be, as the member indicated, an expansion; another could be some other reason. I would not leave the impression that I thought it was likely the reason the licensing was because of an expansion. I did indicate, though, that would be one possibility, which is a little different than saying likely.

It is not really that subtle a difference. I think that is why I need to clarify it. It may or may not be that it is being licensed, because there was an expansion of some sort. It could be as well that it is just hard to take it off grandfathering status, or other things are going

on in that sector, or any of the other reasons that I mentioned as possibilities for licensing beginning.

None of us here have heard any concern or complaints raised about some of the issues the member has mentioned, but I will certainly take her concern under advisement and check to see if there has been any concern raised. Certainly none has come to the senior official's level or to the minister's level. Normally, when there is a concern, it does. Normally we would hear. But we will check it out, certainly check it out and see what is going on. If there is information sharing that we could embark upon that would be helpful to people, that is great. We just do not have any detail other than what you have told us just now. We will take it under advisement at the member's request.

**Ms. Cerilli:** I know what I often do is, when residents phone me with environmental complaints, I always refer them to call the department as well, the enforcement people. So I know there are a couple people that live in that residential area that are complaining. I will follow up with them, and if what has to happen is they have to call you directly, we will do that. I appreciate at least you are open to the idea that there be a community meeting of some sort as part of the licensing process on this facility.

\* (1630)

*Mr. Chairperson in the Chair*

**Mrs. McIntosh:** As I say, we will check it out to find out if there is a licensing process going underway, et cetera, check out the details and certainly the licensing process. Whether or not there is a licensing process, we are able to have meetings for public discussion and information sharing. So we will take a look at all of that.

**Ms. Cerilli:** I am pretty sure there is a licensing process going ahead on this facility right now. One of the concerns I have about this process is the length of time that it could take. There is no requirement under the act of how long the whole process takes in terms of an industry having to hire a consultant, collect information, submit it to the department, you have to review it. There could be all sorts of other steps in there in terms

of public participation. That whole process can take quite a while.

I am familiar with another industry that is impacting my area, General Scrap and car shredder. The department staff have received numerable letters from me on that particular facility and the fact they continue to blow up cars in their car shredder process. The explosions sound like bombs. They shake the houses of the people who live in Radisson and Transcona. We have been trying to get that licence re-evaluated or amended, I guess is the right word, and to have a new licence prepared. That has been ongoing for quite a few years.

My first question is: any idea on the duration of a licensing process for New Flyer? Secondly, why is the licensing process for General Scrap and car shredder taking so many years?

**Mrs. McIntosh:** On the scrap-car problem, our work has all been done on that in terms of the licence, but because it is an all-encompassing licence, we have to have everything in place before we can pass it. So it is not a staged-in thing. I always like a staged-in thing. We can do one thing at a time and get it done, clear it off and the next one, clear it off, but this one is all encompassing so everything has to wait until everything is approved.

The federal government has a concern with the auto shredder residue, which we call fluff. They are not quite sure what to do with it. We believe it could be recycled, but we are waiting for them to give us their decision on that. Until they do, it is all held up.

On the other, with the New Flyer, again, we will look into that, as I indicated, because I do not know the answers to that one.

**Ms. Cerilli:** Okay, well, let us deal with General Scrap first then, anyway. The minister talked about what to do with the fluff from the cushions and that inside the cars. I thought this was one of the whole things behind the relicensing is they were going to establish a new facility to recycle the fluff and turn it into that plastic wood stuff. That would be, again, another good industry to locate somewhere out there in that Springfield-Transcona industrial zone,

farther down Gunn Road I would hope. I think there even was a lot that had been established. I thought that they had put in the basis of a building. So has that plant not gone ahead?

I guess back to the issue then of how is it that we can allow the licensing process to sort of drag on so long that what ends up happening on some of the other outstanding issues is it ends up being the status quo, and there is at times serious damage that could be going on because a facility is continuing to operate under an old, outdated licence.

**Mrs. McIntosh:** The building has been built, the equipment is in. Everything is ready to go, but they cannot use it because the federal government has not yet determined what it will approve. So everything is on hold waiting for them to come back with a blessing or an approval or a statement or a denial or some kind of answer to this particular portion of the licensing. So it is very frustrating.

**Ms. Cerilli:** Maybe the minister and her staff could clarify then what federal department we are dealing with, what is the role of a federal agency in licensing this type of plant and exactly what it is that they are trying to determine.

\* (1640)

**Mrs. McIntosh:** We are dealing with Environment Canada here. It is the federal Department of Environment. So it is Environment Canada, and their role is under the PCB regulation because they say there are trace residues of PCB in that material. We believe it could be recycled, as I say, and they are not sure. So they have not got around to giving us an answer yet and we are waiting, and therefore everything is held up because we have a licence that is all encompassing, and we have to have every aspect covered before we can pass any portion of it. It is a case for staged-in licensing, which we have in place for Brandon, for example, and so on.

**Ms. Cerilli:** Okay. This is interesting. I just want to make sure I am understanding this correctly. Environment Canada is saying that there are PCBs in the scrap materials and potentially that could be emitted during the process of recycling it, or are they saying that

the PCBs could still just be in the product that is produced and that is a concern?

**Mrs. McIntosh:** It was Manitoba Environment that discovered trace elements of PCB, trace amounts in the fluff. We identified that to Environment Canada. What the problem has been is that we believe that Environment Canada is using an inappropriate way of characterizing that PCB, those trace amounts, because their regulation deals with liquid PCBs. What we have identified here are very minute quantities of solid PCB. The federal government is saying a regulation designed for liquid, they are applying it the same way as it is for a solid. For a variety of reasons, we believe they are using an inappropriate measurement way of identifying or characterizing that PCB content.

So we come back then to them not yet having given us an indication of what needs to be done here so that we can proceed with this whole licensing process.

**Ms. Cerilli:** How long have you been waiting for Environment Canada to respond on this issue?

**Mrs. McIntosh:** We have been waiting over a year. During that time it has not been devoid of action. During that time, the federal government has gone through two series of tests. The reason they have done two series is because of controversies over their techniques and their measurements. They have basically said to the company: you tell us how you are going to meet the requirements and get rid of these PCBs, without giving them any guidance. It has been a very frustrating exercise all around.

But the short answer to your question is that it has been now over a year.

**Ms. Cerilli:** Well, I guess all this discussion about this issue has been with the assumption perhaps that I am making and hoping that the new licence for General Scrap is actually going to deal with the problem of the exploding gas tanks in the cars.

I wish the minister could be in the neighbourhood when one of these things blows up, especially when it occurs at three or four in



the morning and residents are feeling like they are in Beirut or Yugoslavia or someplace and they are under siege.

You have indicated you have completed the licensing for other parts of the facility. Are there going to be new requirements for General Scrap and car shredder vis-a-vis inspections dealing with these cars that still contain a gas tank with gasoline that causes it to blow up and what the requirements are under the licence for that whole part of the facility?

\* (1650)

**Mrs. McIntosh:** I always like Estimates, because I always learn something new, especially when it is a department I am relatively new to. First of all, I indicate I have just consulted with staff here and they have said that, yes, the licensing requirements will take this into account, and it should help alleviate the problem. It probably will not eliminate it completely because in the nature of the world not everything gets captured completely.

The other problem that they face—and this is the interesting piece of information—sometimes the people bringing the flattened cars to the scrap metal dealers will put propane tanks in the trunk and squash them flat, which I did not know about, but that will often cause the popping and the crashing. It is not necessarily the gas tanks, it is the propane. That is a little bit more difficult to get a handle on, because if they are flattened before they go, it is hard to open them up, because they are squashed.

The new licence requirements should help address it in some measure, but probably not completely. The General Scrap licence will cover all the relevant environmental concerns, including the control on incoming materials such as propane tanks.

**Ms. Cerilli:** There are a couple of other issues I just want to raise quickly. So maybe I could just get the information that is in the licence provision for General Scrap related to this area sent to me. Is that possible?

**Mrs. McIntosh:** We will send out what we can. Because the licence is not fully granted yet, there

may be some inability to send out everything, but we will send out everything that we can.

**Ms. Cerilli:** I will take that, and, when the licence is approved, then maybe I can get the rest of it.

One of the other issues I wanted to ask questions about is the mobile air quality monitoring equipment that Manitoba Environment used to have and no longer has. I have raised this before, but I am concerned because when issues arise, as we have been discussing at New Flyer, where the community is complaining about odours and chemical smell, we want to have the air tested. So one of the questions I have is: how does Manitoba Environment now do that if there is a plant that is emitting, we know it is emitting, certain kind of chemicals? How are you going to monitor it in this sort of roving way? I use the term "roving"; you know, it is not air monitoring equipment that is stationary. It needs to be air monitoring equipment that can be taken anywhere in the province on an emergency or as-needed basis.

I am concerned that Manitoba Environment, before the current minister became the minister, was in possession of this equipment and there was the staff there to run it, and now we do not have that anymore. So I want to find out what the cost was for that equipment, both for staffing and for the equipment and for maintaining that equipment, and what we are doing now that we do not have the equipment.

**Mrs. McIntosh:** I should just indicate that the member is referring to a van that carried around our equipment for monitoring air quality before. The van was only used a couple of times a year, maybe three, maybe four times a year maximum. So we still have portable air-monitoring equipment which we use extensively. We used it out in Tilston at Mr. Campbell's area, for example, and it can be carried in any vehicle. It does not necessarily have to be that particular van the member is referring to, and we still do monitor, with very good equipment, air quality, et cetera. We have equipment that can be moved from place to place to check air quality and we do that. I guess we just do not do it in that particular van anymore.

**Ms. Cerilli:** That is not the way it was described to me, but I will move on. That is fine.

**Mrs. McIntosh:** It was a mobile home. It was a base of operations that you could operate from, but you could operate that from any base of operations. But, you know, to have a vehicle tied up all year, I am presuming, because certainly the portable air-quality equipment is in use around the province and moved from place to place as it is needed, just not in that particular motor vehicle anymore.

**Ms. Cerilli:** Well, it was the technology for monitoring the air quality I am interested in, not the mobile home or the van, even though I can understand where that may have some impact on its use, but maybe what I can do, just to wrap up this section really quickly, is to ask that I get some kind of a report on where that air-monitoring equipment has been used over the last couple of years, the kind of testing, and the cost of that equipment.

My final question has to do with the Canada Packers plant.

**Mrs. McIntosh:** Did you want that information now in terms of the monitoring of air quality that we do throughout the province?

**Ms. Cerilli:** I am assuming that you do not have the specific information of where the tests were conducted throughout the province here with you, that it is either in a report somewhere and you are going to have to send it to me. That is why I was going to move on.

**Mrs. McIntosh:** For clarification, is the member wanting what we have now? Is she wanting the historic information on like what we did when we used to keep all our equipment in that vehicle, or does she want to know what we have done since we have been transporting it with other means? Like the equipment is there. If that is her concern, the monitoring equipment is definitely there. The housing that it is in has changed, but do you want it historically from way back to when?

\* (1700)

**Ms. Cerilli:** I will tell the minister what has occurred in this area. One of the other industries

in Transcona is CN. CN runs its diesel engines, tests them, runs them at night. Again, there are houses right next door to the CN shops. We have been told that the equipment to do the onsite testing of the air emissions from the diesel fuel and how that might affect the properties is not available anymore. We were told that, that it is not available to do that kind of testing. Residents wanted it tested at night time, when the diesel engine smog is a real problem for them when they are trying to sleep and there are diesel engines running and there is smog in the air.

So I am interested in knowing both now that we are under the program without the mobile home and before that to sort of maybe compare the locations where that equipment was used, the kind of industries that were tested. It may not be industries, it could be a variety of different kind of scenarios where that equipment was used. So that is basically what I am interested in is to know where that equipment was used, when, and just the record of the kind of circumstances.

**Mrs. McIntosh:** We will certainly look for that. I just wonder whether the member could provide me some more detail. Residents were told by whom? By the department that there was no equipment to measure air quality?

**Ms. Cerilli:** It was not just residents; it was myself as well.

**Mrs. McIntosh:** I am just seeking some clarification. There was a complaint lodged with government about diesel emissions at the railroad yards, and you and others were told that we could not test the air quality there because there was no equipment available?

**Ms. Cerilli:** That is correct.

**Mrs. McIntosh:** I will take that concern under advisement. I am being indicated here by senior staff that, if the member was indeed told that, and I have no reason to know that she was not, and the reasoning given may be not quite right. We do need to on different jurisdictions. This is a federal jurisdiction here that she is talking about.

**An Honourable Member:** It was.

**Mrs. McIntosh:** Was. Well, you see, they are still out there testing.

**Ms. Cerilli:** I remember a couple of years ago raising this issue in Estimates, and it was just at the time that CN was privatized, so it is no longer a federal agency. It now comes under provincial Environment jurisdiction, because it is just another private industry in Manitoba. So I can understand that previously there may have been some federal-provincial issues, but I would hope that by now all that has been sorted out. I mean, we went through this a couple of years ago in Estimates.

People in the area have been trying to get the air tested. A fellow phoned not too long ago saying: oh, they are at it again. CN is running these engines. The Manitoba Environment people have been down there. They thought they had come to an agreement on the time frame that they were allowed to test the engines at night and the number that were allowed to be tested at a time. But I do not think up till now there has been any air-quality testing to try and determine the amount of diesel smog that people that live there are breathing in when this occurs, when the diesel engines' testing is done. That is the story.

**Mrs. McIntosh:** I appreciate the details surrounding that. We will provide the ways in which that equipment is being used. Does the member want us to look into issue as well or just get the details surrounding the other—I understand what she is saying, that we have not tested this one. Would you like to know which ones we have tested? Do you want us to look into this issue as well?

**Ms. Cerilli:** The member is nodding, yes, please. Thank you very much.

I will just ask my final question, and we can get through passing the rest of the Estimates. The Canada Packers plant, the abandoned property that is on Marion, has now got a proposal for housing and for a golf course and whatnot. There are a number of issues that this raises in my mind. One of them is Manitoba Environment's involvement when a building like this is going to be demolished. People have said to me that that place is full of asbestos, for

example, that there may be a need to have Manitoba Environment do inspections and there be certain requirements during the demolition that would prevent the asbestos from just being sort of spewed all over the place.

So that is one issue. Other than that, just what Manitoba Environment's involvement is going to be in sort of evaluating the environmental feasibility and wisdom of locating residential properties on that plant, the kind of testing you are doing on that plant and the land?

**Mrs. McIntosh:** Mr. Chairman, in a demolition site like that with asbestos, for example, if that is found, the demolition site itself is governed by the Department of Labour. So the Department of Labour will have protocols for the on-site worker activity, and the Department of Environment then would have protocols for the off-site activity and proper disposal. There are standards that would have to be met before the Department of Environment could dispose of them, and they have to be disposed of in a particular way. So first you would have Department of Labour followed by Department of Environment as they look at those types of materials.

**Ms. Cerilli:** I would be real interested if the department could just provide me with some information about how that process fits together and any licensing or sort of overview that Manitoba Environment is involved with when you are demolishing a facility of that size with the kind of history. I am sure that there are areas on that property that are contaminated.

Just to wrap up. I mean, I could ask a gabillion questions on Domtar, but I am not going to take anymore time. I appreciate the time that the staff devote to that issue, and the minister has just responded again to one of my letters. I guess I will just continue to correspond in writing on that issue.

But I do want to ask if the minister would consider joining me and having some of her staff come to Transcona in the next week or so and see what is happening there with that site and tour the site itself. I have not toured the site since they have completed the capping and the landscaping. Would you be willing to do that?

**Mrs. McIntosh:** Well, I have already been out. I mean, there is an assumption there that I have not. But I think I am scheduled to go again with the Fort Whyte people, am I not? I think it is in my schedule book, but you wish to go together? I have no problem with that. I will have to get my secretary to co-ordinate the schedules, and I would be pleased to do that.

**Ms. Cerilli:** I appreciate that. Maybe the minister could just tell me the date that she was out there previously. Was it during the most recent construction?

\* (1710)

**Mrs. McIntosh:** Mr. Chairman, just in the last couple of weeks. I was not on a formal tour per se, as the member is, I think, referring to.

**Mr. Chairperson:** Item 31.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$365,500—pass; (2) Other Expenditures \$75,800—pass.

31.1. (c) Financial and Administration Services (1) Salaries and Employee Benefits \$729,200—pass; (2) Other Expenditures \$316,800—pass.

31.2. Environmental Management (a) Environmental Operations (1) Salaries and Employee Benefits \$5,036,900—pass; (2) Other Expenditures \$1,353,900—pass.

31.2.(b) Environmental Management (1) Salaries and Employee Benefits \$2,835,600—pass; (2) Other Expenditures \$2,183,200—pass.

31.2.(c) Legislation and Inter-governmental Affairs (1) Salaries and Employee Benefits \$187,900—pass; (2) Other Expenditures \$92,900—pass.

31.2.(d) Clean Environment Commission (1) Salaries and Employee Benefits \$310,000—pass; (2) Other Expenditures \$188,000—pass.

Resolution 31.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,188,400 for Environment, Environmental Management, for the fiscal year ending the 31st day of March, 2000.

Item 31.3. International Institute for Sustainable Development \$1,145,900—pass.

Resolution 31.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,145,900 for Environment, International Institute for Sustainable Development, for the fiscal year ending the 31st day of March, 2000.

**Ms. Cerilli:** I just wanted to clarify, how much did ISD get this year?

**Mr. Chairperson:** \$1,145,900.

Item 31.4. Amortization of Capital Assets \$281,800—pass.

Resolution 31.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$281,800 for Environment, Amortization of Capital Assets, for the fiscal year ending the 31st day of March, 2000.

We now go back. The last item to be considered for the Estimates of the Department of Environment is item 1. Administration and Finance (a) Minister's Salary. Would the staff please leave the table for the consideration of this item.

Item 1.(a) Minister's Salary \$27,000—pass.

Resolution 31.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,514,300 for Environment, Administration and Finance, for the fiscal year ending the 31st day of March, 2000.

This completes the Estimates of the Department of Environment. Thank you.

\* (1720)

## SPORT

**Mr. Chairperson (Ben Sveinson):** The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Department of Sport. Does the honourable Minister responsible for Sport have an opening statement?

**Hon. Eric Stefanson (Minister responsible for Sport):** Mr. Chairman, I am pleased to table the

Supplementary Information for Legislative Review, the 1999-2000 Departmental Expenditure Estimates for Sport. Just very briefly, you can see that the total allocation in 1999-2000 is \$10,556,000. It is down from last year's allocation of \$15,349,000, but that is basically as a result of no provision in Sport for the Pan Am Games in 1999-2000. That was to the level of \$5 million a year ago. So really that is the difference; otherwise, you can see that the overall funding would be up slightly for the remainder of the Sport activities. Sport Manitoba, the main governing body, regulatory body, again is receiving \$10,205,000. There are some additional expenditures that we can certainly get into during the Estimates.

So we are pleased to be able to maintain our level of support with some modest increases in a few project areas. With those very brief comments, I look forward to answering any questions.

**Mr. Chairperson:** We thank the minister for those comments. Does the official opposition critic, the honourable member for Radisson, have an opening statement?

**Ms. Marianne Cerilli (Radisson):** I will just make a few comments as well. Considering that I have just received the Estimates book as the minister has arrived here, I just want to acknowledge that I do want to take some time and go through this. I am going to start off, though, by spending some time, I think as we did last year, discussing the provisions under the Pan Am Games. I guess the minister can appreciate that this is, to quote the Premier (Mr. Filmon) today in the paper, the biggest sporting event in the history of the province, and it deserves our attention and our debate and discussion.

I am wanting to see if the minister is going to have someone here for the Estimates from the Pan Am Games Society or one of the government representatives on the board or another person that would be on a daily basis involved in the Pan Am Games to provide the minister with the kind of detailed information that we are going to need to get into this the year that the event takes place. I know that in the past we have gone fairly quickly through Sport Estimates, and oftentimes the minister does not

necessarily have a lot of the information that I am requesting, and then we have to go back. I just want to, I guess, let the minister know that I want to be able to go into some detail on some of the issues, especially because we have been at this now for a few years, and this is the year that the Games are going to take place.

So I do want to also spend some time on a number of the other major initiatives that are taking place in Sport in terms of Canada Games and Manitoba Games and just a lot of information that comes my way from a number of different sport organizations, the number of changes that have occurred over on Main Street there over the past number of years. But I do want to just let the minister know that I am going to be starting off with the Pan Am Games. I think it would be great if we could have somebody here that would be able to deal with the Pan Am Games in some detail. So with that I will just wait for the minister.

**Mr. Chairperson:** We thank the critic, the honourable member for Radisson, for those comments. We would ask that the minister's staff join us at the table, and we would ask that the minister introduce his staff present.

**Mr. Stefanson:** Joining me immediately to my left is Mr. Ted Wilton, the associate director of Community Support Programs. Beside Ted is Jeff Hnatiuk, the president and CEO of Sport Manitoba.

**Mr. Chairperson:** We thank the minister. We will now proceed to line 28.1. Sport (a) Support Services (1) Salaries and Employee Benefits on page 140 of the main Estimates book.

**Ms. Cerilli:** I would like to just say hello to Ted and to Jeff and thank them for joining us. But I also want to see if the minister is going to respond favourably to my suggestion that we have someone especially at the beginning now—we are only going to have half an hour today. I am not suggesting that we hold up today to get someone here for the Pan Am Games, but I think in the past there has been someone present who is on the board. I do not know if Mr. Wilton is fulfilling that function, but the Pan Am Games Society needs to have somebody, I think, here, or the minister, maybe he is more up to speed on

the details of the Games than in the past or than I have given him credit for. But are you going to have someone here who can answer some of those kinds of questions?

**Mr. Stefanson:** Right now my main day-to-day liaison to the Pan Am Games is Ted Wilton. The other director of Community Support Programs is Mr. Jim Berry, but he is unavailable at this time. He is an ex officio member of the board as well. So that is my main day-to-day contact. I know we might not be able to answer each and every question in detail right here during the process, but we certainly will get back to the member with information as quickly as possible.

I know we did respond to some detailed questions in last year's Estimates, providing that information subsequently to the member. I recognize that the Pan Am Games are, as we all know, the largest event in our history, the largest multisport event in Canada's history, but the idea of having either board members or staff from other organizations that we fund is not something that is all that common to our Estimates process, whether it is Education having school boards or CEOs of school divisions. You go all the way down the line. I mean, other games we do not have the chairs, we do not have the CEOs. So it is certainly not a tradition, I do not think, under our government or previous governments where you bring to the Estimates process the people who serve on a volunteer basis on the boards or the paid staff of external organizations. So I am certainly prepared to answer the questions as best as I can and to undertake to get back to the member as quickly as possible if there are detailed issues that require follow-up.

**Ms. Cerilli:** Maybe then just to have the minister clarify the state of his position, having other staff here from the Pan Am Games Society or the board. I can certainly understand having someone here who is in a volunteer capacity, but I am just wanting to clarify what Mr. Wilton's position is then, both with the Community Support Programs—I understand he is the associate director but I am wanting more of a clarification of what he does in that capacity and then again a clarification of what he does vis-à-vis the Pan Am Games.

\* (1730)

**Mr. Stefanson:** We do get separately to Community Support Programs. I cannot recall if the member for Radisson (Ms. Cerilli) is a critic for that or not, not that that is relevant to the discussion, but we have our Community Support Programs which is a separate budget line in our Estimates, and we deal with it separately. That is what I am trying to recall; I should know who the critic is.

So those are the funding of many external organizations that we provide support for. Mr. Wilton is the ongoing liaison with all of those organizations from the United Way to different cultural groups to different sporting groups and so on. But within the area of sport, he also has been the liaison for various sporting events, with the Pan Am Games being one example, also the world junior hockey that we just hosted. He, again, was our liaison back to that committee and so on, and he also is my liaison on a day-to-day basis with Sport Manitoba. Even though I meet with Jeff Hnatiuk and I meet with the board chair, Mr. Paul Robson, and other people as required, Mr. Wilton is really my day-to-day contact on a number of ongoing issues.

**Ms. Cerilli:** Well, I just want to clarify then, Mr. Wilton actually works for the Department of Culture and Heritage, I believe. Is that where the Community Support Programs are, or is it in Family Services? I am not quite clear then. It sounds like he is acting as a deputy minister to the Minister of Sport, and maybe the minister could clarify that.

**Mr. Stefanson:** Community Support Programs are a separate line item, have been for years, in the budget. They actually show up on the detailed Expenditure Estimates on page 34. We go through it as a separate line item and discuss the funding from organizations like the Festival du Voyageur, the Folk Arts Council of Winnipeg, United Way, Valley Agricultural Society, the Harness and Quarterhorse Racing Support, the Manitoba Community Services Council, the Winnipeg Football Club, the General Council of Winnipeg Community Centres, and then there are some sundry expenditures that vary from year to year.

So it is a completely separate section not within Culture, Heritage and Citizenship, and it reports to me. It did report to me in my previous responsibilities and it continues to report to me. That is where Mr. Wilton is paid from, but he is also the staff support that reports to me to deal with the sporting issues.

**Mr. Chairperson:** I guess I also did not ask what the committee's will was as far as going line by line or just a general roaming throughout it.

**Ms. Cerilli:** I would prefer if we just sort of had a general-issues discussion.

**Mr. Stefanson:** That is fine, Mr. Chairman.

**Mr. Chairperson:** Agreed? [agreed]

**Ms. Cerilli:** Getting back to this issue of the Community Support Programs, I do recall now, I actually do not have the major Estimates book in front of me right now today either, but I realize that that is a separate line item. I am wondering: is the reason that Mr. Wilton is with you at these Estimates is that also where some of the Pan Am Games money is flowing through? It seems to me a lot of the Pan Am Games money is coming from different departments, so could the minister clarify that because I guess I am at a loss of why it is that it is Mr. Wilton that is with us as opposed to somebody else, and I guess in the same vein is, even though the minister is now Minister of Health, that is his major responsibility, not the Minister of Finance, he is still responsible for that line item for Community Support Programs. Is that because that is one of the areas that is related to the Pan Am Games?

**Mr. Stefanson:** The member is correct that for several years now I have had responsibilities for Community Support and for Sport and the staffing positions are provided for under Community Support but the utilization of those staff, Mr. Wilton is to cover both areas because there is an overlap between many of the community initiatives and the sporting initiatives. So they are separate line items in the budget, they are in some respects distinct functional areas, but there is some overlap and so Mr. Wilton, his staff position is how he is there, that is where he is paid from, but I also do

have the opportunity to utilize him as my day-to-day liaison on sporting initiatives, because Mr. Hnatiuk reports to the Board of Sport Manitoba even though we provide all of the funding to Sport Manitoba, his direct reporting relationship is to that organization.

So he certainly is also available to me on sporting issues and so on, but more on a day-to-day basis, I utilize Mr. Wilton. In terms of the specific request about funding for the Pan Am Games, it has basically come out of two line items over the last few years. It has come out of Sport, although there is no provision in this budget here out of Sport, and the other area that it has come out of is the Urban Economic Development Initiatives. That again is a separate line item in the budget which again I have responsibility for, and the member can see, even though we were paying for it out of the line item, we still reflect it here in the detailed Estimates on page 10 of the supplement that shows the payment that is going to be made in 1999-2000 to the Pan Am Games is \$5 million. Mr. Chairman, \$5 million is recoverable from the Urban Economic Development Initiative, so there is a separate line item for the Urban Economic Development Initiatives which will provide that \$5 million.

\* (1740)

**Ms. Cerilli:** Okay. Some of the information I am wanting to get and I would appreciate it if, and I think it would make this Estimates process more meaningful if some of the information I am going to request could be provided with me so we could use it in our discussions. So I am going to basically go through some of the requests I have and the minister can let me know how easy it is to have these kind of agreements and this information given to me. Some of it is in the audit that was done by the City of Winnipeg to review the status of the Pan Am Games and it is getting a little old now. It was done in November 1997, and one of the things I am wanting to see, first of all, is if the provincial government has also been doing similar kinds of reviews or audits of the Pan Am Games.

**Mr. Stefanson:** There is a federal-provincial-city co-ordinating committee. It meets monthly, I am told, with representatives obviously from all three levels of government receiving financial

reports on the Games and reviewing them on an ongoing basis, an opportunity to obviously follow up on any issues, ask any questions and continue to monitor the situation of the overall performance of the Games from a financial perspective.

**Ms. Cerilli:** So obviously the city undertook something that was outside of that committee. I am assuming, though, that the minister has had a chance to review this audit or any other ones the city has done.

**Mr. Stefanson:** Mr. Chairman, I believe aspects were shared with us from that audit, and there was a review done, I believe, as well by the federal government around the same time. Back in 1997, of course, was the period when we were being asked to make funding adjustments to the Games. There was a revised budget, as the member knows, at that point in time. So various reviews were done in 1997.

**Ms. Cerilli:** Well, it is just interesting that at that time the federal government did a review, the city did an audit, and the provincial government chose not to or has not. Can the minister explain why?

**Mr. Stefanson:** Mr. Chairman, in fact, we were quite the opposite. We were trying to get more co-ordination of some of those activities. It does not make sense for three levels of government to all be sending in separate auditors and incurring additional costs. It really is quite foolish. We were offering to do on a co-operative basis. For some reason the federal government I believe more or less wanted to go forward on their own, which they ultimately did. I do not believe they ever shared the actual audit itself with us, but we had some discussions relative to whether or not there were any concerns that arose from that audit. We also have an individual, I believe, on the audit committee of the Games, Mr. Bob Yuel, who is an analyst with the Treasury Board in the government of Manitoba. We also appoint citizen members to the board who serve on the different finance committees and so on. We do have a number of opportunities to have reviews and checks and balances, but the question of the audit, we did not feel that there was a need to send in a third audit just duplicating what has already been done.

**Ms. Cerilli:** Is the minister concerned that the federal government is not sharing the information on their review. It sounds like then your efforts for a more co-operative approach have not been that successful. I often hear that this sort of characterizes the relationship around the Pan Am Games, that it is not the most collaborative or co-operative partnership between the different levels of government. Would the minister agree with that?

**Mr. Stefanson:** I describe the relationship as reasonable today between all three levels of government. I think all three recognize it as a tremendous opportunity for the province of Manitoba and the city of Winnipeg. On an overall basis the co-operation has been certainly quite good of late. From the initial outset, the co-operation was also quite reasonable. I think all that happened during 1997 was that that was the period when governments were being asked for additional financial support and there was perhaps a little bit of disagreement at that time.

The member will recall, in fact, we have talked about it during Estimates, what kind of funding the federal government provided for other games. We were taking a fairly firm position in terms of what we expected from the federal government for support for these games compared to the Commonwealth Games in Victoria and other games. That led to a degree of tension. So there have been periods of some tension, but on an overall basis I think all three governments do see this as a tremendous opportunity for the province.

**Ms. Cerilli:** We will get into some of those issues in more detail on other days, but I guess right now I just want to make some of the requests for some of the documents outlined in the review that was done for the city by their audit department. First of all, it is the bid city agreement that was dated December 5, '92. That is between the Canadian Olympic Association and the City of Winnipeg and the Pan Am Games bid committee. Secondly would be the co-operation agreements dated July 31, '94. That was between all the countries participating—at that time it was 42—and Canadian Olympic Association, I guess the Canadian government, the Manitoba government, the City of Winnipeg, and the bid committee.



I will go through all of these and then maybe we can go back and discuss each one. The third is the host city agreement dated February 20, '95. The Pan Am Games Society is one of the partners in that agreement.

Fourthly is the Pan Am Games agreement, the funding agreement, dated February 20, '95, between the Canada government, Manitoba government, City of Winnipeg and the Pan Am Games Society.

Let us go back and the minister could maybe deal with each of those individually in terms of the availability of those.

**Mr. Stefanson:** I take it the member was asking for copies of those agreements. What we will do is, either later today or first thing tomorrow morning, follow up with the Pan Am Games Society. Obviously, if all of these agreements can be made available immediately, we will do that. If there are reasons why they cannot be made available, I will return with those reasons, or if there are aspects where an agreement can be provided and a section has to be whited out for some reason, I would also return with that and explain why. So I will certainly try to get back to the member on these four agreements tomorrow.

\* (1750)

**Ms. Cerilli:** There was a revised business plan done, and I think we discussed that last year. I am wondering if there have been any more revisions to the budget or the business plan and if I could get copies of that as well.

**Mr. Stefanson:** I do not believe that there have been any major revisions from what the member would be working off of, but I will follow up on that issue tomorrow, as well, in terms of the current business plan.

**Ms. Cerilli:** One of the things that has been an issue—and this, again, speaks to the whole issue of federal, provincial and city co-operation—is how any deficit that does occur would be dealt with, and now the federal government I think has made comments publicly saying that it was the city that bid for the Games; it would be the city that, I guess they feel, would be responsible.

There must be in these kinds of agreements some language or some clarification and some forethought on that issue of how any kind of deficit would be dealt with between the society and the different levels of government. What is the minister's understanding with respect to that issue?

I just wanted to add to that, as well, then, which of the documents that we have been discussing, if any so far, would discuss that issue in terms of the portioning of responsibility for a deficit.

**Mr. Stefanson:** Any deficits initially are the responsibility of the Pan Am Games Society. We have all heard comments from them, from the chair, and from others involved that with the revised funding that was provided in 1997 they do not expect to run a deficit. In terms of the updates that I have received, that still is the position of the Pan Am Games Society.

There is the one area that still has a degree of risk to it. I am sure we will discuss that a little more later. It is the whole issue of ticket sales. I believe in terms of the target or the business plan that the Pan Am Games Society is sitting at about 40 percent of their target for ticket sales, but they still believe that their target is achievable based on comparisons to previous games and events held in Manitoba and the significant number of tickets that are sold as we get closer and closer to the Games and to the events. So that is the one area of some risk.

There are some contingency plans in place to deal with that. Certainly from everything I have been provided and recent meetings I have had, I believe that the Pan Am Games Society will be able to achieve a balanced budget.

**Ms. Cerilli:** My question deals though with the agreements that are in place, particularly the funding agreement. Does it speak to this issue of the deficits at all? What is the language in the agreement regarding deficits?

**Mr. Stefanson:** There is no further liability back to the Province of Manitoba. As to whether there is a further liability back to the City of Winnipeg under the host city agreement, I would have to confirm that for the member. But I can assure

her that there is no liability back to the province from any agreement that we have entered into.

**Ms. Cerilli:** I will wait and ask more questions on specifics when we get those agreements. I just want to request some other information then.

I have some information from the minister about the allotments from each department over the years. I wonder if I can get the same kind of information from Crown corporations, particularly information prior to the revised budget and after the revised budget.

**Mr. Stefanson:** Well, I will undertake to follow up with the Crowns. As we know, they at various times appear before our committees and so on. There is the opportunity in that forum to ask questions about all of their operations, including support for events like the Pan Am Games. But I will undertake to contact the Crowns to determine what information can be made available. The question is the financial support that they are providing to the Pan Am Games.

**Ms. Cerilli:** Either financial support or in-kind services.

**Mr. Stefanson:** I will undertake to contact the Crowns and make as much information as I can available as a result of that.

**Ms. Cerilli:** We have also received some copies of the Pan Am Games Society progress reports. I just want to clarify how often these progress reports are done and if those are also documents that we can get copies of.

**Mr. Stefanson:** Maybe the member can be a little more specific—there are various reports that the Pan Am Games puts out—whether she has an example of one or can describe in some detail what it is she is looking for.

**Ms. Cerilli:** I can assure the minister I have three huge files on Pan Am Games documents, but I do not have it with me today. I knew that we were only going to have a short time today, but it is a Pan Am Games Society progress report, periodic progress report is what I have got from the notes we have made, on the Games preparations and on its finances, and it is done to

its financial partners. It is a report that is done by the Pan Am Games Society to its financial partners. We have one that is from '97, early in '97.

**Mr. Stefanson:** Well, if the member could provide details, if it is tomorrow, fine. I think I know the one she is referring to, and I am not being difficult here at all. So I will also check from my end. There is a report that comes out periodically that outlines a whole number of issues from the status of venues, the status of activities and so on. So I will follow up on that, Mr. Chairman.

**Ms. Cerilli:** One other quick question, then, in terms of information we would like to get, is any other economic impact studies that have been done. We discussed last time the Manitoba Bureau of Statistics, the one from March '97, but that one indicated that they did not assess the impact of the Games legacy in terms of facilities. Have you done any other assessments related to that issue?

**Mr. Stefanson:** I will provide a status report on that next time we meet, Mr. Chairman.

**Mr. Chairperson:** The time being six o'clock, committee rise.

## RURAL DEVELOPMENT

**Mr. Chairperson (Marcel Laurendeau):** Will the Committee of Supply please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Rural Development. Does the honourable Minister of Rural Development have an opening statement?

**Hon. Leonard Derkach (Minister of Rural Development):** Yes, I do. Mr. Chairman and members of the Legislature, it is my privilege today on behalf of Manitoba Rural Development to present the department's Estimates for 1999-2000 fiscal year. I would like to begin my remarks this afternoon by thanking the staff of my department for the continued dedication and hard work of the individuals involved in the department. It is important that people of Manitoba and also the members of this Legislature know the kind of outstanding effort

the staff of my department make on a day-to-day basis on behalf of all rural Manitobans. I believe that, together with the shift in the attitude of rural Manitobans throughout the province, our staff have been able to assist in the strengthening and rebuilding of many of our rural communities.

As Minister of Rural Development since January of 1992 I have been extremely fortunate to watch the many accomplishments that have taken place across the province. As the Winnipeg Free Press reported, the rural economy is going crazy, and it continues to do so.

There is new economic development. One only need look at the stacks of straw in Elie where Isobord is turning a waste product into a value-added commodity, or down the road to the new Powell Equipment site, with a new flour mill across from it; and adjacent to Powell, Dyck Forages and Seeds, one of the department's Grow Bonds projects which has been successful in marketing pedigreed seed around the world. Or let us take a trip to Winkler where dozens of industries from sunflower processing to plastic manufacturing. Two other Grow Bonds projects are creating jobs in a buoyant economy. Or in Dauphin, Manitoba, where Westman Plastics, yet another Grow Bonds project, is making an international name for itself for its special mold of plastic pet carriers.

The spin-offs to this success have hit home. For example, in recent years, 36 of 72 Manitoba towns and villages have recorded an increase in their population. The information age is having a significant impact on our growing communities because thanks to the new cyberworld, Internet-based businesses can flourish anywhere. A case in point are Sandy and Robin Dubreuil, two brothers from Miami, Manitoba, who are running a world-class computer animation business. The Dubreuils are showing us the way to the future.

Finally, we will be able to live where we want to because in the information age it is work that will travel instead of people who travel. It is a world where our young men and women do not have to leave home to build a promising future for themselves.

Mr. Chairman, with a new century and a new millennium now only months away, the Dubreuils are symbols of the future. We are living during one of the most exciting periods of time in history. Over the past decade, rural Manitobans have been preparing themselves for the opportunities that lie ahead. The future is filled with promise for all of us. We have already come so far and achieved so much. Now we need to continue to build on the success of the past. We need to provide the kind of climate so that the positive attitudes that rural Manitobans have embraced can continue to flourish. There is indeed a renewed sense of confidence and pride that have come as a result of all of us working together. In the process we have been able to make our communities better, so much so that our youth are coming home to raise families of their own.

We only need to look back a few generations to understand why Manitobans have never backed away from a challenge and why, in fact, time and time again, they have demonstrated the ability to find their solutions and also the opportunities to build our province even stronger. The reason is because we come from a proud heritage where our parents and grandparents faced very significant challenges to pave the way for us. Rural Manitobans have inherited and adapted the wisdom and strength of their ancestors as they continue to build their own dreams.

\* (1440)

Mr. Chairman, once again it all stems from attitude. Attitude is more important than what other people think or say or do. Why is attitude so important? Because it is ours. We control it. We alone have the choice every day regarding the attitude that we will embrace. There is a spirit in the people of this province, steeped with pride and blended with hard work and determination, and it is alive and well in rural Manitoba and in the Department of Rural Development.

I want to take a moment to mention one individual who has had a significant and lasting impact on the community and on our province. I know that he is not only familiar to me, but familiar to all the members of this Legislature,

because he indeed has conversed and has had many opportunities to work with members of this Legislature. That individual was one Henry Wiebe, former mayor of Winkler. Henry passed away in mid-February, leaving behind a tremendous legacy. His life serves as a reminder to all of us of what one individual can accomplish when blessed with a positive attitude, a vision, a team spirit, and a strong work ethic. Henry was one of the originators of community loans pool, an initiative that served as a model for Community Development Corporations and for our own province's Community Works Loan Program.

All around the province, we are individuals who exemplify the same attitude and qualities as Henry. For our part, our greatest accomplishment in the department has come from being able to help Manitobans help themselves. This is served as our mission and resulted in the success we see throughout rural Manitoba today. The accomplishments and achievements of the past seven and a half years are indeed many, and I would like to highlight just a few of them.

We have undertaken implementation of a new assessment legislation. We have computerized assessments. We have introduced market value assessments, and we have improved public consultations and access to assessment information. All of these developments have resulted in the lowest rate of property tax appeals in the province's history.

We have increased by 40 percent the VLT grants to municipalities since 1995. Provincial-municipal tax-sharing payments have risen 47 percent over the past five years, with Manitoba remaining the only province in Canada to continue to increase funding to municipalities. We implemented a new municipal act which serves as a basic framework and which we continue to work to improve in order to provide local government with the flexibility it needs to build healthy communities.

In the current legislative session, I have had the pleasure of introducing amendments to both The Municipal Act and the Assessment Act. Proposed amendments to The Municipal Act are designed to accommodate communities that are seeking to restructure.

In addition, we have proposed a number of amendments that will clarify the process leading up to and regarding when and how tax sales proceed. This is an issue that was before us early this spring and last fall. Our intent is to balance the interests of property owners who may be at risk of losing their properties with the interests of municipalities that rely on a timely payment of property taxes to fund the delivery of municipal services to residents and property owners.

Proposed changes to The Municipal Assessment Amendment Act include, among other things, a provision to exempt a group known as the Friends of Elmwood Cemetery in Winnipeg from paying municipal and school taxes. This will allow the group to continue to maintain the cemetery, something they cannot afford to do without the tax exemption.

What is important to note is that these continuous improvements and accomplishments are happening because rural Manitobans are working together to build strong communities and strong economies.

Before I continue I want to mention an important event which took place earlier this year. That is the amalgamation of the UMM, the Union of Manitoba Municipalities, and the MAUM, the Manitoba Association of Urban Municipalities. The Association of Manitoba Municipalities is the name of the new organization, which will provide a strong voice on behalf of all municipalities in both urban and rural communities throughout Manitoba. I look forward to continuing to work with the new association as we explore options for the future.

One of the areas in which the AMM has a significant role to play is in the work in support of both rural and urban issues. The Manitoba government remains committed to sustaining its efforts for all Manitobans. That is why the province has established a five-member panel to study planning and growth in the Capital Region, an area spanning Winnipeg and 15 surrounding municipalities.

As Rural Development minister, I have had the pleasure of meeting and working with Capital Region representatives. After all, a

strong Winnipeg is integral to the prosperity of our province. I look forward to working with my cabinet colleagues to ensure a strong and healthy Capital Region.

Mr. Chairman, the department continues to make great strides in helping rural Manitobans pursue economic development opportunities. In total, 24 Grow Bonds have leveraged over \$28.6 million in capital investment in rural Manitoba, money that would have otherwise gone outside of rural Manitoba, helping to create and maintain more than 700 full-time jobs. The Rural Economic Development Initiative, REDI, has leveraged over \$106 million in capital investment and has created and maintained over 2,700 full-time jobs.

REDI programs like the Community Works Loan Program and the Rural Entrepreneurial Assistance Program have had a hand in the rural economy's resurgence. The Community Works Loan Program offers a means by which communities are able to create loan programs to benefit local small business. The funding we provide is matched by participating community development corporations or, as we call them, CDCs. So it is truly a process that allows for grassroots participation and the setting of local priorities.

Currently we have 49 CDCs and have raised close to \$1 million, which we matched with close to \$2 million. Throughout this program a total of 184 loans have been approved, valued at \$1.4 million. As a result 469 jobs have been created and maintained. Incentives like the Community Works Loan Program are helping to keep the economy moving forward. Through the REA program we guarantee loans, which businesses secure through financial institutions. To date a total of 156 REA projects worth \$5.4 million have been approved, creating more than 360 new jobs.

In the meantime, we continue to look for new ways to further assist rural Manitobans. For example, we are entering into the third year of delivering marketing seminars to help small businesses and community organizations improve their marketing techniques. Close to 900 rural Manitobans have participated in marketing initiatives since 1997.

The department's emphasis on assisting our young people is also netting positive results. The Green Team and Partners With Youth programs have created over 5,400 part-time positions for rural youth. The Rural Junior Achievement Program has now been delivered to over 30,000 rural students in over 170 schools in 120 communities since 1993. Meanwhile, volunteers have provided more than 16,000 hours of personal time to deliver more than 1,000 business programs.

I cannot help but think back to when the program first began. We had about a hundred students in a half a dozen or so communities and schools throughout rural Manitoba. We have indeed come a long way.

As I said earlier, you can see in all of these accomplishments that what we really are doing is helping rural Manitobans to help themselves. It is rural Manitobans who are really getting the job done. The proof of the commitment is in the Community Choices program. Throughout this program introduced in 1991 residents form community round tables to examine their communities and decide how to best manage their resources for the future. This program has worked beyond anyone's expectation. Today Manitoba has 98 round tables. I might say that since these briefing notes, we have I think been able to up that to 99. We are looking at the 100th round table in the very near future.

So we are pleased to welcome the community of Darlingford, which is new to the round table process, which has just formed the newest round table in Manitoba. Round table participants come from all walks of life, banding together to plan a vision for their towns and villages. Their successes are all around them. It is evident in the stories of communities enriching their economic, social, and recreational options a situation that is commonplace in our province. It is the kind of community dedication and spirit that will ensure our rural communities remain strong and prosperous for the future.

A showcase for much of what has been accomplished over the past years has come as a result of many partners and sponsors and hundreds of volunteers working together. Here I

speak of the annual Rural Forum which this year took place April 29 to May 1 at Brandon. Total attendance at this year's forum was about 9,000, bringing the total for the seven-year history to 42,000 people.

It all began with 350 people who came together in Neepawa to help create the first sustainable economic renewal strategy for rural Manitoba. The economic strategy has been in place for five years resulting in increased diversification and value-added products, creating jobs, increasing investments and exports.

Rural businesses and community leaders came together at Rural Forum '99 to renew that strategy in order to carry rural Manitobans into the new millennium and beyond. Some of the new areas that have been identified which we will focus on for the future are information technology, youth entrepreneurship, expansion of trade and export tourism, tourism development and the role of government in the economic framework. In the meantime, the forum has come to symbolize the success that rural Manitobans have achieved. The Rural Forum is just another example of what we have been saying all along, that rural Manitobans have a lot of which to be proud.

\* (1450)

In other areas, our accomplishments include sewer and water projects which in the past year have generated more than \$30 million worth of construction and up to 1,500 jobs. As many as 400 new rural households have been connected to piped water systems. The Conservation District Program continues to expand with Manitoba now having a total of 11 districts. The newest additions are the Kelsey and Little Saskatchewan River Conservation Districts which were formed in January of this year.

Our continued involvement with Ukraine and with the new territory of Nunavut are just two more examples of the department's efforts to build opportunities for Manitobans that extend well beyond our borders. Over the past year, we arranged two highly successful trade missions to Nunavut and hosted a trade delegation of business and community leaders from the Kivalliq region of Nunavut. In April, I had the pleasure of joining Premier Filmon to open the

Manitoba-Ukrainian secretariat and to announce the formation of an advisory committee to further business relations between Manitoba and Ukraine.

Another major initiative in which we assisted was to announce the Manitoba Marketplace. The Manitoba Marketplace is a comprehensive website offering information on what Manitobans buy, sell and make. In addition, it provides access to business information and service information about Manitoba's communities and linkages to a variety of other websites. The Manitoba Marketplace is just one of the ways we are helping rural Manitobans to get online.

The whole issue of how computers will affect us as we approach the year 2000 has been top of mind for the province and for Manitoba's 201 municipalities. The year 2000 is significant because many automated systems store only the last two digits of the year and will not be able to make the transition from 1999 to 2000. The biggest exposure for municipalities has been around the traditional computing environment. Financial systems relate to the handling of accounts and tax assessments and all other internal financial matters. If municipal financial systems were not operating come January 1, 2000, municipalities would not be able to produce financial statements, pay bills or process monies they receive. Therefore the department has been working with the municipal offices and municipal staff to ensure that computer systems in all municipalities are Y2K compliant before the year 2000 arrives.

Following are some of the actions that we have taken. Since the fall of 1997, rural development has participated in a special information technology committee to work through a strategy to prepare municipalities for Y2K. The department produced a checklist to help municipalities identify potential year 2000 requirements. The department also has been actively working to inform municipalities about the year 2000 issues by participating in presentations, workshops and conferences. In addition, through a province-wide year 2000 committee, the department and municipalities have been working with the major players involved in the delivery of essential services.

As a follow-up, municipalities will have been surveyed to assess their year 2000 readiness so that appropriate strategies can be developed to rectify any concerns. A year ago, only about a quarter of Manitoba municipal financial systems were Y2K compliant. Because of activities to date, 95 percent of our municipalities have been issued Y2K-compliant software. The remaining 5 percent will be Y2K compliant within the next three months.

Mr. Chairman, I now want to address the implications of the budget for our department for the coming fiscal year. I am pleased to announce that funding appropriations for the department have been increased by 3.6 percent from \$50.4 million to \$52.3 million. Of the total, funding for Local Government Services Division will increase 4.5 percent to \$11.4 million. Increases have been also provided for a number of program areas within the division. Most notably are support services such as municipal support grants, assessment services and help with the Y2K compliance issue. Funding increases of 5.6 percent to \$7.4 million will also be provided for the economic development services division. Increases will allow staff to extend service delivery into a greater number of northern communities. For example, the appointment of a new business development officer for the territory of Nunavut will help to foster an increase in activity for Manitoba businesses. We are also pleased to announce that funding levels for rural economic programs will remain the same as last year.

In closing, I want to again congratulate rural Manitobans for the determination to help themselves. Manitoba Rural Development will strive to maintain the building blocks to allow rural Manitobans to continue to prosper. We need to uphold the cornerstones of strong local government and community and business development if we hope to maintain our strong and vibrant economy. I seek your support, Mr. Chairman, and that of the members of the Legislature for our departmental Estimates so that we may continue to help rural Manitobans with the task ahead of them. Thank you very much.

**Mr. Chairperson:** I thank the honourable minister for his remarks. Does the critic for the

official opposition, the member for Interlake, have an opening comment?

**Mr. Clif Evans (Interlake):** Yes, thank you, Mr. Chairman, and I want to thank the minister for his opening comments. This being the sixth or seventh year that we have faced each other here in the Chamber as part of the Department of Rural Development, mine of course being the opposition and the minister's in his part, it is almost like we never go away anywhere. We always seem to be together. The minister made comments today where, of course, he started with congratulating his staff, which I want to add to and put on record that I, too, want to say, instead of saying this at the end of the Estimates, that it has been a great six, seven years. The minister's staff has been very co-operative with me when it comes to dealing with some of the issues that have come to my office as far as rural development goes, and there are issues right now that are outstanding that we are going to be dealing with in these Estimates, some issues that do concern rural Manitobans.

The minister's comments, of course, revert to the Free Press. I went back to last year's Estimates, and if I might, I cannot remember exactly what the minister said. Going crazy. This time he said: Going crazy. In Manitoba, the Winnipeg Free Press will tell you that it ain't so until it is so. In other words, if it is not in the Free Press, it is simply not happening. I refer you to the article of Sunday, March 15, in which the paper finally conceded in its headline that there was an economic boom taking place in rural Manitoba. Now the paper went on to say that nobody quite knew where the boom started, but in fact there was one currently taking place. I accept that the Free Press is just waking up to the success that it is taking place in rural Manitoba. Of course, this time around he said that the Free Press is saying everything is going crazy. I do not know if it should be going crazy or should be just booming.

I certainly want to add some comments. As far as Rural Development, it has been, indeed, a pleasure being opposition critic. Perhaps we may see this same time next year a reversal of roles, but just in comment. I want to also say that in some of the issues pertaining to Rural Development, we must maintain the services that the

department has been providing. I believe that we have worked alongside with the minister and his department in being able to, hopefully, present some issues and present some points. I certainly do not believe, and my colleague from Swan River can concur with me, that we have not been negative in too many ways, not about rural Manitoba. Certainly not about rural Manitoba. Come the government, that is a different story, but, as far as rural Manitoba, we can certainly say that we are pleased with the way some of the areas in rural Manitoba are progressing

The minister mentioned the services that are needed in rural Manitoba and the services that are being provided. Now, we see services that are more computerized, as the minister referred to with the year 2000 coming up. Everything being on the Internet has made a difference for a lot of rural Manitobans and a lot of rural communities. One of the points that I find very interesting is the fact that the communities can put themselves on the Internet, and many communities have, advertising themselves throughout the world. I have had the first chance of seeing some of the communities that have done that. I think that is a tremendously progressive way of letting others know just where Birtle is and what it does, and where Russell and Riverton is, et cetera.

You know, Mr. Chairman, a lot of that, too, is with our young people being able to stay at home. I was at the opening of the personal care home in Fisher Branch on Thursday, and my comments were that we were able to keep our elderly at home, those that need that service, and keep them with their families. I think that what we do have to strive for, and I agree with the minister on this, for our young people to either be able to stay at home in one aspect, whether it be through entrepreneurship or further education in and around their areas or certainly having the opportunity to come back and be a part of their communities so that we do not have a depopulation.

He did mention that 36 of 72 communities have increased in population, but during Estimates I will raise that because I will want to know where the majority of this increase is. I might be worried about the fact that most of it is

in the southern half of Manitoba. If that is the case, then this government and this department and the other departments within the government of Manitoba, whoever it may be, would have to certainly be working towards providing the opportunity for increases of populations in our northern and other rural areas.

\* (1500)

One of the things that I want to refer to, in the last Estimates in my opening remarks, and I remember because I read through them and the minister did not make any comment, but I made mention to some of the little faces he was making and what he was looking at and raising his eyebrows about it. But I believe, and still and always will, coming from rural Manitoba, that the infrastructure is so important to be a part of an economic boost for our rural Manitoba: services, health care services, education services, roads, transportation, those certain aspects.

I ask the minister to be diligent. In some of my debates with the minister on The Municipal Act and in others, I have said to him and to his department to encourage the Minister of Highways (Mr. Praznik) and to encourage the Minister of Education (Mr. McCrae) and the Minister of Health (Mr. Stefanson) to be able to look at providing that level. So everything that he said, the Department of Rural Development is there and available to help with, can be done a lot easier.

A lot of people that I talk to are pleased with way the department has implemented certain parts of the program, but they also come to me and they also say to me, even the AMM people will say, you know, it is wonderful that this is happening and this can happen, but you know, there are no doctors; but you cannot get there by road; but their young people have to leave; there is no availability in some of the communities for the computer and the modern age, et cetera. So it is these essential services. I say essential services because I believe that a community is going to thrive, young people are going to thrive, entrepreneurship is going to thrive if there is the infrastructure, proper services, that can be and should be provided.

I go back to the task force meetings, April '96, that the government had. I would like to go



over a summary part that what I am referring to: need co-ordinated approach to infrastructure spending. Now, I believe that that is part of rural development, part of developing the rural areas. Infrastructure plan for Manitoba needs to assure a long-term level playing field; again, related to rural Manitoba, related to infrastructure. You cannot have one without the other. You need a little bit of everything to be able to have that larger theme and that larger theme being able to grow within the community and the community being able to grow within itself.

Water supply, which we will discuss during Estimates, as far as the Water Services Board, and improved communications required, for example, improved Internet and cellular telephone service, the minister in his comments has indicated that the department has implemented such programs for rural Manitobans, and I am glad to see that there is a start. This goes back to '96, and we see that this workbook that was provided to the Legislature in '96 actually was telling us, the legislators, that there was a need for these things.

So by my comments, saying it is wonderful to have this available and that available and the Internet available for rural Manitoba, I will always support that, but the bottom line also is that it is the infrastructure for rural Manitobans who need to be able to provide a future for their visions and their communities that needs to be made available. This government has lacked that in the last 10 years. You cannot put the cart before the horse, Mr. Chairman.

I am pleased to see that the department has provided an assessment appeal process, has computerized the assessment. I have not had any real complaints about the system itself from the people that I talked to. I am pleased to see that the VLT monies are being provided to the communities. I know only too well, unfortunately, how much of that money does leave our rural economy, and I would always argue the fact that more should go back, and more should go back towards the infrastructure end of some of the communities. Maybe put a program together that more VLT money can be used in a co-operative basis with communities to do something for their infrastructure within their own setting.

The input from the different areas in discussing the Rural Development department and, of course, just meeting with the new board of AMM delegates a few weeks ago, what I heard from them was that they were pleased with the role that this department was playing. However, they said as long as the grassroots is maintained, and when that grassroots needs that help, and it is in this book too, when the grassroots needs assistance, that they can have somebody in government to go to, to be able to envision what they may want to do, whether it is worth it, whether it is feasible, or whatever. But they talked about helping themselves as much as possible, but having the grassroots have that availability from this government, from this minister and other ministers, when the help is needed, whether it be in the marketing end of it, whether it be in the promotional end of it, whether it be in whatever. That is what I heard.

I remember making some comments at one time, and the minister will probably dig it up, or staff, about a comment I made about the department at one time when he raised the issue about the round tables. At that time when I got up and made my comments, I can tell you that I was not getting any positive response to these round tables, so, I, of course, was not too positive about it myself with my comments.

But I can say, and I do not know if my rural colleagues have anything else that they can add to this, but I can say that in the process over the last few years, I guess the process has developed and become better educated and grown up a bit, so that the round tables in the communities are definitely serving—I feel in a lot of the communities, they are serving a positive, positive note to what should, could maybe happen in their communities. I put on record now, it would be very nice to have the hundredth round table being announced yet before the end of this session. I look forward for that.

Rural Forum, I think, at first perhaps was not what we were looking for but, again, I believe through the department people and through the ideas coming from other groups that the Rural Forum this year in my mind and people that I talked to, I spent time there, and I enjoyed it as always. I found it to be personally more informative than the previous Rural

Forums. I found more positive comments from the majority of the people participating. I found this year very, very few negative things said about the forum itself. I thought it was a very good Rural Forum. I will compliment this minister and his department on this year's Rural Forum.

I am not sure whether 9,000 people was a good number. I would have hoped that there would be more people come through the doors. [interjection] That is true. That is right. Don't fool with Mother Nature is that old saying, you know. But I do want to say that it was a good three days that I saw, a positive three days. I think a lot of people came out of that feeling better about some of the things that were available.

But again I want to go back. You can feel good, but if you cannot drive the road back to Riverton, Manitoba, because it needs some repair, by the time you are halfway home, you do not feel good anymore. And you know what? If you get sick by the time you hit Riverton, there is no doctor to go see, you totally do not feel good about yourself. You have left Brandon feeling great from the Rural Forum and then you feel lousy and need a doctor by the time you get home. [interjection]

\* (1510)

The minister says not to go home. But it would also be nice, Mr. Chairman, if we could have the Rural Forum, unfortunately, we could have it in another venue too. Just like the AMM people, change. Whether it would be the size, yes, if we could find a community that could take that amount of people into the venue. I know it would be difficult because it has grown so much and needs a larger space, but I say again to the minister, that was a good Rural Forum and hopefully we will grow with it.

When he talks about at the beginning about some of the companies that have grown and have developed, I look at the names and the companies and they are only in southern or southwestern or southeastern Manitoba. I heard no mention of any companies that were growing or have become new north of the perimeter. If there is, the minister can certainly respond in

questions during Estimates on that. I have got marked down here when he talked about the Grow Bond issue and how successful—he used the word "successful." We do not want to forget some of the unsuccessful ones that have been and we do not want to really necessarily raise them.

I do not want the minister to be patting himself on the back or his department about the success of the Grow Bond issue, because we can dig up a few of those that have not been so successful and had some things not positive around it. Fortunately, but unfortunately, in Arborg the quiche plant is operating on its own. The Grow Bond issue has been repaid by the government and is now going on its own. Two shifts. I wonder why. Maybe I will have the opportunity about Grow Bonds and issues and about that particular corporation. Why the failure when the Grow Bond issue was in place and why this sort of semisuccess that it has now?

We have supported the Grow Bond issue. We think it is a positive avenue to have people investing in their own communities. I believe that a community, not only the community within itself works together and has a good attitude, but a community should, especially when there are other communities that are close in population, close to them within an area. Since I was mayor in '89, I have been an advocate of having communities working together more. Instead of just having the round table for this community, that community, that community, work for the fact of trying to get the whole area on the community round table. Each community may be unique in what it wants or what it needs and what type of infrastructure it has, what type of availability for economic development it may have, and communities can work together on that.

I believe that, with working together, with the grassroots working together and with the Department of Rural Development having available the programs in place and maintaining the programs in place, maintaining the people in place that will be able to assist when the call is made, when the letter is written, this department respond not only with the resources that are made available through the department financially but also with manpower or person power.

I am pleased to see that we have become partners, if you want to call it, in trade initiatives that we have through the Department of Rural Development with the Ukrainian people and Nunavut that the minister did not invite me to. I am very disappointed, you know. How can you support something that you cannot go to? I mean it just—[interjection] No, you did not, as usual. Maybe the day before I could not go or maybe the day after it was over with. Anyhow, I am pleased to see that that is progressing, and if there is a change of government, that the change of government will, indeed—[interjection] No, but continue to go on with this initiative.

I look forward to further involvement with this minister until the next election when there is anything that involves these two communities, along with our province, that I be made aware of and certainly would support and publicly support it. I can say that I am also very pleased with the development of the conservation districts that the minister has mentioned. We will ask some questions with respect to that.

Mr. Chairman, in closing, without repeating myself, I do want to say that we have had a good relationship with this department. The rural members, my rural caucus and fellow rural members have not raised any serious issues. The one thing, I believe, is that I think that the minister has made himself available. If the member for Swan River (Ms. Wowchuk) or the member for Dauphin (Mr. Struthers) has an issue, there is no need to go through me with it, they can go directly to the minister's office and deal with it. We appreciate that, but there is nothing that we have to be discussing as far as anything negative right now during the process. Well, my colleague from Swan River has raised her eyebrows, and I guess I wonder what is in store for us. Maybe I spoke too soon.

Mr. Chairman, my closing remarks, because of the way we are dealing with this Estimates process at this time, my colleague from Swan River will begin the questioning as far as Estimates to give her a chance to do a little discussion with the minister.

I just want to also, in closing, say to the minister and to his lovely wife a happy 25th anniversary today, and we hope that the day goes

well for you for the rest of the day and evening and certainly bring back some—[interjection]—and perhaps bring some cake back for the critic. Thank you very much.

**Mr. Chairperson:** We thank the critic from the official opposition for those remarks. I would like to remind members of the committee that the debate on the Minister's Salary item 1.(a) is deferred until all other items in the Estimates of the department are passed. At this time, we invite the minister's staff to take their place in the Chamber.

Is the minister prepared to introduce his staff present at this time?

**Mr. Derkach:** I would like to introduce the staff at the table at this time. I am sure they are familiar to my critic. First of all, Ms. Marie Elliott, who is the assistant deputy minister of the Local Government Services Division; Ms. Denise Carlyle, who is the executive director of the Finance and Administration Division; Ms. Marilyn Robinson, who is the director of Human Resources Sector, and Mr. Ed Sawatzky, who is the manager of land development area.

\* (1520)

**Ms. Rosann Wowchuk (Swan River):** I want to thank my colleague the member for the Interlake (Mr. C. Evans) for giving me this opportunity to raise a few issues that I would like to discuss with the minister at this time. I think my questions might jump over a few areas, so if there are questions that I am asking that may not fall in with the staff that is here now, if you let me know, I would ask those at another time.

*Mr. David Faurshou, Acting Chairperson, in the Chair*

I would like to begin with the whole situation that we have been talking about for some time now, and that is the difficulty the people that are in the southwest part of the province are feeling with the unprecedented amount of rain. As a result, many municipalities have declared a state of emergency, but it seems that there is a real problem with the managing of the water, something that they are not used to.

We met with some people the other day who talked about water being drained out of one area onto another and certainly causing a lot of hard feelings amongst people. I can understand why it is happening, because everybody is fighting for their own survival, but it is not solving the problem.

So I would like to ask the minister whether the Department of Rural Development plays any role in co-ordinating activities such as this, or does it all fall under Natural Resources, or is there a role for the department to ensure that there is proper management of water, while one person has a disaster now, it ends up being just continuing on to somebody else's property? Surely there must be a way to co-ordinate this, although it may not happen with the situation that we have in place today, but we have changing weather patterns in this part of the province, but it can be in another part of the province where we could have a similar situation. So what is the department's role to ensure that there is a proper management, and what is the department's role when there is a disaster such as we have in the southwest part of the province right now?

**Mr. Derkach:** First of all, regarding the issue of drainage in municipalities, that matter falls under the jurisdiction of Water Resources Branch from the Department of Natural Resources, but I must say that we have worked closely with the Department of Natural Resources and Agriculture along with municipalities to try and co-ordinate an approach to drainage issues that is going to be one of water management rather than simply drainage. As the member knows, under The Municipal Act there is a provision that speaks to this whole issue of responsibility for managing water drains on municipal property. The municipalities approached our department a couple of years ago requesting permission to go on private lands to block drains and that sort of thing. However, that matter once again is in the area of responsibility of the Department of Natural Resources who have been working with municipalities in that regard.

This is not a new issue. As the member knows, it is one that has been around for many, many years, but with the change in climatic conditions where we are in a wetter cycle, this

certainly is causing more concern to municipalities and as more and more land is improved in the west side of the province. In years past we did not pay a great deal of attention to that because land was being improved in the southern part of the province and because of the river systems there was not that kind of concern. Now I think there are some river systems and streams in western Manitoba that are filling up to capacity, and as the member points out, a person solving his or her own problem on his own property only causes an exacerbated problem to others downstream.

So through our conservation districts we are working with municipalities and with individual landowners to try and put some sense into all of this, so that not only do we allow for landowners to improve and enhance their properties, but at the same time we put a plan in place which is through the conservation district and allow them to have a greater say in how water issues can be managed. That is why our conservation districts are established on a watershed basis because that is basically how the issues come together, especially water-related issues as on a watershed basis.

So we are promoting the establishment of more conservation districts because we see where they operate there seems to be less of a problem than in areas where there are no conservation districts. So that is why I said in my opening response that we work with Natural Resources, and this is the way that we do it.

**Ms. Wowchuk:** I thank you for the answer, but when there is an emergency crisis situation such as this, there is no real role for the Department of Rural Development. It is Natural Resources in this case that would be taking over to co-ordinate any activity that would be taking place to assist in the flow of water off this land. The department does not play any role in getting the municipalities together, any co-ordinating role at all in this.

**Mr. Derkach:** Well, that is not something that is very clear because the lead responsibility for water drainage issues would be with the Department of Natural Resources. Our role would be more of a liaison making sure that we

work with municipalities and with the Department of Natural Resources or with the Department of Government Services who have responsibility for issues as they relate to disasters. We will also work with the Department of Agriculture. So we are more of a liaison kind of body that would work with the organizations, such as conservation districts and with municipalities and with our sister departments.

**Ms. Wowchuk:** The minister mentioned conservation districts. It is certainly a concept that has been working quite well, and, certainly, we have to look at managing water better. Can the minister indicate how many conservation districts there are now and whether there are any new ones that came on this year?

**Mr. Derkach:** Mr. Chairman, to the member for Swan River, we have established 11 conservation districts in total. I should say we have 11 conservation districts existing today, but some of them have had additions to them. In some of the conservation districts, we have had municipalities who have joined recently to expand the conservation districts, so there has been some of that taking place. The new conservation districts, I guess, would be the Intermountain Conservation District is one; the Kelsey Conservation District and the Little Saskatchewan Conservation District as well.

\* (1530)

**Ms. Wowchuk:** The number of conservation districts continue to increase and more and more work is being done at the local level, but we see very little increase in budget for the number of conservation districts. I know that the Intermountain Conservation District just expanded, taking in more territory, and with two new ones coming on board, that is a very little increase. This is an issue that has been brought to our attention where the numbers of conservation districts are improving and more and more responsibility is going on to them, but the funding is not corresponding with it to ensure that they have the adequate funds to take on the responsibility that is being passed off onto them.

So I wonder if the minister recognizes that as an issue and what steps he is taking to ensure that those conservation districts that are being established do have adequate funds to do the work that is very important in the areas.

**Mr. Derkach:** I can appreciate what the member is saying. However, when we establish a conservation district, it takes some time for that conservation district to get its policies and procedures in place. So they have not got the capacity to spend a full allocation, if you like, of dollars in their first or second year. So if the member were to take as an example the Intermountain one, which is probably the most familiar to her, in the first year of operations the Intermountain Conservation District would have received from the department \$97,500. That was to get their preliminary work done, and, of course, the municipalities in that conservation district had to make their contribution as well.

So they set a budget in terms of what they can spend. In the following year, we sit down with them and we talk about what it is that they will require for allocation, because the allocation has to be matched, and what they think their budget should be on a reasonable basis because they are still in the formative stages. So in Intermountain, the budget for 1999-2000 was established at \$121,000. So it went from \$97,000 to \$121,000.

Now, at some point in time in the future when they are developed completely in terms of their policies and are ready to go ahead with their regular work on an annual basis, the funding will level off. So it may mean that on the basis of what municipalities in the area contribute, let us speak hypothetically, in the Intermountain case it may be something like \$200,000 or \$300,000 where it would level off at. Then, on an annual basis, municipalities would contribute their share and we contribute our share. Unless there were special projects, because sometimes that happens too, where special funds may be injected because of special needs or special projects, the administrative and the regular funding would stay basically at that level with minor increases for adjustments on an annual basis.

**Ms. Wowchuk:** So I take it, then, from those comments the minister feels that the amount of funding that is there now is adequate for the 11 conservation districts to meet the projects and the administration that they have for the upcoming year.

**Mr. Derkach:** Well, there is always more need, but our funding is based on a 75-25 percent basis where the government puts in 75 percent and municipalities put in 25 percent. So in many instances this is also limited by the amount of available funds that are there for municipalities as well. So it is on that basis that we approach the amount of money that is funded. I am very happy to say that, over the course of time that I have been here, I think when I came into this department we had five conservation districts and we are now up to 11. I am sure that, in the course of this year, we are looking at one or two more. So we have had increased funding allocated to this appropriation on an annual basis because of the growth that has taken place. It is something that we support wholeheartedly because I think local people often do a better job in managing, whether it is water resource issues or other issues, better than somebody from Winnipeg or a department can. So that is why we support empowering the local organizations and conservation districts to do a lot of this kind of work, and our funding simply is there to try and ensure that this goes on.

Having said that, the member should know that there are conservation districts in the province that have responsibility for crossings. I think there are the Whitemud, the Alonsa, Cooks Creek and Turtle River that have responsibility for crossings. In 1998, we allocated a million dollars to those four conservation districts to undertake the improvement of the crossings, and we did this by asking them to do an inventory of the crossings and then to repair them because many of them were, I guess, under spec according to the Department of Highways when they inspected them. So we allocated a million dollars. Cooks Creek received a fair amount of that money because they were prepared to do the work. Whitemud, Alonsa and Turtle Mountain received less money because they did not have the funds to do what was required, their share of funds, and they wanted it spread over a longer period of time. So we are working with them to ensure that all of these crossings are brought up to standard.

**Mr. C. Evans:** Mr. Chairman, further on the Cooks Creek district, has the minister received and the office received any complaints in the last, I would say, six months from individuals

around the Cooks Creek area that there was some dispute as to some of the work that was being done there? I am wondering if this has to do with these crossings. Can he enlighten me on that if he has, and if he is not aware, can he get back to me with it?

**Mr. Derkach:** Mr. Chairman, I am sorry to say that I cannot provide an answer right now to the member. I have not heard personally of any issues in the Cooks Creek area as a result of work that was done on crossings. I mean, there are constantly small issues that we hear about, for example, drainage ditches being constructed and perhaps not taking into consideration some of the needs of people where the ditches are being constructed. Those are usually ones that are resolved at that level and our staff. I will inquire of the staff to see whether there are any major issues, and I will be happy to report back to the member.

**Mr. C. Evans:** Just another question on these crossings, can the minister explain, these crossings that you are providing these resources for, are they crossings across large drainage for market roads? Why are we providing all this money for the crossings?

**Mr. Derkach:** When the conservation districts were established, especially those four, those were areas where there were very many crossings across drains either to access properties or access yards or for transportation of market products. These were all taken over by the conservation districts. So the money that was formally in the Department of Natural Resources or Water Resources was transferred over to the conservation districts for them to manage.

Now, what has happened over time is some of these structures have outlived their longevity and they require replacement. So the government has decided to help the conservation districts to replace some of these crossings. Now, what we have found is that as the demographics of rural Manitoba change, sometimes some of these crossings are not required to the extent that they were built in the beginning. So you have them being replaced, and again this is a management issue within the conservation districts, by low-level crossings,

whether they might be a weir or a low-level crossing for equipment but not necessarily for school buses and public transportation. So that is happening as well.

What conservation districts have done is they have gone around and looked at the crossings, examined the need for them, and determined what kind of crossing would be required to replace it and then have come forward with proposals. It is on this basis that we have funded the replacement of some of this infrastructure.

\* (1540)

**Ms. Wowchuk:** I am pleased to hear that the government continues to move to establish more conservation districts. One of the areas that I am very interested in is in the Swan River area. There has been talk about a conservation district back when I was a councillor, which is about 10 or 11 years ago, and it has been very, very difficult to get all the municipalities to cooperate to establish that district.

What role does the department play or what services can the department provide or information to those municipalities that are hesitant? Is there any encouragement that the government can offer to help promote that particular conservation district? I know that it would involve three municipalities, and there is one municipality that hesitates. As a result, we do not have a conservation district there, and we continue to have many water problems.

One of the issues is, as we have more logging, there is more water coming off the mountain at a faster rate. The people at the bottom end of the area are the ones that end up having very serious water problems. In this particular case, it is down in the Lenswood area around the Swan Lake area, the Woody River, the Swan River, where I was out this spring and saw areas that just cannot take the kind of water that is coming out of them. I was not aware, but as you look at the map we have water coming out of Saskatchewan that drains into Manitoba.

So the one question is: what incentives or encouragement can the government offer through Rural Development to promote a

conservation district? The second one is: are there any conservation districts that cross borders between Manitoba and Saskatchewan? Because in this particular area there are three municipalities I believe that are out of Saskatchewan, like right across the border, that the water is draining into Manitoba, ends up in Swan Lake and then in Lake Winnipegosis. It is this very fertile area of land that is taking the brunt of it, but we cannot seem to co-ordinate any management of the area.

**Mr. Derkach:** Mr. Chairman, to the member, I have to say that I would be extremely pleased if we could establish a conservation district in the Swan River area. We would be happy to do what we can to assist in that regard. What we do as a department is we will go out and encourage municipalities to look at the concept of a conservation district. We provide them with some examples of what conservation districts in other parts of the province do and what successes they have had. We make available to the municipalities people from conservation districts in either neighbouring jurisdictions or other jurisdictions to talk to them to display and explain the benefits of conservation districts.

Well, that is about as far as we can go. We really cannot twist the arm and say, you must. The carrot of course is the 75 percent of funding that goes to conservation districts. I keep saying that the dollars that we provide should be a great incentive for municipalities to form a conservation district. I cannot for the life of me understand why municipalities who have an opportunity to spend 25 cents out of a dollar to do conservation works in their areas would not jump at that opportunity. Nevertheless, we have to respect local autonomy, and we do. I have to say to the member also I am a very strong proponent of conservation districts, yet my own municipalities where I live do not have a conservation district. So sometimes it is most difficult to sell in your home territory; however, there is work proceeding.

With regard to the cross-border conservation districts, we believe that it is a good idea. We would support it, because water does not know a political boundary. It knows a geographic boundary; it does not know a political boundary. So we think that in areas where it does make

sense, we could support the establishment of a conservation district which goes across the Manitoba-Saskatchewan border. There is no reason why we should not be able to support that, especially, when we see some of the problems that are occurring as a result of cross-border waters in the member's area and in mine as well. So if there were a will to do that, we would certainly support that.

At the present time, I have to say there is some renewed work being done in the Shellmouth, Bolton, Russell, Silver Creek area, regarding a conservation district wanting to join with some Saskatchewan areas. I think Shell River is part of that. Hillsburg has not decided to join that exploratory work at this time.

**Ms. Wowchuk:** Can the minister indicate: has he had any discussion with his counterparts in Saskatchewan to discuss this possibility? Is there willingness on their part to look at these kinds of conservation districts? Our water does not flow into Saskatchewan. It is their water that comes this way. Has there been any discussion, and is there any willingness to pursue this?

**Mr. Derkach:** No. I am afraid I have not discussed this specific issue with anybody from Saskatchewan. I can say to the member that I have discussed the water issues, the drainage issues along the border with ministers from Saskatchewan, but not the establishment of a conservation district as such. Their conservation district concept is a little different than what ours is. They are reviewing their issues right now.

I think we are a little premature right now. I want to see whether or not there is going to be a willingness for at least this one area to look seriously at a conservation district. Then, if they say, yes, we are serious about it, or, if it happened to be in Swan River and they said, yes, we are serious about it, then I would initiate some discussions with the appropriate minister in Saskatchewan.

**Ms. Wowchuk:** I want to, at this point, recognize a group of students who were doing an excellent project and they are in the Swan Valley Regional School under the direction of Rick Wowchuk who just led the team in the environment, Environthon, but anyway these

students got some funding from the federal government. They are doing a project of the area where they are building, they are actually building the area out of Styrofoam and it shows all the terrain in the area. It is quite amazing to see, when it is not on a map, the elevations and the water flows. I think that this project will help people of the area understand why it is necessary to form a conservation district, and why it is we have some of the water problems when you look at the terrain and the large area that ends up draining into the Swan River Valley.

I would encourage the minister if he is ever up in the Swan River Valley to let me know and I will make arrangements for him to see that particular project. It is going to be on display. It is quite a big display, probably about the size of the table in the middle of the room, so we have not very many places that we can display it, but it probably will be displayed in the co-op. It is going to be in the school all summer and maybe set up at the fair, but it is an excellent project to show what the land terrain is like, and where the water is going, and perhaps will help us in our pursuit to form a conservation district in that area.

I am going to move on to another area that is important to the people of the Swan River Valley. I would like to ask the minister if he could tell us what the status of natural gas is for the Swan River Valley. We have long talked about this. We have talked about natural gas coming to the Swan River Valley in the 1995 election. There was the Centra Gas deal that fell through and now we are in negotiations with bringing gas in from Saskatchewan. I have to tell the minister there is serious concern on the part of many people in the Swan River Valley who feel that it was the government's fault that that first project did not go through because of the way they negotiated and the government's decision that L-P had to be a partner in it. That is what really stalled the project and then resulted in it falling apart.

\* (1550)

The minister is well aware. He talks about all of the development that we have in Manitoba and how great things are, about value-added



jobs. He knows in most of those places where there are value-added jobs or growth, it is the areas where they have a secondary source of energy, they have infrastructure, they have the opportunity to access cheaper energy source. You know, he talked about the plant at Elie, and I am really pleased that the plant at Elie is doing well, but when Isobord hooked up to natural gas, they did not have to pay any hookup fee, but when Louisiana-Pacific wanted natural gas in their plant, they have to be a partner in it and put all of this money out to get the natural gas there. So if the minister is committed to seeing growth in other parts of the province and having some other industries come to the area, he would be pursuing on our behalf and ensuring that we do get natural gas into the area.

I am very disappointed in how it was handled and I am disappointed that we do not have natural gas in the Swan River area. I want to commend the people who have worked very hard to try to get it here because there is a very strong local committee that is working on it, but it is not happening. So I would like to ask the minister what role his department is playing in this. In particular, is the money that was announced through the infrastructure program still available? Is natural gas going to come to the Swan River Valley, or are we going to be waiting for another election promise?

**Mr. Derkach:** Well, that last comment was not fair, but, Mr. Chairman, I have to tell the member for Swan River that when we started the program of natural gas expansion into rural Manitoba, Swan River was identified as being the community that would probably be the first recipient of natural gas services of all of the communities that were applying because they had done a lot of homework to that point in time and appeared to be in a position where they were ready to move. During the negotiations between Louisiana-Pacific and the province, I happened to be at the meeting where Louisiana-Pacific committed themselves to a significant contribution towards natural gas to the Swan River Valley. It was on that basis that a formula was arrived at for the funding of natural gas in the Swan River Valley because the funding formula included ourselves as a province, the municipality, the federal government and Louisiana-Pacific.

So it was not at all similar to any other project that had been agreed to because in this case the offer by Louisiana-Pacific was put on the table by them regarding their contribution to natural gas. So the committee then began its work on the basis of that formula and on the basis of the funding that was identified for the project and the shortfall that existed which they had to raise locally. The member probably knows the history of it. It just seemed to go on and on, because locally the committee seemed to want to work with Centra Gas, and then there was a desire to do it in another way. Then it was back to Centra Gas, and then most recently they have decided to go their own way again.

*Mr. Chairperson in the Chair*

Through all of this we as a department and government tried to provide the most current information based on their needs. If they said they were going with Centra, then we crunched the numbers to show what the shortfalls might be and what would be required to be raised locally if they went with Centra. Of course, Centra's access to gas was in Roblin, so therefore the costs were based on providing service from Roblin. There was some, I guess, lack of agreement in the committee which thought that they should be bringing in gas from Saskatchewan, and so they went to Saskatchewan and negotiated an agreement there. However, the costs were so high at the time that the Saskatchewan route just seemed to be an impractical way to go, nonaffordable. So then we were back to Centra, and when Centra's offers were put on the table, I think the agreement was close but it never did culminate in any kind of a signing or anything of that nature. Then it went back to getting gas from Saskatchewan again.

My understanding is that as of last week Louisiana-Pacific has indicated that they will not participate at any level in the expansion of natural gas, so therefore I am not sure where the committee is at from Swan River. But I wrote to the committee, I guess it is about a month ago—I could provide the member with a copy of the letter—indicating that the province's commitment was still there and continues to be there for expansion of natural gas in Swan River. That is basically all we can do. We cannot drive the issue to the point where we do the work for the

community. It is between the proponent, who in this case could be the community, and the supplier, whoever that may be, to work out the details on how they are going to do it and to determine the sizes of lines and the distribution systems that they are going to have in place for the service. So they will provide us with their requests, and we try to guesstimate or try to project the numbers as closely as we possibly can and then just indicate to them that our money is on the table and if they decide to proceed that that amount of money that was set aside for the project is still there.

**Ms. Wowchuk:** Can the minister indicate how much money is on the table?

**Mr. Derkach:** As of February, I think it was, or March, when I wrote the letter, our contribution level to the Swan River Valley was still at \$1.8 million. That was the same level as the federal government's commitment and the same as the local government's commitment.

**An Honourable Member:** It was one-third, one-third, one-third?

**Mr. Derkach:** Well, it is not one-third, one-third, one-third. Our commitments were at that level. Louisiana-Pacific's commitment, I think, was at that time \$700,000. Now, I have to say to the member, I do not have the appropriate staff here. If these numbers have changed since then, I would bring the corrected numbers back to the Chamber.

My latest information is that Canada was at \$1.814 million; Manitoba was at the same level; so was the local government; and the customers, which would include Louisiana-Pacific, were at \$700,000.

**Ms. Wowchuk:** I apologize, I did not realize that this comes under a different part of the staff. But can the minister tell us now, given that Louisiana-Pacific has indicated that they are not prepared to participate in the project, is the province, are we now going to go back to a four-way split where it is the province, federal government, municipality, and the users? Is the provincial share then going to go up to cover the costs so that we can see this project continue?

**Mr. Derkach:** Well, as of this moment I believe the way it stands is that the shortfall that is the result of Louisiana-Pacific's inability to participate would have to be picked up by the local area, the municipality and the local customers. I do not think that there is any chance of our being able to, and I say this perhaps prematurely, but there would have to be an application put in to the Canada-Manitoba Infrastructure Program for an additional amount of money. I am not sure that there is any additional money in that program anymore. So I think we would probably be obliged to live with the numbers that are before us right now, because that is the money that was set aside under that program. I do not think there is an opportunity very easily to increase the amount of support through that mechanism.

\* (1600)

**Ms. Wowchuk:** I would ask the minister to really consider what is happening here. The formula on other projects does not involve industry being a partner. There is no other project in Manitoba, as I understand it, where industry has been requested to contribute to the initial project, as Louisiana-Pacific was. In those cases, it is the governments and the municipalities and then the user that contributes to it. The user portion of it increased because Louisiana-Pacific was in the picture. If they are not in the picture, then I think that the government should reconsider this and treat the people of the Swan River Valley the way they treat people in other parts of the province. I have asked in other areas, and industry in other areas has not been required to make a contribution. There is an unfairness in it. So I think that the minister has to really look at this.

There was a commitment to get natural gas to the Swan River Valley. The reason it came off the rails, and this is the belief of the people on the committee, is because the government started to fool around with getting another partner in it. Now, the minister says Louisiana-Pacific offered to put the money in. Louisiana-Pacific staff tell us that that is not the case, they did not offer, they were encouraged to put money on the table in order that the project should go ahead. Whatever the situation was, the Swan River Valley should not be treated

differently than other areas in the province where there is a split between the levels of government not with industry.

Somehow, we have to come to a solution to this and not bicker back and forth any longer about who is going to be paying for the project and ensure that we have the opportunity to have natural gas come to the area, because there are lots of ideas where people are looking for an alternate energy source. We have people who are proposing to build hog barns in the area and are looking at having natural gas for it. What is happening right now is unfair. There is the opportunity for development in other parts of the province. We have been waiting for this for a long, long time. It was an election promise. The government has to find some way to resolve it. I would ask the minister to look at ways that we could change that formula to ensure that this actually does happen.

**Mr. Derkach:** Well, Mr. Chairman, I say to the member that I would be extremely pleased to see the project finally given the green light to proceed. I was not a part of the negotiations when Louisiana-Pacific made its proposal to the province before its construction in Swan River. So I am not privy to any of the information that was made available and the negotiations that took place in terms of the contribution that was made by the province to Louisiana-Pacific in whatever ways and what commitments were made by Louisiana-Pacific at the time.

All that I know is that when we talked about the natural gas expansion—and at that time Louisiana-Pacific said that they required that service, and I believe it was a year from the point of signing the agreement that they required the service. We agreed that we would move as quickly as possible in that direction. So to say that the province scuttled it is not accurate, because all we were doing was living within the framework of the agreement that was established and I was not part of that. However, there is still a desire on our part to see natural gas service come to Swan River. How I am going to do that or how we are going to do that, I think, right now is a bit of a dilemma. I have not received a formal letter as I recall from Swan River indicating what Louisiana-Pacific's final decision is except that I did read it, or a copy of

the letter that was sent from the mayor to I think it was Louisiana-Pacific, regarding their statement about not participating.

I would be happy once again to meet with Swan River and see whether or not there is a way for us to find our way through the quagmire, if you like, right now or to cross this hurdle because this has been such an outstanding issue for so long. Quite frankly, I think that if we do not do something in a positive sense, this money will then escape and be used for other projects because of the constant delays. So if the community or the gas committee would like to come in and approach us again, I would be more than happy to sit down with them.

**Ms. Wowchuk:** Can the minister indicate, you are talking about time frames, what length of time we have? What framework are we working in before that money does disappear off the table?

**Mr. Derkach:** Mr. Chairman, I do not know that answer. I can consult with the Minister of Finance (Mr. Gilleshammer), but as of this moment, I cannot tell the member how long that money is available for. If, in fact, the money is going to be terminated, say, a year from now, we should let the committee know that, so they know they have got a time frame in which to work. As of this moment, I do not know. I am not sure there is a time frame, but there has to be a sunset somewhere down the road no matter what kind of a project we are working on.

One of the reasons why back in the early days when natural gas was being explored and the feasibility work was done, the feasibility for natural gas to Swan River was on the basis of a contribution from Louisiana-Pacific. It was not the same as it would be in some of the southern communities, because they had to bring gas such a long way, whether it was from Saskatchewan or from Roblin for that matter. It was such a long distance that to make it viable they needed that injection of money from a source, and that source was Louisiana-Pacific. Louisiana-Pacific knew that, and I think they agreed to make that contribution.

If the project is going to be viable and sustainable for the long term, it needs a

participant of some kind like Louisiana. I would be prepared to sit down with Swan River again, take a look at the latest numbers that they have put together, see where they are with regard to their shortfall and explore options as to how we can get the project done.

**Ms. Wowchuk:** The minister talks about the viability of the project depending on contributions from industry. I can see the viability of the project depending on use by the industry, because if there is no large consumer of the gas, then it makes it more difficult, and that is true. The project became more viable when Louisiana-Pacific came on-line and were going to be the large purchaser of gas that came to the area, and I can understand that. I think there is a responsibility on the part of the province and the federal government. If the government is really committed to having jobs develop outside the No. 1 Highway or outside the Perimeter, then there also has to be a commitment from government, and I thought that that commitment was there.

It was never our understanding that when we heard the announcement of the money coming from infrastructure that it was based on funds from Louisiana-Pacific coming into it. That was not the message that came out. The message was we were going to get an expansion of natural gas into the Swan River area. I think that it is a change in government's position and I think it is wrong. I think the government has to have vision, just as there was a vision to expand hydro throughout northern Manitoba, just as there was a vision started under the New Democrats to expand larger calling areas and continued on by the Conservative government when they came into power, to expand that service, so that people in rural Manitoba and the North would have equal opportunity, but that vision does not seem to be there.

\* (1610)

We hear the lip service that rural Manitoba is growing, but when we ask for services that will allow for the growth in other parts of the province and have infrastructure improved, we do not seem to see that. I would encourage the minister or ask the minister to look at that proposal again, find out some way to fulfill that

promise that was made in '94 or '95 to have natural gas come to the area. If we do not have the contribution from industry, then the government find the money someplace and fulfill that promise. I would ask the minister to look at that, find some way so that we can start to have some of the growth because every time we hear people talking about how good it is at Steinbach and how good the people are there, that they have the ideas, and they are prepared to invest and in Portage la Prairie we have got growth, and in Winkler we have growth.

Well, give the people the tools and this is one of the tools that they are asking for. And you have made the commitment, give them that tool and let us look at what kind of growth we can have outside the area of southern Manitoba.

**Mr. Derkach:** Mr. Chairman, the member is not accurate when she says that it is the government who has fumbled the ball here, because in every case where we have done expansion of natural gas, there is a formula that is applied where governments, both federal and provincial, will only participate to a certain level and that is to make up the shortfall of the viability of the project, but it cannot exceed a number or a percentage. I think it is about 20 percent, if I am not mistaken or in that range—

**An Honourable Member:** Twenty percent of it can be made up.

**Mr. Derkach:** Pardon me? No, no. That is what our contribution would be of the total project, or the viability of the project.

Now, having said that, I guess my numbers are subject to change because I do not have the appropriate staff here, so I would like to get those specific numbers. Having said that, I believe it is important to understand that the contribution that was offered by Louisiana-Pacific was something that came to us before we even entered any numbers into the records or made any announcements, so that was an original kind of plan.

When the federal government and the provincial government sat down to consider the Swan River project, it was on the basis that there was going to be a contribution by the residents

of Swan River and valley. I think Benito and Minitonas were involved in that and also the contributions from Louisiana-Pacific because of the size of line—and it all was technical—but it was the size of line that was required to bring gas into the communities so that you could service right to Minitonas.

I regret that we were not able to arrive at an agreement in the first instance, because I think we were probably closer then than it has been since. I have to tell the member also, I personally took the time and the initiative to fly to Swan River on two occasions to meet with the people from Louisiana-Pacific. At that time, they told me their \$2-million commitment or their \$1.8 million or whatever that was had been scaled back to less than a million. We were asking at that time, well, what we really required was a million. It ended up that there was again an agreement that they would contribute the \$700,000 to the project. I guess the difference in the project was under Centra there was an expected amount of money that would have to be put in by the local consumer. Centra Gas would invest a chunk of money as well, because they in the end would be making a profit out of the line, so they were investing some money. It was all to do with how much money could be invested by Centra on the basis of the Public Utilities Board ruling.

However, when the community decided to go another route other than Centra, what it meant was the contributor of that money that was coming from Centra had to come from somewhere else. It has basically been in the hands of the community regarding how they want to construct this, because the money that has been committed by the federal and provincial government is solid. We are not going to change that.

We understand that Louisiana-Pacific's contribution should have been in good faith and should be there. The difference now has to be made up by the communities of Benito, Swan River and Minitonas, and whether they go with Centra or whether they go with another supplier does not matter. What we have to do is ensure that the project is one that is going to make sense and it is going to be viable. We are willing to flow our money tomorrow if, in fact, they can

arrive at a figure that they can sustain and one that they can support.

*Mr. David Faurshou, Acting Chairperson, in the Chair*

I guess I am kind of at a crossroads here. I do not know who is moving it now. I think it is the communities. They have to come back to us and indicate what homework they have done, what stage they are at. Then if more work is required from our department, I am prepared to once again release the resources to be able to go and work with them, to crunch the numbers or to do whatever may be required in order to get the project on its feet again. I am prepared to do that.

**Ms. Wowchuk:** The minister partly answered my next question, I guess. Is there staff that is available that the people in Swan River can contact to ensure that this project goes on? Is it the committee that has to do the work, or is the government doing any work to contact the people in Saskatchewan? It is TransGas that they are working with. Is there any work being done by the government to help move this project along or is it completely up to the committee now to say, okay, this is where we are at and call on you for help when they need it? What can the government do?

**Mr. Derkach:** Actually, my assistant deputy minister of the Economic Development division, Mr. Larry Martin, has been in touch with them, but under his direction we have also had other staff from the department. I think at one point in time, a member who is at the table right now, Paul Staats, has worked with the community. We have from the Economic Development board secretary, Jonathon Lyon and Ted Wilton who have been with the project from day one, I would say, and who continue to take an interest in working with the community.

I understand that the gas committee now has changed, too. That has not helped matters either because it is difficult for us or anyone else who is working with them, because the direction seems to change as the committees change. I am not going to condemn the community for that. I mean, that is a community responsibility. I have had the same staff on this project from day one,

and certainly I am prepared to do whatever I can to make staff available to the committee. If they want to come into Winnipeg to meet with me, I would certainly be prepared to meet with them. If the MLA for the area wants to sit down and have a discussion with them and myself, I am prepared to do that as well. I am eager to get this thing going, but I am a little frustrated with where we are right now.

**Ms. Wowchuk:** I appreciate that offer from the minister. I will go back to the committee and see what we can arrange, and I hope that in the very near future we can have something set up to see this project proceed. I just want to ask the minister: given that Manitoba Hydro has now purchased Centra Gas, does this offer any other opportunities? Has his department explored that or should we be asking this question when we get into committee on Hydro? Is the minister aware of anything that this purchase could make a difference? Is that one of the tools that we could be using to move this project along?

\* (1620)

**Mr. Derkach:** First of all, before I go on to answer the member's question, I think maybe I should go back and indicate the level of contribution that was requested from Louisiana-Pacific was 5 percent. I think at 700,000, it is down to 4.8 percent. Now that is constant or consistent with other requests that were made from other communities. The local customers, if you like, had to come up with the 5 percent. Now, if Louisiana-Pacific is not in, that means that the local customers other than Louisiana-Pacific would have to make up that 5 percent. That would be consistent with our policy as it relates to expansion and natural gas.

On the question of the sale of Centra to Manitoba Hydro, I would say that they are again a provider of the service, and certainly if I were the gas committee, I would be embarking on some discussions with the new utility to make sure that perhaps there are other things that can be provided for by the new owners of Centra that were not available before. So, sure, I encourage that because they are the provider of the service. Now, they may have new approaches which could be beneficial to the community. Certainly our role in it is to be a co-ordinator or a catalyst

and a partner to help the project happen. Who provides the service to us is not that important, rather than simply seeing it delivered. I think the most cost-effective service provider is the one that the community should probably be going with.

Now, from a provincial perspective, I hope it is, as a matter of fact, the new owners of the utility.

**Ms. Wowchuk:** I know I have taken a lot of liberty in asking questions. Probably the appropriate staff is not here to answer, but I appreciate the minister's answers. I know my colleague, who is the critic, also has some questions on this, and I wonder if the minister might tell us where the appropriate area is that we should be actually asking this stuff.

**Mr. Derkach:** The appropriate place would probably be under infrastructure, but we can pursue more specific discussion at that time if there are more detailed questions that the member would like to ask.

**Ms. Wowchuk:** We will leave more specifics to that point. I thank the minister for the information that he has been able to provide. I will very soon look at getting a meeting arranged in Swan River where we might be able to have the minister and his staff come up to help us work through this issue so it can move along.

I just want to ask: is the staff here that I can ask a couple of questions about REDI, or is that as well something that I should wait for another point? [interjection] That is another area, okay, then we will leave it.

**The Acting Chairperson (Mr. Faurchou):** The honourable member for Swan River has concluded her remarks?

**Ms. Wowchuk:** Since there is the staff for Local Government, I wonder, there is a new community that has come under the Rural Development administration in the North. Is it Lynn Lake that is now out of Northern Affairs and comes under the administration of Rural Development? There have been changes under community structure there. Would that shift it over to Rural Development?

**Mr. Derkach:** No. Lynn Lake and Leaf Rapids were always under our jurisdiction as a department because they are municipalities. Leaf Rapids is under the jurisdiction of Rural Development because we administer the town properties of Leaf Rapids, but Lynn Lake has been a municipality of its own. They come under our responsibility. However, I think the member is referring to the new community of South Indian Lake, but that transition has not taken place yet. So it still falls under the jurisdiction of Northern Affairs until such time that a decision is made to have them come under the same jurisdiction as other municipalities are.

**Ms. Wowchuk:** It is South Indian Lake that I was going to ask about. I got my communities mixed up, but would it now be that South Indian Lake falls under a Northern Affairs community and will now, as it takes over more responsibility, fall under Rural Development? If it does, what is the extra responsibility that will fall on to this department to administer that community? Will there be extra responsibilities?

**Mr. Derkach:** The community, Mr. Chairman, is still under the Department of Northern Affairs because they as a department still have responsibility for the funding of many of the aspects of running that community, so it does not matter

that they are a self-sustaining community, if you like, or someone who is self-governing. Because there is such an intervention by the Department of Northern and Native Affairs in their operations in terms of the funding and so forth, there is no change in status at this time, in terms of whose responsibility or what department they fall under.

**Mr. C. Evans:** If by leave we may, as agreed previously, conclude with this afternoon's debates on the Estimates for Rural Development and continue at another scheduled time.

\* (1630)

**The Acting Chairperson (Mr. Faurschou):** Is that the unanimous agreement of the committee that at this time the committee rise? [agreed]

I will say for one moment here, if you will just bear with me, we may have to do one other item in the House prior to rising.

#### IN SESSION

**Mr. Deputy Speaker (Marcel Laurendeau):** The hour now being six o'clock, this House now stands adjourned until 1:30 p.m. tomorrow (Wednesday). Thank you.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 8, 1999

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