



HANSARD

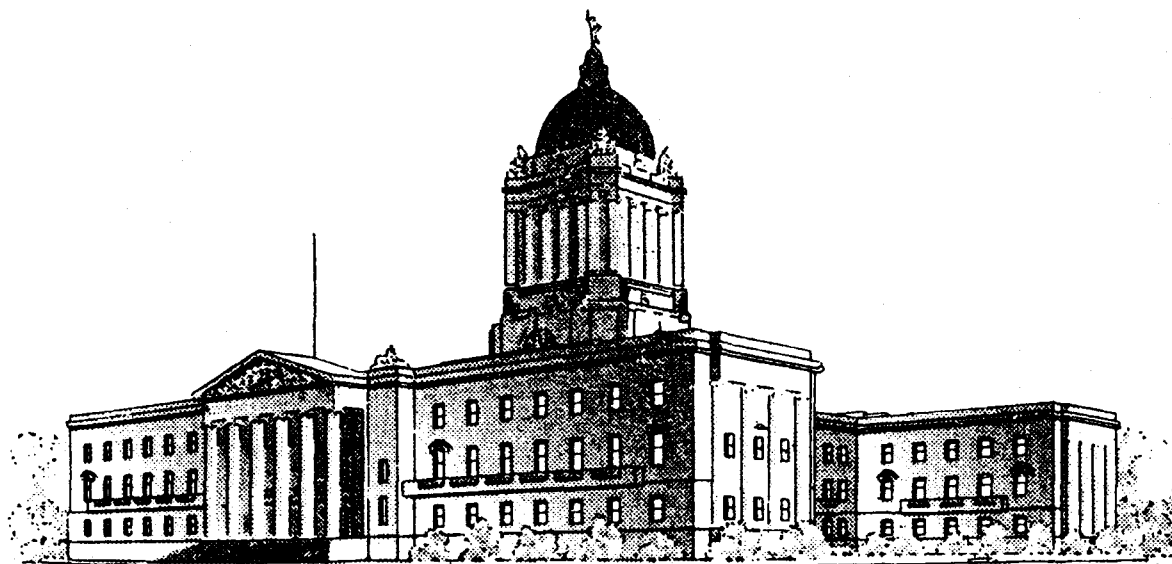
Second Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS  
(Hansard)**

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Speaker*



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

**Members, Constituencies and Political Affiliation**

<b>Name</b>	<b>Constituency</b>	<b>Party</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, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert, Hon.	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim, Hon.	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
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	Riel	P.C.
PALLISTER, Brian, Hon.	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	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	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 29, 1996

The House met at 1:30 p.m.

**PRAYERS**

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Home Care Services**

**Mr. Doug Martindale (Burrows):** Madam Speaker, I beg to present the petition of Nellie Bonni, Jose A. Quijada, Reyna Escoto and others, requesting the Premier (Mr. Filmon) and the Minister of Health (Mr. McCrae) to consider reversing their plan to privatize home care services.

**Mr. Jim Maloway (Elmwood):** Madam Speaker, I beg to present the petition of J. W. Balagus, Margaret Balagus, Tennie Naurot and others, requesting the Premier and the Minister of Health to consider reversing their plan to privatize home care services.

**Mr. Conrad Santos (Broadway):** Madam Speaker, I beg to present the petition of Joan Rurak, Robert Rurak and Barbara Mynzyk, requesting the Premier and the Minister of Health to consider reversing their plan to privatize home care services.

**Ms. Marianne Cerilli (Radisson):** Madam Speaker, I beg to present the petition of Reena Kreindler, Dale Cooper, Joe Olson and others, requesting the Premier and the Minister of Health to consider reversing their plan to privatize home care services.

**PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

**Committee of Supply**

**Mr. Marcel Laurendeau (Chairperson of Committees):** 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 Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

**Motion agreed to.**

**TABLING OF REPORTS**

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** Madam Speaker, I would like to table a financial statement for the former McKenzie Seeds for the year ending October 31, 1995.

**Madam Speaker:** I am also pleased to table the Statutory Report of the Chief Electoral Officer on the conduct of the April 25, 1995, thirty-sixth provincial general election, including recommendations respecting amendments to The Elections Act.

\* (1335)

**INTRODUCTION OF BILLS**

**Bill 70—The Animal Care Act**

**Hon. Harry Enns (Minister of Agriculture):** Madam Speaker, I move, seconded by the Minister of Family Services (Mrs. Mitchelson), that leave be given to introduce Bill 70, The Animal Care Act (Loi sur le soin des animaux), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House. I will provide the appropriate message along with that.

**Motion agreed to.**

**Bill 71—The Manitoba Film and Sound Recording  
Development Corporation Act**

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** I move, seconded by the Minister of Urban Affairs (Mr. Reimer), that leave be given to introduce Bill 71, The Manitoba Film and Sound

Recording Development Corporation Act (Loi sur la Société manitobaine de développement de l'enregistrement cinématographique et sonore), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the Legislative Assembly. I table his message.

**Motion agreed to.**

#### **Bill 72—The Public Schools Amendment Act (2)**

**Hon. Linda McIntosh (Minister of Education and Training):** Madam Speaker, I move, seconded by the honourable Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 72, The Public Schools Amendment Act (2); Loi no 2 modifiant la Loi sur les écoles publiques, and that the same be now received and read a first time.

**Motion agreed to.**

#### **Bill 73—The Construction Industry Wages Amendment Act**

**Hon. Vic Toews (Minister of Labour):** I move, seconded by the Minister of Rural Development (Mr. Derkach), that leave be given to introduce Bill 73, The Construction Industry Wages Amendment Act (Loi modifiant la Loi sur les salaires dans l'industrie de la construction), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of the bill, recommends it to the House. I am tabling the message of the Lieutenant Governor, as well.

**Motion agreed to.**

\* (1340)

#### **Bill 74—The Court of Queen's Bench Amendment Act**

**Hon. Jim Ernst (Minister of Consumer and Corporate Affairs):** Madam Speaker, I move, on behalf of the Minister of Justice (Mrs. Vodrey), seconded by the Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 74, The Court of Queen's Bench Amendment Act (Loi modifiant la Loi sur la Cour du

Banc de la Reine), and that the same be now received and read a first time.

**Motion agreed to.**

#### **Bill 75—The Commodity Futures Act**

**Hon. Jim Ernst (Minister of Consumer and Corporate Affairs):** Madam Speaker, I move, seconded by the Minister of Government Services (Mr. Pallister), that leave be given to introduce Bill 75, The Commodity Futures Act (Loi sur les contrats à terme), and that the same be now received and read a first time.

**Motion agreed to.**

#### **Introduction of Guests**

**Madam Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon eighteen Grade 4 students from Strathclair Community School under the direction of Mr. Adam Grabowski. This school is located in the constituency of the honourable Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer)

We have twenty-four Grade 9 students from River West Park School under the direction of Mr. Gary Perrett. This school is located in the constituency of the honourable Minister of Consumer and Corporate Affairs (Mr. Ernst).

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

#### **ORAL QUESTION PERIOD**

##### **Faneuil Corporation Public Subsidy**

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, on August 29, 1994, the Premier announced in a press release the arrangements for Faneuil and the contributions from the provincial government to the Faneuil deal. This was a deal, of course, negotiated by one of his principal staff, Mr. Mike Bessey, and it failed to disclose that \$3 million in public subsidies would be made to this agreement with the Faneuil corporation.

In light of the recent announcements by the provincial government on disclosure, why did this Premier fail to

disclose a \$3-million public subsidy to the Faneuil corporation, and will this government in the future be required to disclose all financial information and all subsidies for private companies pursuant to their so-called commitment to disclosure?

**Hon. Gary Filmon (Premier):** Madam Speaker, I am not aware of any subsidies to which the member is referring. I am not sure that he is presenting the situation as it exists.

**Mr. Doer:** Madam Speaker, it begs the question again whether Mr. Bessey, the \$400,000 Harvard person, informed the Premier of this subsidy or not, because I will quote from May 10, Public Accounts, where the Provincial Auditor says—and I am sure the Minister of Finance is now alerting the Premier (Mr. Filmon) to this fact—where the Provincial Auditor states that, yes, there is a \$3-million subsidy, a subsidy that was arranged through the Manitoba Trading Corporation, through a licence that they signed for \$10. In fact, the Auditor has confirmed what we alleged last December, that there was a \$3-million subsidy.

How can we believe the Premier in terms of his new-found commitment to disclosure when we have deals like the Faneuil deal where the government launders money through the Trading Corporation and fails to inform the public as the Auditor has identified in his statement?

\* (1345)

**Hon. Eric Stefanson (Minister of Finance):** Madam Speaker, all aspects of the Faneuil arrangement were made public at the time of the announcement. This is not a new issue; this has been discussed before. It reflects the net present value of the debt that has been converted from Manitoba Telephone System to Faneuil, and that debt I believe is generating a return effective immediately as a result of the conversion to Faneuil servicing that debt as opposed to Manitoba Telephone System.

#### **Winnipeg Jets Operating Loss Agreement**

**Mr. Gary Doer (Leader of the Opposition):** I defy the Premier to identify the \$3-million subsidy statement in his press release of August 29, 1994. I defy him to identify where he disclosed that to the public.

I would like to ask a further question to the Premier. The Premier signed an operating loss agreement with the Winnipeg Jets back in 1991, where he informed all Manitobans that this would cost us about \$5 million over the life of the agreement. In that operating loss agreement, under Section 12.12, the Premier signed a gag order dealing with the salaries of the CEO of the hockey club, one Mr. Barry Shenkarow.

How can the public again trust this Premier on full disclosure of salaries when he signed a gag order under the operating loss agreement and prohibited the public from knowing how much we the public are paying Mr. Shenkarow under his agreement signed in 1991?

**Hon. Gary Filmon (Premier):** Madam Speaker, the public knows exactly how much money is being paid to the Winnipeg Jets Hockey Club, exactly how much money is being paid to that hockey club. The fact of the matter is it is no different than in the legislation in which we disclose the payments that are made to doctors and to lawyers for legal aid, and that does not say what their salaries are because everybody knows that out of that they have to pay their office expenses, they have to pay for nurses, for support staff, they have to pay for receptionists and for everything else. It is the total dollars that are paid to them that is disclosed. It is the total dollars that are paid to the Winnipeg Hockey Club that are disclosed as well, and it is all public information.

#### **Manitoba Telephone System Advertising Campaign**

**Mr. Steve Ashton (Thompson):** It is becoming increasingly clear that this Conservative government cannot be trusted with the public assets of the province, whether it be MTS or Manitoba Public Insurance or Manitoba Hydro. I would particularly like to ask some questions to the government, which in the case of MTS, as was indicated yesterday, where we now have a massive advertising campaign being conducted by government that never once held any public meetings or any public consultation with Manitobans over the future of MTS.

I would like to ask, now that the Minister responsible for MTS is here, exactly how much money is being spent on advertising, and who was involved in putting that advertising together?

**Mr. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Madam Speaker, the member, I am sure, is fully aware that the public is very much in favour of what is being proposed by the government to deal with the circumstances that telecommunications face, not only in Manitoba, right across the country.

Manitoba Telephone System consistently does advertising to promote itself. It is in competition to over 70 percent of its revenue base. It is important that they inform Manitobans about their industry and the positive opportunities that exist for its industry, and part of the recapitalization is part of that process.

**Mr. Ashton:** Perhaps the minister would like to attend some of the public meetings we are arranging throughout the province and see what Manitobans really have to say about their plans to sell off MTS.

Madam Speaker, for the minister—and this is in regard to advertising that specifically uses the same wording that this government used when it announced the privatization of MTS. I want to ask how much money is being spent, where is it coming from and who is putting these ads together which are nothing more than propaganda pieces for the privatization agenda of this government?

**Mr. Findlay:** Madam Speaker, in the process of trying to determine how MTS will be recapitalized, eight firms were asked for proposal calls. Three firms were determined to be the people who should do the analysis. They have been engaged to do the analysis and in turn hired people to do the media work.

**Mr. Ashton:** I will try again, Madam Speaker. How much money, which I assume is coming from the ratepayers of Manitoba, is being spent on this propaganda-style advertising campaign that is nothing more than an attempt by this government that has no mandate to sell off MTS, to try and push its own agenda with the public of Manitoba at the expense of the ratepayers of MTS? How much are they spending on that advertising campaign?

**Mr. Findlay:** Madam Speaker, part of the advertising initiative of MTS, this program is part of it, and the investment advisers that were employed and are being

paid to do their work in turn contracted with media people to do the media component of it.

**An Honourable Member:** Who?

**An Honourable Member:** How much?

**Mr. Findlay:** You will have to ask them. I am not aware of that information. It is part of the initial contract which they did on a subcontract basis.

### **Manitoba Public Insurance Corporation Actuarial Report**

**Mr. Jim Maloway (Elmwood):** Madam Speaker, my question is to the minister in charge of the Manitoba Public Insurance Corporation.

Yesterday it was revealed that in 1992 and '93, well before the election, the MPIC had failed six of eight crucial solvency tests, and yet the minister still went ahead with the rate reductions for election purposes. Can the minister confirm that the board of directors would receive copies of the actuarial reports?

\* (1350)

**Hon. Glen Cummings (Minister charged with the administration of the Manitoba Public Insurance Corporation Act):** Madam Speaker, the member neatly ignores the fact that the TRAC organization, in the report that he is so anxious to quote, includes a disclaimer in its references to publicly owned Crown corporation insurance companies because they run at cost for the service of the public and they do not need to set aside the same number of reserves for the profit of the shareholders. I cannot understand why it is that he believes he wants a 30 percent increase in the rates so he can have the reserves he is worried about.

**Mr. Maloway:** The minister did not listen to the question. The question was, can the minister confirm that the board of directors would get the copies of the reports from the actuary? We want to know who gets the actuarial reports.

**Mr. Cummings:** Madam Speaker, they work their way up through the organization, and if the member wants a

chronology on how they would flow through the organization, I will be more than pleased to provide that.

He continues to ignore the fact that private insurance companies return about 76 percent of their premiums back to their customers in terms of claims monies paid out. In this case, a publicly owned firm does not need to build up the reserves which are taken out of that next 25 percent. Manitoba Public Insurance Corporation is able to return at least 90 percent, and with the earnings from the interest on their reserves are even able to exceed that. It is just ridiculous that he believes differently.

**Mr. Maloway:** Madam Speaker, the minister has been the minister for eight years and he expects the public to believe that no one gets these actuarial reports. Nobody wants to admit that they get them.

I would like to ask the minister, can the minister confirm that Mr. Peter Wintemute, who sits on the audit committee plus the executive committee of the board and has been a long-time business partner of the Premier (Mr. Filmon), has he received copies of the actuarial reports, and if he does not get them, who does?

**Mr. Cummings:** Madam Speaker, the list of directors is a public list. I mean, let us begin with that premise. Secondly, the member should not imply that no one is reviewing the actuarial reports. They are an important aspect of the operation of the corporation. That is exactly the information that is placed in front of the Public Utilities Board. I mean, how much more public can it get?

**Mr. Maloway:** I have a new question to the same minister. Yesterday this minister confirmed that David J. Oakden with Tillinghast in Toronto is the actuary who worked on the \$49-million provision for the tort losses. What I would like to know is where do the reports go from this man? We cannot pin this government down. This government has been sitting on these reports, sitting on the financial statements and refuses to tell us who gets these reports. If the board does not get them, who does?

**Mr. Cummings:** Madam Speaker, the internal actuaries work with the outside contracted experts to develop the forecasts for the required funding of the exposure that the corporation has, and of course the information flows up through the corporation. I do not understand why he

thinks it would not. Of course it flows up through the corporation, and it is put in front of the Public Utilities Board. I mean that is—

**An Honourable Member:** Every year.

**Mr. Cummings:** —every year, the opportunity for the public and anyone else including the members of the opposition, but they do not normally attend the Public Utilities Board hearing.

\* (1355)

### **Pharmacare Reductions—Impact on Diabetics**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, the Canadian Diabetes Association has launched a campaign, a letter-writing campaign as well as a card campaign, asking the government to stop its Pharmacare changes. In fact, they say, and I quote: The recently announced changes to Pharmacare will put many Manitobans with diabetes in a very difficult and dangerous position, and this program of cutting Pharmacare will raise the risk of life-threatening complications and will be devastating on the people who have diabetes.

Madam Speaker, since people with diabetes have a two to five times percent higher rate of medical costs than other Manitobans and since the rate of diabetes in Manitobans is up by 16,000 since 1986, can the minister show us any reports or studies that justify your cuts to Pharmacare and the dangerous impact it is going to have on diabetes, anything that you did before you made this massive cut to Pharmacare?

**Hon. James McCrae (Minister of Health):** Madam Speaker, I do not need any report to tell me that it is the right thing to do to protect people who need protection most and to provide them with the highest level of protection. Does the honourable member suggest that we pay millions of dollars to their friends over there at Price Waterhouse, or something like that, to tell us we should or should not protect people who need protection the most? Those who have highest drug usage and those who have the lowest incomes are the ones who get the most protection under the new Pharmacare system.

**Mr. Chomiak:** Madam Speaker, perhaps the minister can tell me where he is coming from on this when in fact

the Diabetes Association says this could cost potentially \$5.5 billion, to people with diabetes, in health care costs as a result of the government reducing the lower cost pharmaceutical care as opposed to putting people in hospital who are getting more complicated treatment. Does the minister realize that Pharmacare and these drug costs and these other things decrease the cost and improve the value of life, not increase costs?

**Mr. McCrae:** Madam Speaker, yes, we realize that the appropriate use of prescription drugs can have all kinds of positive implications for patients and people with diabetes, people with other conditions that require prescription drugs. Again, I say to the honourable member, the program takes greatest account of those who need large amounts of prescription drugs and also those who are at the lower end of the income spectrum are the ones who get the greatest benefit. What is the honourable member's problem?

**Mr. Chomiak:** Madam Speaker, my problem is the same as other Manitobans and the Canadian Diabetes Association: To get the minister to explain why—

**Madam Speaker:** Order, please.

**Mr. Chomiak:** Thank you. My question for the minister is, why did the minister not talk with the diabetic association or other Manitobans with chronic illnesses before he put in place this dangerous and devastating—to quote the Diabetes Association—policy of cutting these therapeutic drugs that help prevent illness?

**Mr. McCrae:** No one is cutting anybody's opportunity to access required prescription drugs, Madam Speaker. In fact, those who need greater amounts of prescription drugs get more protection; those who have lower incomes get more protection under the new program. It fits very nicely into the concepts that the honourable member for Radisson (Ms. Cerilli) and I discussed a week and a half ago.

#### **Youth Crime Parental Responsibility**

**Mr. Gary Kowalski (The Maples):** Madam Speaker, the members of the Liberal Party believe that the vast majority of kids in Manitoba are good. Today, 200 students from Maples Collegiate marched to the Legislature to raise awareness about the problems of

racism. This is not an untypical type of action by the youth of Manitoba, yet this government wants to feed the misconception that the kids of today are out of control and running wild and it is the parents fault.

My question is for the Premier. Does he believe that the youth crime is caused by the acts or omissions of parents? Is he saying that whenever a kid commits a crime it is because of bad parenting?

**Hon. Gary Filmon (Premier):** No, Madam Speaker.

#### **Headingley Riot Minister of Justice Responsibility**

**Mr. Gary Kowalski (The Maples):** Will he use the same criteria of making parents responsible to make his Justice minister responsible for the damage done by her charges in the recent Headingley riot?

**Hon. Gary Filmon (Premier):** Madam Speaker, I think that is a facetious question and I do not think it ought to be answered.

\* (1400)

#### **Youth Crime Reduction Strategy**

**Mr. Gary Kowalski (The Maples):** Is his government willing to put as much effort into helping families prevent crimes rather than trying to help victims after crimes have been committed?

**Hon. Gary Filmon (Premier):** Madam Speaker, the answer, of course, is yes, but is he suggesting that it is wrong for us to do things to help the victims of crime?

#### **Children and Youth Secretariat Funding**

**Ms. Marianne Cerilli (Radisson):** Madam Speaker, during the election, the Plan Manitoba—the Filmon election promises—identified the Child and Youth Secretariat as one positive step toward improving the quality and accountability of Child and Family Services. We know that \$144,000 has been budgeted for the operating of the secretariat and we also know that additional monies are going to be redirected from at least five other departments.



I want to ask the Minister of Family Services, since the Minister of Health (Mr. McCrae), during Estimates, acknowledged that money has been identified from the Department of Health for the Youth Secretariat, will she tell us where this money is coming from and how much money will be reallocated from the Department of Health?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Madam Speaker, I thank my honourable friend for that question, because it was under this government's initiative that we looked at co-ordination of services among departments so we were not working in isolation of each other and that different departments and different programs were not dealing with different pieces of children and families. As a result of the Children and Youth Secretariat being put in place, we now have co-operation, we now have information on the kinds of dollars that are being spent in different areas providing services to families and children.

We will, as we continue to identify where the overlap and duplication is, look at streamlining the service and ensuring that the dollars are going in the best manner possible to meet the needs of those families and those children who need our support.

**Ms. Cerilli:** Madam Speaker, the minister did not answer the question for the Department of Health. Perhaps she will answer the question for the Department of Education since, during the Estimates, the Minister of Education (Mrs. McIntosh) directed me to ask this question of the Minister of Family Services.

Will she tell the House how much money will be redirected from the Department of Education for the Youth Secretariat in this province?

**Mrs. Mitchelson:** Again, I thank my honourable friend for that question because, as we develop new ways of delivering service in a more co-ordinated approach, the dollars will move between departments. A prime example was the initiative that was undertaken for those who have medical problems in our school system and there was money taken from the Department of Health. It was \$650,000. Madam Speaker, \$200,000 came to the Department of Family Services to Children's Special Services to train paraprofessionals in providing support to students who did not need medical procedures performed and another \$400,000 was redirected from the

Department of Health to the Department of Education so that those with expertise in delivering medical services to children in need in the school system would be delivered by those professionals.

So, Madam Speaker, as we identify those issues, money will be redirected interdepartmentally to deal with the issues.

**Ms. Cerilli:** Madam Speaker, can the minister tell the House if the time line for the Youth Secretariat plans is on schedule when it says that 2 percent of existing approved resources from five departments should be identified by January 1996? Is that on target, and how much money has been identified from each of those departments?

**Mrs. Mitchelson:** Again, I thank my honourable friend for that question, because it does provide me with the opportunity to say that the Children and Youth Secretariat has been doing very valuable work, and there are five different steering committees—[interjection] Madam Speaker—

**Madam Speaker:** Order, please.

**Mrs. Mitchelson:** Thank you, Madam Speaker, because I did listen very carefully to the question and I would appreciate the same kind of consideration from the opposition when I am trying to respond to the question.

As I indicated earlier and as I will say again today, the secretariat has developed five priority areas. They have five steering committees that are doing their work presently. We are anticipating or expecting that the work of those steering committees, which are comprised of members of the community plus employees of government, are trying to deal with the issues of high priority that we have identified.

Madam Speaker, as that work is completed and as those committees report, we will then be able to determine how the monies can be allocated.

#### **Red River Community College Youth Care Worker Program**

**Madam Speaker:** The honourable member for Burrows.

**Mr. Doug Martindale (Burrows):** Thank you, Madam Speaker, for recognizing me for a question because it gives me the opportunity to remind the Minister of Family Services that on at least five separate occasions since June 1, 1992, her government has promised a full-time youth care worker training program at Red River College and as recently as June 26, 1995, she indicated the program could be up and running by January '96.

Given that the Youth Secretariat, the Children's Advocate, the government's own Suche report, the Child and Youth Care Workers Association of Manitoba, both associations of the operators of residential settings and Red River Community College support the two-year program, is there a reason why this government does not want people working with high risk children to have basic pre-service training?

**Hon. Bonnie Mitchelson (Minister of Family Services):** Madam Speaker, in the spirit of co-operation I do thank my honourable friend for that question, but I do want to indicate to him that I believe I probably thanked him through the Estimates process when he asked that same question. I think, if I remember correctly—

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

**Madam Speaker:** Order, please. The honourable Minister of Family Services, to complete her response.

**Mrs. Mitchelson:** Very briefly, I think I committed to my honourable friend that we are anticipating a start-up date of September of this year.

**Mr. Martindale:** Can the minister provide some assurance that it is actually going to happen in September since we have had repeated promises by this government to start in September? What is different about the Estimates process this year from last year, and when is she going to come through and deliver this program?

**Mrs. Mitchelson:** Soon.

**Mr. Martindale:** Does this minister expect us and the youth care workers to believe this government when they have repeatedly promised this program or does she want people to get certification with no pre-employment

training? What assurances can she give that there actually will be a program in September?

**Mrs. Mitchelson:** Madam Speaker, all I can say to my honourable friend is, trust me.

### Legislative Building/Grounds Camping Permission

**Ms. Diane McGifford (Osborne):** Madam Speaker, today approximately 500 women who are marching to Ottawa to protest the poverty of Canadian women will arrive in Winnipeg. These women, I understand, have been denied permission to set up their tents on the west side of the Legislature grounds, although let it be granted, they, believing that the grounds are public property, did not formally request permission, or so I understand.

I want to ask the Minister of Government Services if it is necessary to obtain official permission to tent on the Legislature grounds and if all past tenting groups have obtained this permission.

**Hon. Brian Pallister (Minister of Government Services):** Madam Speaker, this may come as news to members opposite, but the Legislative grounds function in a wide variety of ways to serve the people of this province, and I think it would be inappropriate of me to not welcome the wagon train to our province and say hello to the tourists who have come here and thank them for coming here on their way to Ottawa. But I do want to point out to members opposite that though it is many things to Manitobans, it is not a campground.

\* (1410)

**Ms. McGifford:** Given that past groups have indeed camped on the grounds of the Legislature, will the minister now take the high road, honour the spirit rather than the letter of the law and allow these women, who are working to overcome poverty and promote economic justice, to set up their tents, just as the federal government has promised to do in Ottawa?

**Mr. Pallister:** This particular question, I believe, sets a new low in revealing the feeble-minded attempt of members opposite to garner attention for themselves at the expense of others.

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** On a point of order, Madam Speaker, the question that was asked was very straightforward. On Parliament Hill the women who were protesting against poverty had been given permission to camp and the question was why this minister, who in his arrogance obviously shows no concern for this issue, will not give the same opportunity to those women to camp on the Legislative grounds that has been given to many other people in the past. Why is this minister not listening?

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

**Madam Speaker:** Order, please. I would remind all honourable members that this House now is degenerating to the same extent it degenerated most recently which was most appalling and disgusting to the public at large. I would suggest that all members pick and choose their words most carefully.

The honourable Minister of Government Services—order, please. There is no room for name-calling in this Chamber.

**An Honourable Member:** Then look at the Minister. . . .

**Madam Speaker:** I am looking at both—order, please. On the point of order raised by the honourable member for Thompson, I would caution the honourable member for Thompson not to name call and call people “arrogant” and other such terms. I would also remind—order, please. I am not finished my ruling.

Order, please. I would remind the honourable Minister of Government Services to pick and choose his words carefully and to respond to the question asked.

\* \* \*

**Mr. Pallister:** Thank you, Madam Speaker. I believe in terms of tolerance for others' views, this government and certainly my department and my staff have illustrated their tolerance repeatedly. For example, over the last month with regard to the home care strike, our staff worked in co-operation with those who were freely expressing their views. Though they were contrary to the

views of many, they were their views and I respect that fact. Our department again is working—[interjection]

**Madam Speaker:** Order, please.

**Mr. Pallister:** We are away ahead of the members opposite on this. It appears that they are not aware that we have been working in co-operation with those people who have travelled to our province for their protest and that they are in fact going to be camping on Legislative grounds, and that they are presently set up and will be continuing to set up on Legislative property at Memorial Park. So we accommodate these people. We continue to accommodate them despite what members opposite may say. Their protests come out of ignorance yet again.

### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** On a point of order, Madam Speaker, I used the word “arrogant” in reference to the Minister of Government Services, and I would like to ask for your ruling whether Beauchesne's Citation 490, which indicates that “arrogant” has been ruled parliamentary, applies or indeed whether we are setting a new precedent in this province. I chose my words very carefully and the word “arrogant” is not unparliamentary, and I believe it does apply to the kind of approach taken by this minister in calling our member and members on this side feeble-minded and making other condescending comments. So I would like to ask for a ruling on whether “arrogant” is now being ruled as unparliamentary when indeed it has been parliamentary.

**Madam Speaker:** On the point of order, I will take the point of order under advisement to review exactly what was said and the context and tone with which it was said.

I believe, on the original point of order raised by the honourable member for Thompson, I indicated to him that he should pick and choose his words carefully. I also cautioned the honourable Minister of Government Services to pick and choose his words carefully and to respond to the question asked.

\* \* \*

**Ms. McGifford:** Madam Speaker, I ask the Minister of Family Services (Mrs Mitchelson), who is responsible for

social services and who is well acquainted with the economic struggles of Manitoba women, if she will advocate for these women and attempt to persuade the Minister of Government Services to give them their place on the Legislative grounds, the place where they wish to be.

**Mr. Pallister:** The member opposite may not be aware of some of the shortcomings that the Legislative grounds offer in terms of providing camping facilities for Manitobans or for tourists, but the Legislative grounds are not able to accommodate, with safety and with reasonable protection, the people who choose to camp here.

So in the best interests of those who would choose to try to seek media attention, which is a legitimate and honourable intention, I am sure, of the caravan that is travelling across our country, it would not be in their best interests, nor in the best interests of the children who are with them, to be exposed to the excessive amount of traffic that is in this facility, the inability to access washrooms on a 24-hour basis, and the lack of electrical hookups.

There are practical and good common-sense reasons why people do not choose to come here and camp out. This is not a campground. Neither is Memorial Park, for that matter, but it does have better services for those people and does give them the visibility they seek. I think it is a good solution for these people, but I would urge future people who wish to come to the Legislature to camp to choose one of our many qualified campgrounds in this province.

### **Manitoba Telephone System Layoff—Roger Page**

**Mr. Daryl Reid (Transcona):** How a government treats its least fortunate citizens is an important message to all in our society. Mr. Roger Page, 49 years old, had worked for MTS for twenty-one and a half years until he was laid off last fall. Mr. Page is disabled with multiple sclerosis, since 1984, and has not taken a sick day in the last nine years.

I want to ask the Minister responsible for MTS to tell Manitobans what message he is sending to our communities and to people with disabilities when he laid

off Mr. Page and then replaced him with an ISM contract employee.

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Madam Speaker, MTS handles its employee relations. It has agreements through union contracts and my understanding is they are following those agreements in the process of dealing with their employee circumstances.

\* (1420)

**Mr. Reid:** On behalf of Mr. Page, I want to ask the Premier, did the Premier not say during the last provincial general election that cuts would not be made at the expense of the disabled, the sick and the elderly in our society? Did the Premier not say that last year in the provincial general election campaign?

**Hon. Gary Filmon (Premier):** Madam Speaker, I am not aware of the concerns and conditions that prevail at the Manitoba Telephone System in making this decision, and I certainly could not be in a position to respond to that specific question.

**Mr. Reid:** Well, then, I want to take my question back to the Minister responsible for the Manitoba Telephone System.

What can this minister offer to Mr. Page, who has lost his job, who has lost his long-term disability insurance, lost his life insurance, lost his dental plan, lost his accrual on his pension benefits, together with a very bleak employment prospect future? What can he offer to Mr. Page?

**Mr. Findlay:** Madam Speaker, on behalf of Mr. Page, I will review it with MTS to see what all the details are and see if there is any other process they could use.

### **Brandon General Hospital Laparoscopy Services**

**Mr. Leonard Evans (Brandon East):** Madam Speaker, I have a question for the Minister of Health.

About a year ago, our Minister of Health publicly stated in Brandon, and it was reported in the Brandon Sun, that he would personally ensure that the Brandon

General Hospital would be able to offer laparoscopy services. This has not yet occurred, and I now learn that the Department of Health has indicated to the hospital that funds would not be forthcoming for this purpose.

I want to ask the minister, can he tell us why he has reneged on a public promise to provide funds to the Brandon General Hospital for these services?

**Hon. James McCrae (Minister of Health):** Madam Speaker, Brandon General Hospital has a proud history of service to the people of western Manitoba and will have a proud history of service to the people of western Manitoba certainly for as long as the honourable member is going to be around and many other people as well, including future generations.

I will take the specifics of the laparoscopy question as notice for the honourable member and get back to him.

### Speech Therapy Services

**Mr. Leonard Evans (Brandon East):** Madam Speaker, I wonder if the minister could indicate whether monies or funds will be forthcoming for speech therapy services at Brandon General Hospital so it can continue to offer this very important service, this very important program, that many people in Westman are concerned about.

**Hon. James McCrae (Minister of Health):** Madam Speaker, this question has been asked and answered. However, I will repeat that, should Brandon General Hospital wish to go ahead with a proposal to remove speech therapy services from its facility, those services have to be available somewhere else in the community before I would agree.

**Mr. Leonard Evans:** Madam Speaker, because of continued uncertainty around this question and because of the many organizations, including parents, teachers and many groups who are writing to me and I am sure the honourable minister, can he make a definitive statement and guarantee to the Westman community that indeed speech therapy services will be maintained in the Brandon community so that the parents, the children and everyone affected and adults affected will have the proper communication therapy services?

**Mr. McCrae:** I have done that many times over the past number of weeks and do so again today.

### Public Accounts Meeting Schedule

**Mr. Tim Sale (Crescentwood):** Madam Speaker, the Minister of Finance made commitments in the Public Accounts committee in an agreement reached in committee and a letter which I will table, the amended paragraph agreed to in the meeting of April 16. During the House the other day, the minister indicated that he was breaking that agreement.

I want to ask him why, after a very good discussion and a very frank discussion that was well thought of by all of those in attendance, he does not think it is important enough to honour his agreement to continue to meet with Public Accounts so that we can deal with 1994-95, get them passed and get current on this very important issue.

**Hon. Eric Stefanson (Minister of Finance):** Madam Speaker, the member for Crescentwood and I discussed this just the other day. I am not breaking any agreement. I hope he is tabling both the original letter he sent to me and then a revised paragraph that I provided to him that he agreed with that outlined very clearly how we would function. I do not believe that we functioned that way entirely. We have made some progress, I will acknowledge. We have had two reasonably constructive meetings, dealt with a series of issues, cleared some reports off the books, but we did not live up to the full and complete intent of our agreement.

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

### Speaker's Rulings

**Madam Speaker:** I have three rulings for the House.

Order, please. During Question Period on May 1, 1996, I took under advisement a point of order raised by the opposition House leader (Mr. Ashton) about language used by the First Minister (Mr. Filmon). The words were, and I quote, "so the allegation is one of the typical smutty ones that is brought out by the member for Crescentwood (Mr. Sale)."

Webster's dictionary has the definition of the word "smutty," the synonyms "obscene" and "indecent." Beauchesne's Citation 491 advises that language used in the House should be temperate and worthy of the place in which it is spoken and that a word which causes disorder can be ruled to be unparliamentary.

I note that the phrase was directed at an individual MLA rather than a group. Therefore, I must rule that the language used by the First Minister was unparliamentary and request that he withdraw it.

**Hon. Gary Filmon (Premier):** Madam Speaker, in respect of your ruling, I would be happy to withdraw that comment.

**Madam Speaker:** I thank the honourable First Minister.

\* \* \*

**Madam Speaker:** The government House leader (Mr. Ernst) on May 14, 1996, raised a point of order about actions of the honourable member for Radisson (Ms. Cerilli) in approaching the Minister of Health (Mr. McCrae) at his seat in the Chamber and having an exchange of words while shaking her hand and finger at the minister.

I would like to draw to the attention of the House Beuchasne's Citation 485(2) which states that the proper time to raise a point of order is when an event occurs and not afterwards. There was a considerable period of time between the incident referred to by the government House leader and his raising a point of order about the matter. Therefore, there is no point of order.

I realize that emotions run high, but we members must behave in a manner appropriate to elected members. People in the gallery are watching and I would encourage all honourable members to conduct themselves in a way appropriate as leaders of this province.

\* (1430)

\* \* \*

**Madam Speaker:** I took under advisement a point of order raised on May 14, 1996, by the government House leader (Mr. Ernst) about words he said were used by the honourable member for Radisson (Ms. Cerilli).

Having checked Hansard I find that the government House leader asserted that the member for Radisson from her seat referred to members on the government side of the House as fascists and nazis. In speaking to the point of order the opposition House leader (Mr. Doer) claimed that what the member for Radisson had said was: How would you like it if we called you nazis? Hansard does not attribute any remarks relating to this matter to the honourable member for Radisson. Further, the point of order was raised well after the alleged incident took place. Beuchasne's Citations 319 and 321 clearly indicate that a point of order must be raised as soon as an irregularity is perceived in the proceedings of the House.

Therefore there is no point of order.

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## MEMBERS' STATEMENTS

### Cultural Activities—Pembina Constituency

**Mr. Peter Dyck (Pembina):** I wish to inform the House of two unique events which I had the pleasure of attending in my constituency this past weekend. On Sunday, May 26, a spring concert was held at the J.R. Walkof School in Winkler which featured the Brass Angels Handbell Choir, the Southern Belles Handbell Choir and the Sweet Harmony Male Quartet. These groups combined to provide an afternoon of diverse and rich music, ranging from inspirational numbers such as He Leadeth Me to the more haunting sounds of The Phantom of the Opera. Their unique sound and presentation is one which will not soon be forgotten.

I would like to thank all the organizers of this event and in particular Karen Kuhl, as well as all the participants who helped fill a wonderful spring afternoon with music.

Also on the weekend, the talent of many of the areas quilters and crafters was on display at the Barn Swallows, more simply known to area residents as The Bam, for the annual Barn Swallows quilt and craft show. This show is renowned for the fine crafts it produces in general but has gained particular attention for the high quality of quilts it displays and sells year after year.

Madam Speaker, these events are just an example of the diverse and culturally enriching activities that take

place in the constituency of Pembina virtually every week. As we have finally reached the end of a long and trying winter, I would like to invite all the members of the House and all Manitobans to come out and experience first-hand the many events that my constituency has to offer. Thank you.

### **British Columbia Election Results**

**Ms. Jean Friesen (Wolseley):** I rise to offer congratulations to the new Premier of British Columbia and to extend to him and his new government our best wishes for their second term of office. This election was close. Premier Clark recognized this in his acceptance speech as he, like other Premiers in similar positions, made his commitment to a government of all British Columbians.

Premier Clark leads a province which faces serious issues. Some of those we might look on enviously from Manitoba. British Columbia has an expanding economy, rapid immigration, a young and highly skilled population, a wealth of natural resources, a healthy industrial and tourism sector. These are challenges any government would envy. But the new government also faces the problems of the long-term historical divisions within British Columbia, and some of those economic divisions were reflected in the election results. Others are the serious unresolved issues facing First Nations and the many daily problems associated with the rapid formation of a visibly multicultural society.

This is, however, an historic occasion. The return of the Clark government in British Columbia confirms social democracy in Canada as the alternative government, not just in the crucibles of Saskatchewan and Manitoba, not just in the Yukon and Ontario but also in the prosperous and populous Pacific Rim province. It is in part a testimony to the work of Premier Clark and his cabinet, to the enormous expansion of post-secondary education, to the creation of three new universities, the real success in science education at all levels, the historic negotiations of a treaty with Nisga'a, an innovative forest policy, development in community health, which are of national significance.

It is, of course, Madam Speaker, part of a long tradition in British Columbia where Canada's earliest social democratic MLAs and M.P.s were elected, and

where in mid-century Premier Dave Barrett led a government, a progressive provincial government.

Finally, Madam Speaker, this was an important election for Canada. It demonstrates that our fellow citizens have confidence in a co-operative and fair vision of our country. It demonstrates that Canadians will and can reject the harsh, mean, and divisive world created by Harris, Klein and Filmon.

**Some Honourable Members:** Here, here.

**Madam Speaker:** Order, please.

### **Hutterite Educators Conference**

**Mr. Mike Radcliffe (River Heights):** Madam Speaker, I beseech the honourable members of this constituent assembly for their attention. I would like to advise them that I had the opportunity on Monday of this week to attend the fourth conference of the Hutterite educators which was held this year in Brandon, Manitoba. This is the first time this conference has been held in Manitoba. Previously it has been held in Alberta and in the United States. The conference brought together educational professionals from throughout North America. These people teach on Hutterite colonies, and a number of people from the colonies themselves who have an interest in the future of educational development in their communities also attended.

I valued the opportunity to be a part of this very special assembly and to bring greetings on behalf of the Honourable Linda McIntosh, Minister of Education. I had the opportunity to meet many people who are on the front lines in the Hutterite educational system.

Madam Speaker, members of Hutterite colonies in Manitoba have been instrumental in the involvement in distance education and interactive learning. These leaders recognize the essential need to educate their children, our next generation of leaders in Manitoba, which involves technology, world events, as well as the traditional core topics of education.

The singular challenges facing many of our rural students of distance and isolation are being overcome by many of the people in these communities. The Hutterian educators are also vigorously recruiting many individuals from their own communities to participate in education

delivery to these students. Congratulations to the organizers, the participants, and the supporters of the Hutterite educators in Manitoba. Thank you, Madam Speaker.

\* (1440)

### Low Income Housing

**Ms. Marianne Cerilli (Radisson):** Madam Speaker, the treatment of this government for the women's march against poverty is indicative of the way they are trying to deal with poverty, to simply push it out of sight and out of mind, and it is imperative that they recognize that there are many social programs that are necessary for us to combat poverty, the widening gap of income in our community.

We know that if you want to deal with poverty and the stress on low-income families, you have to deal with the accessibility of housing. Housing is the single largest budgetary item of any family, and there is an increase of 29 percent of the households in Canada in core need. Over one million, 1.6 million households in Canada are in core need of housing. I am raising this today because the federal government is walking away from its responsibility for public and social housing, and we have not heard one peep from this government about their plan for ensuring that there is a strategy for low-income housing in our province.

Other provinces, especially British Columbia, which has picked up and replaced the \$2 billion that is being cut from social housing across the country, is the only province that has undertaken that, and I think it is important that the Province of Manitoba will come forward with some strategy with especially the federal government now offering the provincial government to take over responsibility for managing social and public housing.

We know that other provinces are looking at selling the public housing stock in their province. We know that other provinces are going to simply allow social housing to be eliminated as a program in our country, and we want to ensure that that does not happen in Manitoba.

So I would implore the government, in closing, to come up with a strategy to ensure that low-income Manitobans are going to have adequate, decent, and safe housing.

### Carol Shields Chancellor of University of Winnipeg

**Ms. Diane McGifford (Osborne):** Today I am pleased to rise and offer congratulations on behalf of my caucus to Carol Shields named yesterday as the chancellor at the University of Winnipeg. We offer congratulations as well to the University of Winnipeg for its timely and brilliant choice. As the NDP critic for the Status of Women, it warms my heart and gives me hope to realize that both the University of Winnipeg and the University of Manitoba have presidents who are women and that now the University of Winnipeg has a female chancellor. A strong female presence is absolutely essential to complement the university's passage into the new millennium.

Carol Shields, our very own Pulitzer Prize winner, is, of course, an internationally respected novelist and short-story writer. She is a well-respected teacher of creative writing who has taught at the University of Manitoba and who has been the writer-in-residence at the University of Winnipeg. Perhaps most important, Carol Shields has a reputation among writers and students for her intelligent, empathetic support and serious commitment to the craft of writing, to the arts community and to people.

As a chronicler of the human condition, Carol Shields is insightful. As an artist, she is creative. As a teacher, she knows the university and is closely connected to this institution. As an artist and member of the arts community, she is a conscientious, responsible and dedicated citizen.

The University of Winnipeg has chosen well. My caucus is delighted with her appointment. Finally, we congratulate Carol Shields too on her honorary Doctor of Letters to be presented at the University of Winnipeg Sunday convocation.

### ORDERS OF THE DAY

#### House Business

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, I have a few items of House business.

Firstly, I wish to announce the Committee on Privileges and Elections will meet Tuesday, June 4, 1996, at 10



a.m. until 12 noon in Room 255, to which will be referred a review of the Children's Advocate legislation and the Judicial Compensation Committee report.

With respect to the Estimates sequence for today, in the House the Justice Estimates are set aside and will be replaced by the Department of Urban Affairs and, if time permits, the Seniors Directorate. Continuing in Room 254 are Highways, and Culture; and in Room 255 will be Consumer and Corporate Affairs, and Sport.

For Thursday, at 9 a.m. in the House will be the Committee of Finance; Community Support Programs; Canada-Manitoba Enabling Vote; Allowance for Losses and Expenditures Incurred by Crown Corporations; Emergency Expenditures; Internal Reform; Workforce Adjustments and General Salary Increases; Urban Economic Development Initiatives; Canada-Manitoba Infrastructure Program; and Employee Benefits and Other Payments. That is in the House.

In Room 254 will be the Department of Rural Development and Decentralization Initiatives.

In Room 255 in the morning will be the Department of Government Services and in the afternoon will be the Department of Industry, Trade and Tourism.

For Friday this week we have two committees. In the House will be Government Services if they do not finish tomorrow, followed by Northern and Native Affairs. In Room 255 will be the Department of Industry, Trade and Tourism.

Madam Speaker, would you call the following bills for second reading: Bill 35, Bill 26, Bill 57, Bill 52, Bill 53 and Bill 45.

**Madam Speaker:** Is there leave for all the changes proposed by the honourable government House leader for the sequence of departments to be considered in the Committee of Supply? [Agreed]

Do you have another item of House business before we commence second readings?

**Mr. Ernst:** Considering the hour, Madam Speaker, I think we will call for second reading today only Bills 35 and 26. The other bills will be deferred.

## SECOND READINGS

### Bill 35—The Child and Family Services Amendment Act

**Hon. Bonnie Mitchelson (Minister of Family Services):** I move, seconded by the Minister of Education and Training, that The Child and Family Services Amendment Act (Loi modifiant la Loi sur les services à l'enfant et à la famille), be now read a second time and be referred to a committee of this House.

#### Motion presented.

**Mrs. Mitchelson:** This bill is a major step forward in protecting Manitoba's children from abuse. It is a fundamental part of the government's commitment to deal seriously with people who abuse our children. These amendments to The Child and Family Services Act will ensure that anyone guilty of abusing children will be listed on Manitoba's Child Abuse Registry.

The bill seeks to increase protection of children from abuse by expanding the scope of the provincial Child Abuse Registry. Experience in administering The Child and Family Services Act has shown that its definition of abuse is too narrow. At present it covers only parents and guardians and others caring for children. It does not cover third party offenders who are not in a position of trust or responsibility to a child.

The expanded definition will now include third parties who do not have care, control, custody or charge of a child. It will encompass anyone who sexually exploits a child, whether or not they are actually caring for a child. This will include pedophiles, dangerous sex offenders and users and procurers of children for sexual activity.

\* (1450)

This will make it possible to place the name of anyone found guilty of a crime involving abuse of a child on our Child Abuse Registry. As I have said, we intend to leave no doubt that abusers are abusers or that they threaten a child from within the family or from outside a child's family. Bill 35 will ensure that there are no gaps in the reporting of child abuse or the listing of abusers on the registry.

The second major aspect of the bill concerns the obligation to report names for inclusion on the registry. In this area, one change applies to Manitoba courts. They will have to report the names of person found guilty or pleading guilty to an offence involving abuse of a child to the director of Child and Family Services for inclusion on the registry.

Madam Speaker, the police will also have an expanded child protection role under our bill. Once the police learn of the whereabouts of a child abuser in or moving to Manitoba, they will have to report that person's name for entry on the registry, except for those already reported by the courts.

There is a critical aspect of this requirement to cover as many situations as possible. It will not matter whether an abuser's offence and/or conviction took place in Manitoba or outside the province. In either type of situation the name must be sent in for inclusion on the registry.

These changes to the Child Abuse Registry complement our government's earlier initiative of introducing community reporting of the presence of high-risk sexual offenders and establishing the Community Notification Advisory Committee to administer the procedure. With these amendments, we are ensuring that the names of abusers who have gone through the law enforcement and criminal justice systems will be sent to the registry as a consequence of their crimes.

We want our children to grow up in an environment where they are protected from abuse. In our society and in the policies of our government children and their care and protection are our highest priority. In this bill we are acting on our commitments to strengthen child protection and to deter child abusers. A more comprehensive Child Abuse Registry is one important tool with which to build a safer community for Manitoba's children.

Madam Speaker, I know this bill will be supported by all members of this House and I ask for support to pass this bill before we rise on June 6.

**Mr. Gary Kowalski (The Maples):** It is a pleasure to rise and give support to this bill and we join the government in wishing this bill be passed as soon as possible, preferably passed and receive Royal Assent before we break for the summer. As a police officer I

know sometimes the difficulties in interpretation of who really is in care and control of a child. This will remove any ambiguity in regard to that in that any person who has abused a child will now be put on the Child Abuse Registry and I think it speaks to the safety of our children.

It also clarifies the obligation of courts to put people on the Child Abuse Registry and we think this will be a benefit for the children of Manitoba, so we ask all members of this House to consider passing this into committee and encouraging all members of this House and all parties to support this legislation and have it passed before we break for the summer.

**Mr. Kevin Lamoureux (Inkster):** I, too, like the member from The Maples, would like in essence to compliment the minister on this particular bill. On going through the bill, my interpretation or what has been explained to me, the part that I find—and I will be somewhat graphic if you like, there are pimps that are out there that take advantage with our children, and this is the type of bill that can address problems such as that.

For that reason, I think the bill should warrant the opportunity even to receive Royal Assent before June 6. I know that the minister at least acknowledged that she would be prepared as government to have the bill go through its entire process and ultimately receive Royal Assent on June 6. The member for The Maples (Mr. Kowalski), who is the critic for the Liberal Party regarding Family Services, has already spoken to the bill and following his lead, my intentions are to be very short and brief and, in essence, to appeal to the New Democratic Party in reviewing this bill as quickly as possible and possibly agreeing at allowing this bill to receive Royal Assent primarily because I do think that this should be a relatively nonpolitical issue.

It is something which the minister brought to our attention a while back and, after looking into the bill, we feel that the bill does deserve a lot of accolades. For that reason, we support what appears to be the intentions of the bill and we would ask that the New Democrats do likewise and demonstrate—and it would not be the first time. I can recall a couple of years back when we had a bill regarding food distribution or the food banks, and it was more of a spontaneous gesture at that time where we saw all three political parties in the Chamber expedite

that particular bill, and it ultimately received Royal Assent.

Madam Speaker, when we had appealed to the official opposition back then, they saw fit to allow it and, once again, we would like to appeal again to the New Democrats and hopefully see this bill receive Royal Assent before ultimately we adjourn or recess on June 6. Thank you.

**Mr. Daryl Reid (Transcona):** I move, seconded by the member for Burrows (Mr. Martindale), that debate be now adjourned.

**Motion agreed to.**

#### **Bill 26—The Labour Relations Amendment Act**

**Hon. Vic Toews (Minister of Labour):** I move, seconded by the Minister of Agriculture (Mr. Enns), that Bill 26, The Labour Relations Amendment Act (Loi modifiant la Loi sur les relations du travail), be now read a second time and be referred to a committee of this House.

**Motion presented.**

**Mr. Toews:** Madam Speaker, I rise today to speak to Bill 26, an act to amend The Labour Relations Act. As I do so, I am sensitive to the fact that this House will be considering this legislation against a backdrop of unusual turmoil in some aspects of labour relations across Canada. This turmoil is marked not by unusual levels of conflict between employers and employees, but rather by an era of, frankly, partisan political conflict between governments and union leaders in many parts of Canada. In part, that is understandable.

In our neighbouring province of Ontario, the excesses of past governments have left the current administration with no option but to undertake massive and sudden downsizing of the public service. The employees affected in that province are naturally concerned. We have been fortunate in Manitoba that we have maintained and strengthened the management of our public affairs and never allowed it to sink to the levels that prevailed in Ontario under past governments. So as we struggle to achieve a sustainable government, one that can meet its responsibilities at a cost that Manitobans can bear, we have faced few layoffs and have been able to manage the

process with humanity and with consideration for the loyal men and women who make up Manitoba's outstanding public service. As members know, I am a former member of the Manitoba public service and I say that with pride.

Although our situation in Manitoba is very different than that of our neighbour, we are seeing much of the excessive rhetoric that has marked the Ontario arguments being imported by union leaders to our province. We are hearing extreme accusations and personal attacks, not from all quarters of the union movement, it is true, but from some. Abusive and unnecessary confrontation have no part in our Manitoba tradition. They are simply alien and irrelevant to the values that Manitobans share, so I would hope that, as we debate this legislation, we can do so in a Manitoba way, that is, with civility and mutual respect.

\* (1500)

To begin with, I think that all of us in this House, along with a vast majority of Manitobans, can agree that organized labour and free collective bargaining play an important and largely positive role in the economy of Manitoba. Approximately 35 percent of all men and women in our provincial labour force belong to labour unions and, of course, the existence of this strong unionized sector influences wages, benefits and management practices across the economy as a whole. The advocacy activities of unions have influenced the employment and workplace legislation that has evolved under successive Manitoba governments, contributing to the steady evolution of safer, fairer and more humane employment practices.

For the most part, collective bargaining has tended to work better and less disruptively in Manitoba than in many other jurisdictions. Perhaps because of the strong sense of community that has always marked our society, we appear to be able to disagree without sacrificing mutual respect and basic civility. As a result, we have enjoyed a labour relations climate that, in general, has been peaceful, orderly, and that has augmented both the fairness of our economy and the attractiveness of Manitoba as a site for new job-creating investment.

That is no accident. Many groups and individuals have worked in good faith to build bridges and mechanisms for

resolving differences that reflect our uniquely Manitoban sense of community. As laws affecting the workplace have evolved in Manitoba under governments of differing political stripes, there have been few, if any, occasions where either organized labour or management have been satisfied that their particular interests have scored a total victory, but in most cases, there has been a grudging acknowledgement that governments must strive to ensure that our investment climate remains attractive to business and to achieve continuous improvement in such key areas as workplace safety and health and overall employment standards.

In the process, we have evolved such unusual institutions as Manitoba's Labour Management Review Committee which provides an ongoing forum for labour and management to work and reason together to provide government with advice about workplace legislation in general. As a result of all of this, we have been able to achieve improvements in legislation and practice responding to changing precipitations and changing economic realities with a minimum of disruption.

It was in that spirit, for example, that Manitoba was able to achieve financial stability for a Workers Compensation Board without having to take the drastic measures that were needed in some Canadian provinces. That spirit led to improvements we have made in maternity and paternity provisions to better protect working parents and to ensure that our laws evolve in tandem with changes in the values and the realities of our communities. It lies behind the improvements we are making in The Pension Benefits Act and the streamlining and improvements that we will be proposing for an integrated employment standards code.

That same spirit animates the important modernizations we will be making with respect to technical safety. Compared to virtually every other jurisdiction in Canada, if not in North American, what has been outstanding about the evolution of labour relations and workplace legislation in Manitoba has been that, in our province, the evolution has been characterized less by conflict than by consensus.

I stress these points as I rise in the House today to propose amendments to The Manitoba Labour Relations Act, the main piece of legislation that governs relationships between unions and employers and between

unions and their members, because it is important to say at the onset that our government's intention is not to alter the balance between unions and employers that exists in the current act. The current balance has, generally speaking, served our collective interests and the interests of those involved in the bargaining process.

So the main focus of the amendments I am proposing today is not the relationship between unions and employers. Instead, those amendments, like an important part of the amendments that were enacted under a New Democratic government in 1985, focus on the relationship between unions and their members and, like those changes, enhancing individual workers' rights. The changes I am proposing today aim to enhance individual workers' rights by strengthening the accountability, the transparency and the perceived fairness of internal union operations.

It may be useful to members if I quickly describe the main impact of that earlier 1985 set of amendments. The principle behind those changes in the law was described as the duty of fair representation. The most important substantive changes made at that time were a strengthened requirement for strike votes and for votes among employees as to whether to accept or reject management offers. Those changes were not seen nor intended to be antiunion actions by the government of the day. Rather, the main intention of the changes was to ensure that the internal democracy and accountability of labour unions was clear and visible to all, because unions can best play a positive role on behalf of their members and in the broader community if they are seen to be fair, open and democratic in their operations.

The changes I am proposing today arise from the same motivation. I believe, by enhancing union democracy and the accountability of union leadership to its own members, we also enhance the legitimacy and authority that unions can bring to the task of participating as positive agents of change within the industries where their members are employed and in the broader society of Manitoba. We also believe leaving more rather than fewer matters to work out through free collective bargaining is the route we ought to follow in Manitoba.

Government's role is to set the parameters, the basic and balanced legal context within which unions and employers can meet their shared responsibilities for the

welfare of both enterprises and employees. Today, more than at any time in the recent past, that will require both unions and managements to respond to fundamental changes, to find new ways of relating, to innovate and to adjust to a new set of competitive realities that inescapably will affect Manitoba industries as they are affecting enterprises all over the industrialized world. Like it or not, changes in technology, and in the end, international terms of trade mean that the economy is changing in Manitoba, and we have to change with it. Our enterprises and our entire economy have no choice but to respond to meet tougher competition in our export markets and here at home.

Interprovincial trade barriers are coming down, so we will face greater competition for markets and for investment from other parts of Canada. International barriers are also coming down. At the same time, technology is transforming industries throughout the economy, leaving firms with no option but to modernize if they are to compete successfully. And for unions and management, the need to respond to these changes implies a new and broader agenda that they have to deal with than in the past. That new agenda must include an understanding of the vulnerability of virtually all companies and virtually all jobs in the face of global competition. It must include a recognition that lifelong employment by a single firm will become rarer. Because that is undeniably true, an increasingly important new focus for the employer-employee relationship will be on finding ways of working and relating that will contribute to lifelong employability. That will increasingly become the best way that unions can serve their members' interests. Playing a positive role in defining and addressing this new agenda will certainly stress some traditional union practices and operations. For example, where technology transforms a multistep process into a two-step process, that must change the rules of work just as it changes the skill and knowledge requirements for the people doing that work.

Successful competition will require that enterprises strive to reduce costs and cycle times and to improve quality and service that will demand greater workplace flexibility and more active and innovative union-management relations than we have seen in the past. Many unions understand that. The amalgamations that have occurred within union ranks mean that more and more unions have the resources and the capabilities to

analyze and understand these changes and to play an effective leadership role in what really amounts to a redefinition of the workplace in the face of worldwide competitive change. But change is always discomfiting, and union members will need as much confidence as possible that their leadership is truly pursuing their interests as they become engaged in this process of change.

In many ways Manitoba is fortunate in that we are facing these challenges at a time when for the most part our economy is experiencing steady and healthy growth. During 1995, we saw that growth in manufacturing, agriculture, banking, mining, transportation, retail sales and nonresidential construction. The net impact of that steady growth against a backdrop, a weakness in the housing sector and of necessary but carefully managed downsizing in the public sector led to a very healthy increase of 2 percent in average employment in our province.

\* (1510)

To put that gain in context, let me tell you that it was significantly above the national average and more than double Manitoba's average employment growth rate over the past 20 years. Farm cash receipts have grown more quickly than the national average. Our mining industry is expanding with nonfuel mineral production up roughly one-third last year, and the long-term indicators are even healthier.

### Point of Order

**Ms. Becky Barrett (Wellington):** On a point of order, Madam Speaker, I would like you to call the Minister of Labour to order, please. I believe the purpose of introducing this bill for second reading is to outline the principles of this piece of legislation, and I fail to see what the relevance of his current statements on the record have to do with the elements and the principles of Bill 26, and I would ask you to call him to order to deal specifically with what is in the legislation before us.

**Mr. Toews:** That is exactly what I am doing, Madam Speaker. This is a very important piece of legislation and it is not always easy to put things in a simplified form that the member would like. I believe I have a right in this House to outline exactly what the purpose of the bill

is and what the essential elements of that bill are, and I would appreciate that the member opposite would respect my right to speak in this House and that when I speak for workers, she cannot just stand up and say that he has no right to speak.

**Mr. Leonard Evans (Brandon East):** On the same point of order, Madam Speaker, I was listening to the Minister of Labour very carefully and he was discussing at some length the economic conditions in Manitoba. He was describing the economy. He was clearly not discussing, at this point, for the last several minutes, the principles of the bill, and therefore I think the point made by the honourable member for Wellington should be very well taken.

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, on the same point of order, I understand the frustration, perhaps, of the members opposite in that their union bosses do not want to have this kind of legislation come forward. The fact of the matter is, though, nothing impacts on organized labour more than the economy and the changes in the economy, and the context of the changes in the economy are exactly what the minister is talking about. They have a significant impact, and that context is what he has to provide in order to give the explanations with respect to the changes in The Labour Relations Act. So in my view the minister is on track, right on track, in talking about these issues.

**Madam Speaker:** Order, please. I wonder if the member for Transcona (Mr. Reid) and the government members on the other side that want to continue with this debate do so outside the Chamber.

I thank all honourable members for their advice. On the point of order, regrettably, I did not hear the exact comments that caused the member for Wellington (Ms. Barrett) to raise the point of order, but I would remind the honourable minister that his comments, indeed, are supposed to be addressing the principles of the bill.

\* \* \*

**Madam Speaker:** The honourable Minister of Labour, to complete his comments.

**Mr. Toews:** As I was indicating, the principles of the bill are primarily designed to take aware of the economy

that is occurring not just here in Manitoba, but the global economy that we face. We do not just work in Transcona; we do not just work in Rossmere; we work in a global economy. As I have indicated, we are fortunately at a time when the long-term indicators are healthy for Manitoba. Capital investment is increasing; key manufacturing is up four times the national average. Once again, this is no accident. Government policies, including policies related to labour relations, have contributed to solid economic progress. Overdue actions at all levels of government in Canada to contain deficits and bring down total government indebtedness have helped to create a climate of lower interest rates and greater investment confidence.

All this is good news, but it does not make the necessity for change to go away. But healthy, growing enterprises operating in a stable fiscal environment are better able to manage and change and adapt to new kinds of relationships, just as the unions who represent the employees of such enterprises have an opportunity to take a longer view and begin to develop new goals and strategies to serve their members' long-term interests.

That is the purpose of the main amendments to The Labour Relations Act that I am proposing today. These changes aim to strengthen, simplify and make more visible the essential democratic nature of union organizations. They aim to make sure that union members believe and understand that they control their unions and not vice versa and they aim to hand more responsibility rather than less responsibility to unions and managements to address the challenges of a changing workplace and a changing competitive environment.

I am proposing six significant amendments to the act today. The first deals with votes relating to the certification of a new union. In the past, like much of labour relations law in Manitoba and elsewhere, these provisions have been relatively complex. At some levels of support for certification, a vote of all employees has been required and at others it has not. We are going to make it simpler and more open by saying that in any case where an application for certification meets the threshold level of 40 percent of employees, there will be a government supervised secret ballot vote conducted under the auspices of the Manitoba Labour Board, and the vote must be held quickly. From the union standpoint, this new regime will ensure that all newly certified unions

will be seen as fully legitimate. From the standpoint of employees, unions and management, the quickness of the process will minimize disruption and uncertainty. The basic reference point here is clear. When in doubt, union members should decide in a fair and open way. That is the basis of democracy. It is accepted by people around the world and it reflects the values that Manitobans share. There should be no objections to this amendment from anyone, because that basic reference point is clearly and patently democratic and fair.

\* (1520)

The second amendment we are proposing may on the face of it seem somewhat more controversial. We are proposing to amend The Labour Relations Act to require that all unions file full financial disclosure with the Manitoba Labour Board each year, disclosure to their employees, which must include the salaries of all officers and employees of the union, the benefits paid to officers and employees, political contributions, all advertising and publicity expenses, all gifts and grants. Any employee in any bargaining unit of the union will be able to obtain that information from the Manitoba Labour Board. Now, I say that on the face of it this amendment may appear to be a little more controversial than the requirement for certification votes, but all of us in this House have to live with the reality that the community knows how much we earn and they have a right to know that because our earnings come out of their money. Public Accounts put total spending decisions of government clearly in front of our electorate each year in great and sometimes uncomfortable detail. If those who elect us, either as private members and as members of governments, are displeased with the way we are rewarding ourselves and the way we are husbanding their money, they have access to that information so that they can vote us out of office. It is a useful discipline and it is as it should be. The people who put up the money have a right to know how it is being spent.

Madam Speaker, the same principle should apply to union leaders and employees. Their salaries and other expenses the unions incur are made up of money that belongs to the people in their bargaining units, including union members and nonunion members alike. Under the Rand Formula employees and unionized bargaining units are legally compelled to pay union dues as a condition of employment, and the principle applied, those who put up

the money and are legislatively required to pay that money have a right to know how it is being spent when the Legislature gives that money to third parties, and their members have a right to know how that money is being spent by ensuring that this financial information is available to union members and all members of the bargaining unit.

This amendment will strengthen the legitimacy of unions as key institutions in our society, institutions that have obligations of openness that compare to those that other organizations have to meet. I think the reasoning is clear and that it is beyond argument, so I really do not anticipate a great deal of controversy around this amendment. The main reason for that, of course, is that I do not believe that there is systematic or widespread abuse within the union movement.

There will certainly be some discomfort among union leaders as they move to comply with this new requirement. Like you and me and the rest of us in this House, Madam Speaker, they will feel a certain reticence at the thought of making what they consider personal financial information available, but like me and the rest in this House, they will realize the essential fairness of the proposition, that when you are spending someone else's money, the people who have been compelled by legislation to pay their personal money to a non-governmental agent have a right to know.

I suppose the fair question might be can they not find out now, and if they can, why change the law? Well, in theory, union members can find out all of this information, Madam Speaker. They merely have to go to union headquarters and ask for it, but that is an illusion. Unionized workers are dependent on their membership in good standing for continued employment. Even if we assume, and for the most part I do assume, that unions will not abuse this power, we have to acknowledge that the imbalance in power between those who spend the money and those who pay it is too great for this situation to be transparently fair.

It is the same basic reason that has led governments to require publicly traded companies to file extensive financials with government. In fact, it is interesting to note that publicly traded companies have faced far higher disclosure requirements than unions, despite the fact that unlike bargaining unit members who are legally

compelled to pay union dues, shareholders are always free to sell their stock.

It is not the government's job to tell unions how they can spend their money, and that is not our intention as we bring this amendment forward, but we do want to make sure that union members and bargaining members can control how their dues are spent and are seen to be able to do so. So let us make it transparent; let us make it open. As all of us in this House know, it is a useful and sobering discipline, and it is a discipline that union members and other employees in bargaining units across Manitoba deserve to be protected by. It is simple. In a democratic organization like a union, the people who put up the money have the right to know how it is being spent. They also have a right to a significant degree of control as to how that money is spent.

The third amendment I am proposing goes to that principle. This change may, I suppose, have some potential, again, for controversy. It relates to union participation in politics. Let me make it clear. This government does not object to such participation if it represents the will of bargaining unit members. In fact, Madam Speaker, the party I belong to would be pleased to receive support from any union that chooses to support us if their members wish to provide us with that support.

The amendment I am proposing will provide any union member or other member of the bargaining unit with the right to say that his or her dues may not be used for political purposes but rather be redirected to a registered charity of the employee's choice. We are not altering the compulsory check-off system. We are not limiting the ability of union organizations to contribute to support political parties that they believe share their views, but we are strengthening the ability of individual bargaining unit members to say, yes, I agree with that, or, no, that is not how I want my money spent.

Once again, this amendment goes to a redress of the balance of power between union membership and bargaining unit members. Will many people use this new right? Frankly, I do not know, but it is a right that any working man and woman in Manitoba ought to have because the money being spent is their money, and, again, this is the same reason that the fourth amendment I am proposing.

The amendment will require that members of the bargaining unit vote in a secret ballot, government-supervised vote, conducted by the board on the employer's final offer prior to any strike where it is in the public interest to do so. Ontario and British Columbia both have that legislation. In fact, when the Ontario Federation of Labour asked the New Democratic government to repeal that provision in Ontario, the New Democratic government said about the same provision, no, we will not, and in fact used it in a very effective case where the union leadership had lost touch with its membership.

Will this amendment lead to fewer strikes in Manitoba? Quite frankly, Madam Speaker, I do not know, but I do know that it will create a situation in which there will be no strikes, in which the decision is made by anyone other than the people who ought to make it, the rank and file members of the bargaining unit.

The last two amendments I am putting before the House today could be viewed as simple housekeeping, but I think they are both important as examples of the tradition of civil labour management relations and free collective bargaining that has evolved in Manitoba over the years. The Manitoba Labour Relations Act provides for a process called expedited grievance mediation arbitration. This process allows either party to refer a grievance to the Labour Board rather than working through the normal grievance process established in their collective agreement.

In these cases, the board moves quickly to settle the grievance through mediation and/or arbitration. The original reason, if you go back to the NDP briefing notes of the day, was that time-sensitive agreements should be handled in that way. That is why provisions of a collective agreement should be overridden, but we know that in too many cases, parties are calling for expedited process rather than working things out through the collective agreement, even though there is no particular urgency to the matters being referred.

We continue to believe that in truly urgent cases governments should continue to be involved, through the board, to provide a speedy resolution, but we also believe that in the vast majority of disagreements between employers and unions, they should work that out through their own collective bargaining situation.



The final amendment I am proposing relates to Section 12 of the act dealing with reinstatement after strike or lockout. The intent of this provision has always been clear. It aims to ensure that no employee is exposed to punishment for exercising their legal rights under The Labour Relations Act, but this section was never intended to mean that people would be unaccountable for illegal action simply because those actions occurred in the course of labour management disagreement.

\* (1530)

Recently, however, there has been a decision of the Labour Board that interpreted the provision in precisely that way. That decision seemed to say that if there was a strike in progress, people were free to break the law. That is not the intent of this section. It never was, and it offends the values that Manitobans share, so we are simply amending the legislation to make it clear that this protection extends only to apply to legal activities and does not provide a licence to law breaking. If you break the law, you pay the penalty whether you are in labour or management, whether there could be a strike in progress or not. That is the kind of legislation Manitobans want, and I believe it is the vast kind of legislation that bargaining member people want as well.

I said, as I began, that organized labour plays a significant and largely positive role in our economy. The generally responsible history of Manitoba unions, like that of Manitoba employers, contribute to a stable labour-relations climate, and that, in turn, helps to make Manitoba continue to be an attractive place to invest and create jobs and opportunities and a good place to be either an employer or an employee. As our economy changes, unions face new challenges to learn to innovate, to provide leadership in the evolution of new relationships in the economy. Manitobans believe that kind of leadership can be provided by organizations that are clearly and transparently accountable to their members.

The amendments I am proposing here today, by ensuring that unions are more open, democratic and accountable to their membership, will enhance their ability to meet those challenges and to serve the interests of their members across Manitoba. Thank you very much.

**Mr. Daryl Reid (Transcona):** Madam Speaker, I believe as has been my experience in past years in this House to have the opportunity to ask questions of the minister pertaining to legislation, so I am requesting leave for the opportunity to ask those questions.

**Madam Speaker:** Does the honourable member for Transcona have leave to pose questions to the honourable Minister of Labour (Mr. Toews)?

**Some Honourable Members:** No.

**Madam Speaker:** No. Leave has been denied.

**Mr. Reid:** I do not know why the members opposite are refusing to give leave. I thought it was a practice of this House where this would be second reading of the bill—

**Madam Speaker:** Order, please. The honourable member for Transcona has the right to request leave. It is up to the House to decide whether leave will or will not be granted. I posed the question and leave was denied.

**Ms. Becky Barrett (Wellington):** I move, seconded by the member for Transcona, that debate be adjourned.

**Motion agreed to.**

#### Introduction of Guests

**Madam Speaker:** Prior to recognizing the government House leader (Mr. Ernst), I would like to draw the attention of all honourable members to the public gallery, where we have this afternoon—

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

**Madam Speaker:** Order, please. Now, do I have the attention of all honourable members? Good. I would like to draw to their attention that there are thirty-five Grade 6 students from Melita School under the direction of Mr. Paul Witt. This school is located in the constituency of the honourable Minister of Industry, Trade and Tourism (Mr. Downey).

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

**Hon. Jim Ernst (Government House Leader):** Madam Speaker, I move, seconded by the Minister of

Environment (Mr. Cummings), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of Supply to be granted to Her Majesty.

**Motion agreed to,** and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty, with the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Highways and Transportation and the Department of Culture, Heritage and Citizenship; the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the Department of Consumer and Corporate Affairs; the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Urban Affairs.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### HIGHWAYS AND TRANSPORTATION

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

When the committee last sat, it had been considering item 15.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits, on page 80 of the Estimates book. Shall the item pass?

**Mr. Gregory Dewar (Selkirk):** Mr. Chair, are we approaching the capital projects of the department?

**Mr. Chairperson:** We are on 15.1.(b)(1) on page 80, Executive Support.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, actually I had a few questions that I want to ask before we start passing the lines. The first one was in regard to a constituent whom I met at our local McDonald's. He was trying to get some information in regard to policy on truck drivers, in particular regarding the logbooks. In one particular incident, I understand that there were two drivers, one was driving the truck obviously, one was the passenger. The passenger was requested to provide a driving log. I am wondering if the minister can indicate

what obligations a passenger would have in terms of making available that kind of material.

**Hon. Glen Findlay (Minister of Highways and Transportation):** When a vehicle or truck is stopped on the road by a compliance officer or the RCMP and they request the logbooks, the driver is required to supply the logbook. If he does not supply it, he is in contravention. In numerous instances, they also would be asking for the book from the co-driver, and the normal process is the co-driver would supply it.

In one particular case involving a particular co-driver and a particular company—I do not know exactly when that was—June of '95, the co-driver refused to supply the logbook. A subsequent court decision was that the interpretation of the word "driver" was not clear enough such that legally the co-driver was not in violation by not providing his logbook. But the normal processes both do. In this case, strangely enough, later on when the logbooks were seen, both logbooks were in compliance.

So there is a little glitch in the definition within our provincial legislation to be sure that the co-driver is also in that instance considered to be one of the drivers, so a small technical glitch, but the driver provided the logbook and the driver was in compliance.

**Mr. Lamoureux:** Is it then the minister's intention on bringing in some sort of amendment to the legislation if that would be required in order to resolve that glitch, or is the minister quite content with the current system and leaving it, because it seems if there is the one case, that it is not really a problem area.

Does the department feel that it is essential that the co-driver make available their log upon request? If the minister can just give some sort of indication of what the department's intentions are regarding it.

\* (1540)

**Mr. Findlay:** The issue that I have described does not happen on a rampant basis. I am not aware of any other instance where a co-driver refuses to also offer his logbook for inspection, but there are a lot of other issues around driver hours and all that kind of thing.

There is a major North American study that is going on right now on driver hours, driver fatigue. It has been

going on for three years. The results of that study will be available to transportation authorities in North America fairly soon, and in that context, I am prepared to look at it. But when we only have one incident where there was nothing in error anyway, where a person chose to be maybe a little obstinate in the process, that is not worth doing the changes because it is not a problem in the industry. It was not even a problem in that case, it was just a personality circumstance, I would suggest.

When we look at the overall picture of this study, looking at the broader issue of driver fatigue and hours and all that sort of thing, there will be broader changes likely that will be considered and we will deal with it at that time. But it is recorded and noted.

**Mr. Lamoureux:** The report that the minister makes reference to, I would be interested—I have a number of truckdrivers actually in my area, as I am sure everyone does—I would not mind to be provided a copy of it when it becomes available if the minister would be able to do something of that nature. I do not know how public the document actually is.

**Mr. Findlay:** The study is funded by Transport Canada and trucking companies. I have no knowledge that it will not be made public, but the decision will be made by the people who paid for the research to be done. I think in the broader interest of public safety, concerns about trucks, it probably should be released. But I cannot commit that it will because I am not the person who will make that decision. But it is a North American-wide one, so it will have a lot of implication to a lot of people, and the people who commissioned it and who will make recommendations from it will make that decision.

**Mr. Lamoureux:** Mr. Chairperson, I actually have the privilege of representing or at least a number of the trucking firms are located in my area and jointly with the member for Lakeside (Mr. Enns) in some cases. They tend to gravitate to that area and I am very much appreciative of that fact. The trucking industry as a whole, from what I understand, is in need of employees. I am wondering if the minister can just give the committee some sort of an update of the employee demands that are currently out there.

**Mr. Findlay:** Employee demands.

**Mr. Lamoureux:** Yes, for employees. I understand that there is—

**Mr. Findlay:** Or demand for employees.

**Mr. Lamoureux:** —demand for employees. I understand that the job market is actually fairly positive in that area or a few prospects for jobs.

**Mr. Findlay:** In the broader context of what is happening in terms of transportation, particularly truck transportation, there is an expanded activity in the trucking industry not only in terms of the big companies and the long-haul contracts that they have in Canada and outside of Canada, there is also a very active expanding trucking industry—small truckers—developing and expanding in rural Manitoba.

I think it was about a year, year and a half ago, maybe a year and a half ago, there was a fair bit of concern, a lot of talk about the shortage of drivers. My understanding is a lot of that demand for drivers has been basically filled. I know there are private driving schools. I know that, through the Department of Education, we and the Manitoba Trucking Association were part of funding a driver training process.

There may be some companies have a little more trouble acquiring drivers than other companies. That probably reflects on how drivers are treated in companies, yet it might be a perceived shortage of drivers, but many carriers are having no trouble finding an adequate number of drivers. I do not think there is anything wrong with the nature and type and experience and professionalism of the drivers out there either. There is nothing to indicate there is any problem, that people brought in people who did not have enough education, training or experience. I do not see any evidence of that happening, so I think the market is being reasonably filled. I would not say it is 100 percent filled, but reasonably filled. I think for a young person or anybody who aspires to be a driver and wants to take the training and get the proper licensing and has the appropriate clean driver's licence, job opportunities are very, very good. I know of many young couples who will go driving, two of them, for a period of years to put away a grubstake before they build a house, start a family and that sort of thing. So the opportunities are good for the committed and the professional drivers.

**Mr. Lamoureux:** Mr. Chairperson, before I go on to the other topic, the training programs that are out there, does the department monitor them? I am thinking in particular companies like Reimer that would have training programs for truckers, in particular, long-haul trucking. What role does the department play in terms of training?

**Mr. Findlay:** There is one company, I believe it is Reimer's, that has a training school, and we certify the company who in turn certifies their drivers. That provision is available to any company if it wants to do it, but they are the only ones so far doing it.

In terms of the private driving schools, trade schools, they have certain licensing under the Department of Education, not under us, but clearly before they get their licence they have to pass the license testing for DDVL. So that is our basic involvement.

Just on the broader question, it is clearly my understanding that every trucking company is very, very concerned about safety overall, not only with their rigs but their drivers, and certainly their insurance company makes them aware of the consequences of not having a good driving record, so there are a lot of checks and balances there. I think we also have a program that allows the company to review the licence of a person who is applying for work so that, if there are any problems on his licence in another jurisdiction, we can make the company aware of that, so that they can cross-reference what the employee has said about the cleanness of his record. So there are a lot of checks and balances to ensure that we have good drivers with clean driving records, and I think the industry responsibility to safety is very, very good.

**Mr. Lamoureux:** From the trucking industry I want to move on to the taxi industry, which is another very important industry, as most industries are, obviously, but I have a specific interest in this area because many of my constituents are also quite involved in that particular industry. A couple of years back there was some legislation that was passed, and the minister might recall the legislation. It was somewhat controversial; in fact, out of that legislation that ultimately did receive third reading, there was a commitment made by government to have some sort of a working group. I know the member for St. Norbert (Mr. Laurendeau) was quite involved; I was quite involved. There was the minister who

expressed interest in terms of trying to see if in fact the legislation could be modified to take into consideration some of the things that were being stated. There were aspects of the legislation that were not going to be proclaimed until well after the bill receiving Royal Assent. I am wondering if the minister might be able to give us some sort of an update in terms of that particular piece of legislation.

\* (1550)

**Mr. Findlay:** Mr. Chairman, through the discussion on that bill, it was about three years ago, the commitment to set up the committee was not a government commitment; it was an industry commitment to set the committee up. I am not aware that that working group ever got up and running, and the government was not to proclaim it until it was up and running and functioning. We have had no requests from the Taxicab Board that we should proceed with proclamation. My general interpretation, things are working reasonably well in the industry; there is no need to do anything that might in any fashion upset that sort of status quo. Through the course of time and events, the conflicts of that point in time seem to have, as far as I am aware, been reasonably resolved. I am not saying fully resolved but reasonably resolved such that the industry seems to be functioning without the level of controversy, conflict, circumstance that existed at that time.

**Mr. Lamoureux:** Mr. Chairperson, I would request of the minister at least some form of prior notification if it is at all possible regarding the future of that legislation if at some point in time the government is looking at proclaiming. The reason why is that I have a number of good personal close friends to a certain degree that would be more than happy to be able to sit down with departmental officials to explain from their perspective any thoughts—or, I should not say, any thoughts—any problem areas from within the industry because it is one of those issues which never takes too much in order to get people really wound up.

The minister was part of the process, Mr. Norquay was a part of the process, so they are fairly familiar with what it is I am talking about. My role, I would like to think, in this particular area is just to ensure that there is more harmony within the industry. If there is, in fact, a need, or if the government does feel that there is a need for movement in that industry, I would welcome any

opportunity to make myself available for input and possibly even some industry reps, who, I know, would have nothing but good intentions. Some might have questionable intentions within the industry, but there are a lot of fine, outstanding individuals within the industry who would do what is in the best interests of the industry. I will leave that and then go on to another area unless the minister wants to comment.

**Mr. Findlay:** Mr. Chairman, I will just receive that as honest and honourable input from the member and commit to him that I like harmony where it can be found and however it can be found, and currently it is there, as I understand it, and I have no intention of doing anything that would in any way disrupt that harmony. But, if circumstances change in the future, as we revisit it, I will remember what the member said and see how we can be sure we can find an avenue to harmony, and I know legislation often is not an automatic answer to harmony. There are other ways, and with the member's contact with that particular community, are they willing to use his efforts in the future if a conflict should come up that would require further work? So I thank him.

**Mr. Lamoureux:** I appreciate the gesture from the minister.

The last issue I want to bring up was the one of asphalt purchasing. I had received a letter, and I believe it was from Saskatchewan, where I understand the province now is going to be purchasing asphalt from the States as opposed to Saskatchewan. The concern, as expressed within the letter, was that preferential treatment is often provided to the person or the company that ultimately won the bid from within its own jurisdiction. So they feel that the bidding process might have allowed that company to be able to underbid the one in Moose Jaw, thereby potentially putting the viability of the company in Moose Jaw at risk in the long term, and, as a result, the prairie region could ultimately lose an asphalt plant.

I am wondering if the minister is at all aware of the asphalt tender that went out or if he might be in a position to be able to comment on it.

**Mr. Findlay:** As I understand the particular circumstance that the member raises, we in the process of our Highways capital activity, we tender contracts. The people who bid on the tenders, particularly with asphalt,

have all been Canadian companies. Where the company then gets the product from is a choice of theirs. We do not have any control over where they source the product from. I think he is referring to one particular company that has an office of operation here in Winnipeg, bid from here as a Manitoba company, and a certain company in Saskatchewan is claiming that maybe that company had an unfair advantage because the source product is from the States. That company which laid the complaint and all the rest of Manitoba-type companies face this same preferential disadvantage across the U.S. border.

We do not have control over where they source the product, have not had, but we deal with tenders that are Canadian based. For the good of the taxpayer, we look for the best quality at the lowest price. That has been our process. If the member is asking that we should be more diligent to prevent product coming from the U.S., maybe we might be raising the cost of the product and then the cost of our tenders, and for \$10 million of contract work at asphalt, we get less miles done. So there is a downside to it, too.

It is secondary event that the company did. It was not an American company that bid; it was a Canadian company.

\* (1600)

**Mr. Lamoureux:** The reason why I bring it up is just more so to feel somewhat assured that the minister is aware of it, primarily because asphalt production is not something that every city in itself does. The concern that I would have is what more of a predatory type of bidding that might take place in the future. In particular, if you have a company that is artificially lowering its price in an attempt to enlarge the market, and once it has the market, then it starts to put up the price. It gets a bit more awkward. In the short term, there might some benefits; the long term would be somewhat questionable.

I respect what the minister said, and, at that point, Mr. Chairperson, we are quite prepared to pass.

**Mr. Chairperson:** Item 15.1.(b)(1) Salaries and Employee Benefits \$438,900.

**Mr. Dewar:** I would like to ask the minister a number of questions related to roads and highways in the Selkirk

constituency. There are two that I would like to raise today.

One is the River Road, and I have calls from constituents every year at this time concerned about the dust problems of that particular road. I understand that the government has in the past put on some type of a dust retardant. Once again, I have received those calls, and I just would like to ask the minister what plans he has to deal with that particular problem on that particular road. This is the River Road in the Lockport-St. Andrews area. He is familiar with that.

**Mr. Findlay:** River Road, there are a couple of things happening there. One is, there is about three-quarters of a million dollars being spent on slope stabilization of a certain component along the Red River. Some of that was done last year, and the rest will be completed this year.

The road receives dust treatment every year, but after the spring soft period, a certain little bit of deterioration happens in the roads, so before dust treatment is put on every year, the road should be reshaped. If additional gravel is needed, it is put on and the road brought up to an acceptable standard in terms of grading and gravelling. Then the dust treatment is put on. If you put the dust treatment on before that, when you put the fresh gravel on, you lose the benefit of the dust treatment.

So the normal process, when the spring softness is over, gravelling and grading happens and then dust control. That process will be used again this year, and I would imagine the department is either in or very close to the process of reshaping and gravelling and preparing for dust treatment.

**Mr. Dewar:** Mr. Chairman, a concern has been raised by a constituent, and it makes a lot of sense, that each year the department spends money on this particular treatment that you just described. Would it not cost less for there to be a long-term solution, either a paving or a seal placed on that road, so that there is a long-term solution to this problem?

**Mr. Findlay:** In terms of the overall geometry and circumstance of the road, I have already mentioned to the member that there is slope stabilization that is necessary to be done, and that should definitely be done before any

surface is put on the road because if the road slid, the surface would crack, break, and you would lose the investment you put in there.

In addition to that, the road needs some work, particularly on some curves. The curves need to be softened, not quite so sharp, and that work should be done before any surfacing is done.

But at the present time, the process of what we are doing is the least-cost option, but we are proceeding towards the longer-term plan, and that is once the slope stabilization is done, we will look very carefully at whether the road warrants surfacing, but before we do the surfacing, we want to do the curve softening at the same time. So there is a long-term plan to make it a better road, and I think, ultimately, it will end up with a surface on it that everybody is happy with, a road that will last for a long time and curves that will be a little safer in terms of curvature.

There are a lot of elements there, but the final element is the surfacing which from my understanding of the warrants would indicate that it should be done.

**Mr. Dewar:** I want to thank the minister. As the minister is aware, this is a heritage road. It is a well-travelled road, as well. I do hope that he will consider this in his long-term plans for capital investment in terms of highways and that there be a long-term solution found to that particular problem there faced by the constituents.

The other issue, of course, is the provincial truck Highway No. 9 between Lower Fort Garry and the Perimeter. I do thank you for your written response to a letter that I sent you, and I have it here before me. Have you come to a firm decision as to your commitment to upgrading that particular stretch of that highway, or instead is there consideration still given to the Selkirk corridor project?

**Mr. Findlay:** Mr. Chairman, I think everybody is fully aware of the traffic volumes on Highway 9 and all the turning actions that happen into and off of Highway 9, and it certainly serves a lot of developments there, different housing developments all the way up and down there. I have driven it a few times, and it is busy.

The member asks about the existing route versus a corridor. Clearly, he knows a petition came in from a lot

of residents in the area which was received by myself, and I respect what they say. The route is the existing route. Even if a corridor was built, they would still travel the existing route. Even if a corridor was built, they would still travel the existing route. You know, we are really strapped for funds. A looming factor with us is always dollars, so we will be constantly looking at the most cost-effective way to get the maximum degree of improvements that also improve safety on that road. What final design ends up for the existing route of Highway 9, there are going to be some cost considerations in that, but we are working from the south end, steadily trying to do things and improve the safety on the road.

I do not, for a moment, think that the traffic volumes on Highway 9 are ever going to go down. They are like every road feeding into the city; they are going to continue to rise. A four-lane with sufficient safety factors in the geometry of the road is going to be a continuous consideration, but also within the concept of affordability too, because I think the member is also aware we have tremendous demand on Highway 59 south from the Perimeter going south wanting \$60 million spent on 14 kilometres, and we have made commitments moving in that direction. Those are just a couple of the demands that are out there.

\* (1610)

I think it is fair to say that on my table right now there is a billion dollars of capital requests and a hundred million to spend. So you really have to be cost conscious all the time. You have to maximize safety and efficiency of what you do with available dollars. So we will continue to progress towards that, and the idea will be to—I think the member should be able to read between the lines. We cannot be building new roads when roads already exist because we cannot even afford to fully upgrade the existing roads fast enough.

**Mr. Dewar:** I do appreciate the minister's concerns. I travel that road every day. I know it is busy, and it does have some serious problems. The department did some patching last year, and we appreciate that. Can you tell me what consideration is being given this fiscal year to doing some more patching on that road?

**Mr. Findlay:** Every year we announce a fall program and a spring program. The spring program for '96-97

will be coming out soon, and the member will probably be able to notice that we will reflect some continuous activities associated with that road to be sure that we continue to work on it to upgrade it and continue to work towards the full upgrade over the course in time. I think the member also will reflect that we cannot do everything in one year. It takes time. You do it step by step.

**Mr. Dewar:** Will the minister then confirm that the patching of Highway 9 will be in the spring—is it the spring project list?

**Mr. Findlay:** At any given time in terms of the commitments we have out in front of the industry, it will total anywhere from 1.6 to two times the total budget, so we might have commitments in the program, some half of which or three-quarters of which will be done this year and others next year and even the year after. But on roads of urgent need, once it is programmed, it is done as rapidly as possible. There are other commitments in the program that are not quite as urgent as commitments just coming into the program. So it is always a check and balance.

Clearly the member can also understand that where major floods happened this year, if there is road upgrade that has to be done, it will be done on very short notice because we have no choice. It means other projects already committed in previous programs, again, will have to wait. But it is always a balancing act, and I always get constant input from the department as to where we should be spending most cost-effectively scarce dollars. But Highway 9, because of the traffic volumes and the geometry and the accident history, is a very high priority.

**Mr. Reid:** I have a few questions, and you will forgive me if I cover some area that has already been covered in the Highways Estimates to this point. I want to ask the minister questions relating to an issue that was talked about a few moments here with respect to the Taxicab Board. In past we have seen—or at least it has been my experience—that after we finish the Estimates process the government has come along in the past and announced fee increases for various boards and committees that are operating under the responsibility of the Department of Highways and Transportation.

I want to ask the minister: Is his department planning to have any fees relating to the Taxicab Board? Is he

planning for this fiscal year having any fee increases for the Licence Suspension Appeal Board or the Motor Transport Board or any boards or committees that are also covered under Highways and Transportation?

**Mr. Findlay:** In the process of developing the budget, there is no proposed fee increases in the areas the member mentions.

**Mr. Reid:** So then I take it from the minister's answer then that there will be no fee increases announced for any of those boards or committees under the minister's responsibility during this current fiscal year?

**Mr. Findlay:** I said that at the budget development process no increases were brought forward and no increases are being planned at this stage. I think the member should also be aware, though, that when services are delivered we always have to be considering at least and I think, where feasible, move towards the greater ability of cost recovery for services delivered. That is an ongoing agenda process, but at this stage there is nothing committed, nothing planned, in that context. There is not a lot of advantage to me saying never, never, because we do have to work towards trying to have cost recovery for services delivered, because at the same time, in the overall budget budgeting process more money is always needed in certain other areas like social services area. So our attempt is to, where we can, deliver the services we deliver at a cost-recovery basis, but in some cases we are not there. At this stage we are not planning anything in the budget we are discussing right now.

**Mr. Reid:** The only thing that I am trying to determine here is what plans the minister has for this current fiscal year that we are in now and whose budget document we are discussing here during this committee hearings. That is why I have asked the question here.

Can the minister tell me what level of cost recovery we are at for the boards and committees?

**Mr. Findlay:** Mr. Chairman, in the case of the Licence Suspension Appeal Board and the Medical Review Board, there is cost recovery, but the rest of the boards we have various degrees of not fully recovering costs. We do not have the breakdown of the percentages in the different areas, but on those particular two we do, Medical Review and Licence Suspension Appeal.

**Mr. Reid:** Well, then perhaps I can leave the question with the minister and ask him to provide the information to our critic on the cost recovery for the other committees and boards under the minister's responsibility if he will be willing to undertake that and provide that information at some near point.

**Mr. Findlay:** Yes, we will gather the information as quickly as we can and supply that information. To get the question clear, the degree of cost recovery on an annual basis on the rest of the boards.

**Mr. Reid:** I want to ask the minister about rail jobs, as he might expect that I would do in committees of this nature, being that I am representing a community that has a strong rail presence or at least did until recent years in the province of Manitoba. I want to ask the minister if he can provide me with the information relating to the number of jobs that CN Rail has in the province of Manitoba, full and part time—and a breakdown, if possible—the number of jobs that CP Rail has in the province of Manitoba full and part time, and the number of jobs that VIA Rail has in the province of Manitoba full and part time.

**Mr. Findlay:** Mr. Chairman, the most recent information we have is CN 3,880 jobs in Manitoba, CP 2,500 jobs in Manitoba and VIA 266 jobs in Manitoba.

**Mr. Reid:** Now can the minister tell me, since I did ask, are those all full-time jobs or are there part-time jobs into that total, and what is the date of that current information?

\* (1620)

**Mr. Findlay:** We have it as jobs. I would not want to speculate absolutely all full-time jobs or not. The CN information is May '95, CP information is November '94, and the VIA is February '96.

**Mr. Reid:** Can the minister tell me then—I mean, this is somewhat dated information. The minister knows full well there have been job losses that have occurred through layoff and employees that have taken buyouts from their various companies. The CN jobs, the numbers that he is showing is May '95, so that is a year old. The November '94 CP job numbers are a year and a half old.



I mean, there have been changes. Even I know there have been changes in those numbers since that time.

I want to know if the minister has current information, and if he does not have, can he provide us with that information in the very near future.

**Mr. Findlay:** The only more current information that we have here is CN on January 29, '96, 3,480 employees.

**Mr. Reid:** Can the minister tell me then, does he have information relating to the number of jobs, full and part time, and if he has a breakdown of that for the three railways.

**Mr. Findlay:** At this point in front of me, no, we do not have that.

**Mr. Reid:** Will the minister agree to provide that information for us at some very near future point?

**Mr. Findlay:** Yes, Mr. Chairman, we will provide that information.

**Mr. Reid:** And if the minister will also agree to all three railways, CN, CP and VIA, up-to-date employment figures, full and part time, for this province as well as their national figures.

**Mr. Findlay:** With the comparative national figures, as well as the provincial—

**Mr. Reid:** Up-to-date figures, yes.

**Mr. Findlay:** Yes.

**Mr. Reid:** Can the minister tell me then, do we currently have 13 percent of CN's national work force employed in the province of Manitoba?

**Mr. Findlay:** Obviously, Mr. Chairman, when we get those numbers, if we can get them provided, you know, in the detail the member asks for from the companies, we will be able to determine what that percentage is. My understanding though is that the process that the railroads are going through is that they are doing basically proportional rightsizing, downsizing, modern adjustments in employee levels to workload right across the country.

I think it is fair to say also that jobs are a reflection of activity of that particular industry, and it is of some significant concern to me what may happen to the rail industry over the next two to five years, particularly with the grain haul industry.

I spoke to Canadian Transportation Research Forum yesterday in Winnipeg here. Clearly we have got to understand what is going on in that industry and that is that, you know, in rural Manitoba there has been a move in the last two, three, four years of diversifying what they produce and interest in value-added activity. Once the Crow rate was eliminated that really precipitated some very considerable decision making as farmers started to face the full cost of rail transportation.

Some of the things we see happening are certainly that more and more volume is coming out of elevators by truck. I have asked the major elevator companies and have been given a figure of about 25 percent of the product coming in the front door is going out the back door by truck. That is 25 percent lost to the rail industry. It is being hauled to various locations within Manitoba for various—whether it is going to feed lots, feed mills or to value-added type industries, whether it is crushing plants or various value-added announcements that have been made in recent time.

We are going to expand a number of value-added activities with raw agricultural product, and what it is going to do is, it will still be a product to export, but the volume will be smaller and the value will be much greater. So I think that puts a tremendous challenge in front of the rail industry to try to prevent some of the erosion of loss of tonnage that they are hauling and be sure that they can meet the modern needs of the shippers so that they can sort of, I would hope, in the future recapture some of the lost economic activity. But when they lose the volumes, that has to reflect in terms of the number of people that need to be employed.

The member always talks about jobs, but jobs are only there if there is work to do, and things have to happen to keep the work there, like keeping the volumes there, and the shipper is the person who makes the decision whether he is going to use a truck or rail unit to haul his product short distances, medium distances or long distances. So the equation, the member wants us to worry about jobs, but I think he should be looking at the overall activity

that the rails are involved in and ask questions as to why they are losing volumes that they used to have. Why can they not capture the volumes in the new era of movement of bulk commodities of lower and higher values?

**Mr. Reid:** Can the minister tell me when the last time was he or his department staff met with CN, the last time they met with VIA Rail management and the last time they met with CP Rail management?

**Mr. Findlay:** Mr. Chairman, staff have met with CP at the beginning of this month and with CN within, we believe, about six weeks; and about a month ago I was at a WESTAC meeting when we talked with both CN and CP officials.

**Mr. Reid:** The minister did not indicate when the last time he met with VIA management, and can the minister also indicate what message he has delivered to the railway senior management on behalf of the people that are employed in the rail industry in the province of Manitoba?

\* (1630)

**Mr. Findlay:** Staff have not met with VIA in recent times. Certainly we made representations to the task force about trying to maintain the maximum amount of VIA job activities in Manitoba.

The member asks what message I delivered to senior officials. It is basically the message I delivered earlier to the member, and that is that we expect the railroads to respond to the new challenges in the marketplace, to maximize ability to keep freight on rail as opposed to on road, and of course along with that goes jobs. The other message we give to them is very clearly as you adjust your workforce sizes, we do not want to see any greater impact in Manitoba than would occur elsewhere.

Clearly the member is fully aware but never acknowledges that CN has set up a customer service centre and CP has set up a customer service centre in Manitoba in Winnipeg which in both cases serves the whole nation. That is a reflection that we have done some work to explain the advantages to them of being in the central location in the country and when those customer service jobs come out of other locations, they end up as a positive for Manitoba. On the telecommunications

side, we have gained considerably, unfortunately at other provinces' expenses, but I think the railroad has a real challenge for them to keep existing volumes of activity and to expand on that. It is a major challenge, and if they do not succeed in that, there are more and more truck miles. Certainly there are jobs in the trucking industry when that happens, but it impacts our roads.

The member knows we do not have as many dollars for capital expenditure in the short term as we might like to meet all our road infrastructure needs. So keeping more bulk on rail saves the roads and this is true in Saskatchewan and is true in Alberta, but I will tell you the change in the WGTA, that federal decision is probably going to have its greatest impact in Manitoba because there is going to be less product going to export simply because of the cost basis that the shipper faces.

**Mr. Reid:** Can the minister tell me because when I asked this question of him last November when some 485 of the 700 people employed in the workforce at the Transcona CN Shops, 485 people were laid off, the minister said at that time it was only a temporary layoff. Have all 485 people been called back to work?

**Mr. Findlay:** I think the member tries to insinuate that I laid them off and I called them back. Clearly I do not lay them off and I do not call them back. I guess I might answer the member's question, he will say now I am running the railroads, well, I am not. But I am telling the railroads you are going to have to work hard to keep your business. They had layoffs, it is a company decision, and my understanding is the majority have been called back. That was a company decision, pure and simple, and we are not a government that interferes with company's decisions. We want the companies to survive, and we talk in terms of trying to be sure that we attract the majority of the business that we can from those companies to this particular jurisdiction because we respect the value of jobs, well-meaning jobs, good paying jobs, and clearly railroad jobs are those kinds of jobs.

But we do not run the companies, we do not order them, we try to discuss with them the realities they face because the truth of the matter is these railroads are competing not just in Manitoba, not just in Canada, they are competing in North America and their survival is no guarantee. It is going to take good management, an exceptionally motivated workforce and the future is not a

guarantee. It is important for us that they do survive though, very important.

**Mr. Reid:** I never suggested the minister had control over the people being called back to work. What I am going to do is quote the minister's words for him: These are temporary layoffs, end quote. That was the minister's comments recorded in Hansard, so that is why I referenced the fact that the minister said they were temporary, being that I take it he received certain information from CN rails, telling him—at least I expect that was the case—that these were temporary layoffs, after we had sustained layoffs of 266 employees in September of last year and in November we had another 485 people laid off. That is why I was asking about the real jobs, the real railway jobs in this province, because the minister said that these were temporary layoffs, and that is why I asked him the question, have all these people been called back to work?

**Mr. Findlay:** I quote from the press release: They were identified by CN as temporary layoffs.

That was the press release. I am not in the inner workings of the company, but I am involved in business and I know that you do your work to your best intentions but you cannot guarantee the future. When the company reports to the world that these are temporary layoffs and I quote the company, I do not know the member can say that I did not tell him exactly what we knew at the time.

**Mr. Reid:** Since the minister said that this was as a result of the company's press release, I will take him at his word for that. Obviously, the responsibility lies with CN Rail for putting out information that was not accurate at the time, based on what the minister says here.

I want to ask the minister, since he and his staff have met with the three railways very recently, what they have told the minister and his staff with respect to rail employment within the province of Manitoba for this year. What is going to happen with the level of jobs that we have in this province?

**Mr. Findlay:** Mr. Chairman, CN has announced that there will be national workforce reductions of an average of a thousand employees for each of the next four years. We are aware that in the first year they will be eliminating 1,500 jobs nationally. The decisions as to

where those jobs are, which jobs they are, are in the hands of the company, the responsibility of the company, which is now a private sector company.

**Mr. Reid:** Has the minister received any breakdown on those numbers from the province of Manitoba?

**Mr. Findlay:** No, I did not.

**Mr. Reid:** Has the minister received any information from both VIA Rail and CP Rail with respect to rail employment prospects for this year and in future years?

\* (1640)

**Mr. Findlay:** Mr. Chairman, CP Rail as of the 21st of November last year announced a reorganization into consolidating senior management at two locations, Calgary and Montreal, and as part of that announcement, announced the reduction of 1,450 positions across the country over an undetermined time frame. VIA announced the layoff 163 managers and unionized staff across Canada, eight of which would be in Manitoba.

**Mr. Reid:** The question also included VIA Rail, and I would appreciate it if he has information on that as well.

**Mr. Findlay:** I just mentioned the VIA Rail at the end there, that I gave the member earlier, 266 being employed in Manitoba. They had announced reductions of 163 across the country and eight of those reductions happened in Manitoba, and after that happened it netted the 266 employees in Manitoba.

**Mr. Reid:** I thank the minister for the information.

I want to ask the minister here, I have raised this issue in the budget speech debate with respect to the CN intermodal yards. It is my understanding, and the minister can correct me on this if I am wrong, that there is a study that has been commissioned by Minister Axworthy through the Western Economic Diversification to study the possible relocation of the CN Intermodal yards from its current location in west Winnipeg.

Can the minister tell me, is his department participating in any of that study that is taking place and at what point we may expect a decision with respect to that study, and is the minister recommending any action or any advice to the people conducting that study?

**Mr. Findlay:** We are involved with that committee in terms of its analysis. We are involved only in an advisory capacity. We have no dollars involved in it. Our recommendations are to analyze all options on a broad basis and certainly to consider the public benefit of all those particular options that might be considered.

So we do not have any real say in it. We have had an opportunity to give some comment. The study is completely under the control of the federal government, and the report will be entirely within their control, but staff have been involved in an opportunity to give comment, and we gave a broad range of comment to consider the full public benefit of all the options that will be under consideration.

**Mr. Reid:** Then could the minister summarize the comment that his department has given to the people conducting the study, summarize the position you have taken to that committee?

**Mr. Findlay:** I thought that is what I just said, Mr. Chairman. I summarized our position, what we have put forward but also stressed that we are only in an advisory role. We have no ultimate say, and we do not know what their primary objectives are. We just said, in the broad scope consider all options; consider the public benefits of all options and the public negatives as you proceed through the study.

**Mr. Reid:** Well, that is a pretty broad range. That is like saying that everything is open for consideration, that you have no specific plan or interest in putting forward any position, any specific position, with respect to this issue.

That is why I am asking more specifics about what your position was. Do you wish to see the Intermodal yards remain in the current location? Do you wish to see the closing of the end of Shaftesbury Boulevard that CN is requesting? Do you wish to see it relocated to another area of the city or outside the boundaries of the city of Winnipeg? I would like to know the position that you are taking or your staff are taking to that particular committee.

**Mr. Findlay:** The department and my staff are only one source of information that the study will gather information from, so we are not there making

recommendations or giving information as part of the process.

Clearly, at the end of the day, we are not going to make recommendations for somebody to spend tens of millions of dollars of their money. We want the study to be open, not to be controlled by any one interest group, and we will look at the results when it is over to determine whether we would make any further comment, because there is no magic answer here. If any decision is made to move the yards, it is a significant, significant cost, and I can be quite honest in saying I do not know the way the Province of Manitoba has the capacity to put money into that kind of initiative.

**Mr. Reid:** Well, the province has a substantial interest here, as does the federal government and the City of Winnipeg. There is \$30 million on the table for the Kenaston underpass project of which the province has a fair amount of financial interest in this project, and it is my understanding that the monies for this particular project would lapse within the next year and that we would lose the infrastructure money that is attached to that project from the federal government, and if it is not reallocated to some other project within the province which would include or could include the relocation of the Intermodal yards, then we would be doing a disservice to the citizens of this province in not bringing those funds to this province for investment in our infrastructure. That is why I raise that with the minister.

**Mr. Findlay:** The application is to use that money, and the consideration of where to use it is in the hands of the infrastructure minister which is the Minister of Finance (Mr. Stefanson) and the infrastructure committee. I can assure the member that nobody has any intention of allowing money to lapse with regard to spending it on infrastructure, but where the decision will ultimately be made I am not aware.

Clearly, any improvement in infrastructure in the city is an advantage to the transportation sector.

\* (1650)

**Mr. Reid:** I have put my comments on the record in the House for the minister. He knows full well my thoughts with respect to a relocation of the Intermodal yards to the Transcona CN site which has facilities that could alleviate the problems that the current site has. There is

plenty of land that is available there for the Intermodal yards to be re-established.

At the same time, I have also said on the record that it could alleviate some of the flooding for the residents living in that general area, because I would imagine there would be a sewer drainage program put in place at the same time, for which the community of south Transcona could be included in the decision-making process. That is why I say there is a possibility for some relocation of those infrastructure funds which will solve both problems.

I want to move on to one other area with respect to licensing. I want to ask the minister what plans his department has for the issuance of new vehicle licence plates for the motor vehicles that are registered in the province of Manitoba?

**Mr. Findlay:** The current plate was issued in 1983, and it was issued as a dual plate. The NDP government of '86 or '87 reduced it to a one-plate requirement in the province of Manitoba.

Clearly, over the last number of years, we have had lots of input from different interest groups and individuals suggesting that we should be looking aggressively at a reissue of it, and clearly we are looking at all the elements around an issue of a new plate, and now that we are into a cyclical renewal, it would take 12 months to go through a complete reissue. So the issue continues to be looked at, the pros and cons, the costs, the advantages and disadvantages. It is an ongoing process.

**Mr. Reid:** When was the last time the minister's department studied the development of a new vehicle licence plate for this province?

**Mr. Findlay:** It has been an ongoing issue for three, four years, maybe even longer, so for some time.

**Mr. Reid:** Has the minister's department issued a contract or contracted the services of an individual or a firm to look at the development of new vehicle licence plates during the course of this government's term, from 1988 to current?

**Mr. Findlay:** Mr. Chairman, we are not aware of any contract being signed with anybody associated with licence plates. Clearly, in the process of developing ideas, different companies on different occasions, some company or companies might have been used, but not on a contract basis.

**Mr. Reid:** Then I take it the minister's department has employed the services of various companies or a single company for the development of a new licence plate, and perhaps it may have come out of the departmental funds. Can the minister tell me then, is this the case?

**Mr. Findlay:** Mr. Chairman, maybe the member is referring to a contract that we did, I believe it was last year, for a reissue of the existing plate, in other words to issue more plates to meet the public need, but any other activities that are on an ongoing basis would be coming out of existing department resources. The only contract we can remember is one for a reissue of the existing plate.

**Mr. Reid:** Can the minister tell me, did the department expend funds for a company to develop a new licence plate for the department and for the motor vehicles of this province, going back a couple of years, back to 1992 and 1993?

**Mr. Findlay:** We are not aware of any contract that the member asks about having been signed for new licence plates. As I said earlier, any work that has been done, Mr. Chairman, has been done between the department and service providers. If a new licence plate is ever acted upon, there will be an RFP, a request for proposal, from different companies that could provide that kind of service. That has not been done.

**Mr. Reid:** The minister referenced contract. That was not in my question. Departmental funds expended during the year 1992-93 to have someone, some company develop a new license plate for the department.

**Mr. Findlay:** The time frame the member references is before my time as minister and before the deputy's time, so we cannot comment any further.

**Mr. Reid:** Then will the minister undertake to research his records and to provide information relating to the

company or companies that may have been involved in the development of a new vehicle licence plate: who the company was or companies were; if it is a numbered company, who the individuals were as the management of that company; what the value of that development was; and why the decision not to proceed was made with the further development and issuance of those plates?

**Mr. Findlay:** We will proceed to look back in the records and find out that information, but, again, as I said, it was before both the deputy's and my time.

**Mr. Reid:** I hope the minister then will bring forward the information in this short period of time.

I would like to answer the minister: When is it his plan to proceed with the issuance of a new motor vehicle licence plate in the province considering his statements to the UMM meeting in 1994 that it was cost prohibitive to proceed back to the dual licence plate system? I would like to know when the minister plans on proceeding with the issuance of new vehicle licence plates, and whether or not he is going back to the dual plate system.

**Mr. Findlay:** We continue to receive input, whether it is from the municipal levels of government, from police agencies, or citizens or citizen groups, both in terms of the need for a new licence plate and the need for the dual plate. My comment back then was reflecting what I believe likely was the decision of the government of the day, meaning the NDP government of '87, which decided to go from a dual plate to a single plate, which many people question today the reasons why that was made. I cannot imagine any other reason other than it was to save cost. Today there are better quality plates that can be made, and there is a strong level of support for a dual plate. That is my understanding. So all those factors continue to be taken into consideration to determine if or when that might be an appropriate decision to make.

**Mr. Reid:** I take it the minister has no plans to introduce the new vehicle licence plates this current fiscal year.

**Mr. Findlay:** It has been an ongoing initiative for going back, I would say, at least four years, continuing to give consideration as to the various reasons why we keep the existing plate, or reasons why we would move to another plate. Every jurisdiction does it over the course of time. I remind the member if and when a decision is made,

we will be having to do it over a 12-month period. Ultimately, I imagine the decision will happen one way or the other, and we will get on with it. Whether it is in this fiscal year or not remains to be seen.

**Mr. Reid:** Can the minister tell me the number of single-plate vehicles currently in the province, and the number of vehicles in this province that would require dual plates?

\* (1700)

**Mr. Findlay:** Mr. Chairman, we do not have the DVL staff here at the moment, but I can tell the member that we have currently 36 categories of licence plates, between cars and trucks and trailers and taxis, delivery vehicles, PSV and farm plates. There are 36 categories. We are not aware that any of them are double at this stage. The other statistic, the member asked about numbers, we have 780,000 licensed units in the province right now.

**Mr. Reid:** I will leave it with the minister, Mr. Chairperson. Perhaps he can bring the information or send it along in a short period of time, with respect to the number of personal plates that we currently have issue in the province, the number of single plates we currently have issued in the province, and the number of potential of dual-plate vehicles that are currently registered in the province. I would like to have the minister come back with that information if he can, please.

Just one other point, Mr. Chairperson, in case I may have missed it. When I asked the minister information with respect to expenditures of funds from his department with respect to the development of a new vehicle licence plate that I think occurred between '92 and '93 fiscal year, that the minister also provide for us the names of the company or companies that were also involved in that process and the cost. That is all the questions I have at this point.

**Mr. Chairperson:** Item 15.1.(b) Executive Support (1) Salaries and Employees Benefits \$438,900-pass; (2) Other Expenditures \$89,000-pass.

15.1.(c) Administrative Services (1) Salaries and Employee Benefits \$366,000-pass; (2) Other Expenditures \$281,500-pass.

15.1.(d) Financial Services (1) Salaries and Employee Benefits \$645,500—pass; (2) Other Expenditures \$207,800—pass.

15.1.(e) Personal Services (1) Salaries and Employee Benefits \$751,100—pass; (2) Other Expenditures \$203,400—pass.

15.1.(f) Computer Services (1) Salaries and Employee Benefits \$1,526,600—pass; (2) Other Expenditures \$573,300—pass.

15.1.(g) Occupational Health Safety (1) Salaries and Employee Benefits \$173,300—pass; (2) Other Expenditures \$58,400—pass.

Item 15.2. Highways and Transportation Programs (a) Management Services (1) Salaries and Employee Benefits \$362,600—pass; (2) Other Expenditures \$37,000—pass.

15.2.(b) Operations and Contracts (1) Salaries and Employee Benefits \$1,506,900—pass; (2) Other Expenditures \$512,400—pass.

**Mr. Findlay:** Just to be sure we passed everything, would you check to make sure you passed everything under (g) on 15.1? Everything is passed? Okay, thank you.

**Mr. Chairperson:** Item 15.2 (c) Bridges and Structures (1) Salaries and Employee Benefits \$1,926,800—pass; (2) Other Expenditures \$302,100—pass.

15.2.(d) Transport Compliance (1) Salaries and Employee Benefits \$1,872,100—pass; (2) Other Expenditures \$490,900—pass.

15.2.(e) Regional Offices (1) Eastern Region Office (a) Salaries and Employee Benefits \$2,177,300—pass; (b) Other Expenditures \$531,500—pass.

15.2.(e) (2) South Central Region Office (a) Salaries and Employee Benefits \$2,058,300—pass; (b) Other Expenditures \$588,000—pass.

15.2.(e) (3) South Western Region Office (a) Salaries and Employee Benefits \$1,939,600—pass; (b) Other Expenditures \$496,000—pass.

15.2.(e) (4) West Central Region Office (a) Salaries and Employee Benefits \$1,558,100—pass; (b) Other Expenditures \$390,200—pass.

15.2.(e) (5) Northern Region Office (a) Salaries and Employee Benefits \$1,247,900—pass; (b) Other Expenditures \$403,300—pass.

15.2.(f) Winter Roads \$2,000,000—pass.

15.2.(g) Other Jurisdictions (1) Gross Expenditures \$2,440,000—pass; (2) Less: Recoverable from other appropriations (\$1,000,000)—pass.

15.2.(h) Planning and Design (1) Salaries and Employee Benefits \$1,676,100—pass; (2) Other Expenditures \$487,400—pass.

15.2.(j) Northern Airports and Marine Services (1) Salaries and Employee Benefits \$3,078,000—pass; (2) Other Expenditures \$2,295,000—pass.

15.2.(k) Materials and Research (1) Salaries and Employee Benefits \$1,556,600—pass; (2) Other Expenditures \$475,500—pass; (3) Less: Recoverable from other appropriations (\$1,009,200)—pass.

15.2.(m) Traffic Engineering (1) Salaries and Employees Benefits \$806,800—pass; (2) Other Expenditures \$220,300—pass.

15.2.(n) Policy, Planning and Development (1) Salaries and Employee Benefits \$1,591,600—pass; (2) Other Expenditures \$472,000—pass.

\* (1710)

15.2.(p) Driver and Vehicle Licensing (1) Salaries and Employee Benefits \$10,926,200—pass; (2) Other Expenditures \$4,990,900—pass; (3) Manitoba Public Insurance Cost-Sharing Agreement \$3,763,800—pass.

15.2.(q) Boards and Committees (1) Motor Transport Board (a) Salaries and Employee Benefits \$262,700—pass; (b) Other Expenditures \$122,100—pass.

15.2.(q)(2) Highway Traffic Board (a) Salaries and Employee Benefits \$174,100—pass; (b) Other Expenditures \$65,800—pass.

15.2.(q)(3) Licence Suspension Appeal Board and Medical Review Committee (a) Salaries and Employee Benefits \$221,000—pass; (b) Other Expenditures \$91,600—pass.

15.2.(q)(4) Taxicab Board (a) Salaries and Employee Benefits \$302,400—pass; (b) Other Expenditures \$94,900—pass.

Resolution 15.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$54,507,100 for Highways and Transportation, Highways and Transportation Programs, for the fiscal year ending the 31st day of March, 1997.

Item 15.3 Infrastructure Works (a) Maintenance Program \$57,216,800—pass.

15.3.(b) Mechanical Equipment Services (1) Salaries and Employee Benefits \$7,212,900—pass; (2) Other Expenditures \$15,436,800—pass; (3) Less: Recoverable from other appropriations (\$25,553,600)—pass.

15.3.(c) Construction and Upgrading of Provincial Trunk Highways, Provincial Roads and Related Projects, Provincial Programming (including Manitoba's share of Strategic Highway Improvement Program) \$96,600,000—pass; Canada's Share of Strategic Highway Improvement Program \$3,400,000—pass.

15.3.(d) Aid to Cities, Towns and Villages \$1,300,000—pass; (e) Work in Local Government Districts and Unorganized Territory \$3,760,000—pass; (f) Rural Municipal Bridge Assistance Program \$400,000—pass; (g) Other Projects \$2,500,000—pass.

Resolution 15.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$162,272,900 for Highways and Transportation, Infrastructure Works for the fiscal year ending the 31st day of March, 1997.

The last item to be considered for the Estimates of the Department of Highways and Transportation is item 1.(a) Minister's Salary on page 80 of the main Estimates book. At this point I would request the minister's staff to leave the table for the consideration of this item.

Item 15.1.(a) Minister's Salary \$25,200.

**Mr. Reid:** I have just three quick points, Mr. Chairperson. The first one is, we usually have in this

province, as we do across the country, a National Transportation Week.

In past years there has been some difficulty in getting the National Transportation Week organizing committee to look at or to extend an invitation in a nonpartisan way to members of the Legislature, including the government representatives and the official opposition. I was wondering if the minister could convey to that particular committee our disappointment in past years by that committee not extending that nonpartisan invitation and to make sure that similar events do not transpire this current year—National Transportation Week is due to occur next month—and that in subsequent years all parties of the Legislature be invited in a nonpartisan fashion.

**Mr. Findlay:** Mr. Chairman, certainly within the province of Manitoba we put a high value on the role of the transportation industry. So certainly Transportation Week takes on a high level of significance, and the committee is working towards setting it up for this particular year. The member's comments are noted and we will raise it with the committee to broaden the invitation. We would also like it broadened not only in terms of elected members but we would like to see a bigger representation from the industry. I know they are all busy, but the transportation industry is important to Manitoba and if we can do events in the official program of National Transportation Week that draw public attention to the value of the industry then we are certainly promoting the industry. So not only am I going to take the member's comments seriously, I think I want to tell the member we want to raise the profile in upcoming years on this particular Transportation Week.

**Mr. Reid:** I thank the minister for that undertaking. I want to ask the minister, because this deals more directly with staff, which he has some responsibility for with respect to senior staff in his department, where Mr. Hrabinski has been reassigned, or has he been reassigned within the minister's department?

**Mr. Findlay:** Is the member referring to Adam Hrabinski? He has been assigned to other duties in the department. Those decisions are made by senior staff.

**Mr. Reid:** Could the minister tell me why Mr. Hrabinski has been reassigned?



**Mr. Findlay:** Mr. Chairman, this was raised by the critic earlier. I commented that this is a public forum, and it is not a time when I like to discuss employee issues, particularly reassignment issues.

All I am prepared to say is senior staff, in their determination of who should be doing what duties, made decisions that caused him to be reassigned, and I would prefer not to discuss it any further than that, because it only causes difficulty for the employee involved who is currently employed in the department.

**Mr. Reid:** Not to incite any more debate on this issue, I will just make the comment and leave it at that, that I get the sense from the decision that was made by the minister and his senior staff that Mr. Hrabinski is being made to be the fall person for the used vehicle inspection program that the minister brought in in this province and that for the problems that were encountered as a result of the legislation in the inspection process, Mr. Hrabinski was left to respond and answer on behalf of the department instead of the Minister responsible for Highways and Transportation. I get the sense that when the minister was not happy, that now he has left this individual to hang out to dry as a result of maybe, perhaps, some of the comments that should more directly have been answered by the minister himself.

So I leave that with the minister for his consideration. I think there is at least a perception or the sense that this particular employee and maybe other employees in the department are not being treated fairly in this fashion, when it is people at a much higher level who have made decisions who did not come forward and stand up and be responsible for those decisions.

So I will leave that with the minister, and I have no further comments.

**Mr. Chairperson:** Item 15.1. Administration and Finance (a) Minister's Salary \$25,200—pass.

Resolution 15.1: RESOLVED that there be granted to Her Majesty the sum not exceeding \$5,340,000 for Highways and Transportation, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This now completes the Department of Highways, and I would like to thank the staff and the honourable

members of the committee for their indulgence and their co-operation.

The next set of Estimates to be considered in this section of the Committee of Supply sitting in Room 254 are the Estimates for Culture, Heritage and Citizenship. Shall we briefly recess, or would you want to proceed? The will of the committee is to proceed. [agreed]

\* (1720)

### CULTURE, HERITAGE AND CITIZENSHIP

**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 consideration of the Estimates of the Department of Culture, Heritage and Citizenship.

When the committee last sat, it had been considering item 14.5. Multiculturalism (a) Multiculturalism Secretariat (2) Other Expenditures \$66,800 on page 32 of the Estimates book. Shall the item pass? The item is accordingly passed.

Item 14.6. Expenditures Related to Capital - Grant Assistance (a) Cultural Organizations \$3,263,000.

**Hon. Harold Gilleshammer (Minister of Culture, Heritage and Citizenship):** I regret we have such little time for the Department of Culture, Heritage and Citizenship. We have had staff waiting all day, of course, to get in here, and, unfortunately, we are just in at this particular time.

I guess a concern that has been raised with opposition critics is what the schedule is for us after we adjourn today, and maybe through you to the Deputy Clerk who does such wonderful duties for the Province of Manitoba, we can establish—my understanding is that we are not on the schedule for tomorrow or Friday and that when we finish up here today, that if we come back again, it would be Monday at the earliest.

It is important because we have staff with other commitments who had assumed that we would be finished Estimates today. I know that they were either going to go out and cancel their meetings and be ready,

but the understanding is that after we finish at 5:30 today, that we will not reconvene for Culture, Heritage and Citizenship till Monday at the earliest.

**Mr. George Hickes (Point Douglas):** That is my understanding, and just to clarify what we were hoping to do is to finish up Multiculturalism, because we only have one left with the Grants Advisory Council, and then I think we are moving into Culture and Heritage, so that would be Monday, if we get this Grants Advisory Council finished today.

**Mr. Gilleshammer:** Just so it is understood, because the staff have been here all afternoon waiting for us to commence, and I know they all have important duties and meetings to attend to both tomorrow and certainly on Friday. If they were not going to be able to keep those commitments, it would be fair to them to know today, but the understanding then is that we will not reconvene to discuss our Estimates until Monday at the earliest.

**Mr. Hickes:** My understanding is that—and I think the Clerk would be able to help us on this—the House leaders made some formal agreement. They have scheduled the Estimates for tomorrow morning, for tomorrow, and also for Friday, and as far as I know we are not included in that. We are not, so we would not reconvene until after Monday.

**Mr. Gilleshammer:** So that is not Monday morning, but it would be after Question Period on Monday unless other departments have already been arranged by the House leaders and if that is the case, and because of all of the activities happening next week with second readings and concurrence and all of those bills, we may not get another opportunity to come back to a department that spends over \$50 million of the provincial money.

**Ms. Diane McGifford (Osborne):** Mr. Chairman, I would like to take this opportunity very briefly to offer apologies to staff if they have been inconvenienced. I am sure that my colleague from Point Douglas shares my concern.

**Mr. Gilleshammer:** On behalf of the staff I would like to certainly accept that apology, and thank the members for their sensitivity towards the staff who, of course, have been preparing for weeks and weeks to get ready for this exercise. I know that while we do not get any questions

in the House, it is often the opportunity for critics to get into the department and get a better understanding of not only what the department does but the expenditures and all of the wonderful cultural activities that happen within the province of Manitoba.

So I would offer that if we do not get back into Estimates and get an opportunity to examine the various lines, I know that if there are questions that because of the pressures of time and because of the priorities that the opposition party have put on other departments that we would be open to responding either by letter or meeting, as we have in the past, to issues and questions that members might have, so that they would get a better understanding of the department and see how this department does function.

**Mr. Chairperson:** Item number 14.5.(b).

**Mr. Hickes:** I just want to put a few comments. I see where the budget has been cut by \$100,000, a third of the budget, and it is under the Grant Assistance. I feel sorry for some of the organizations. I am sure that we will be losing some of the grants or opportunities for grants that they have had in the past. I know that all of the government departments have had to cut back and stuff. I just want to say that I am just sad to see that much money coming out of Grant Assistance because I am sure that some of the organizations will feel that impact. I just wanted to put that on record.

**Mr. Gilleshammer:** I think the honourable member does recognize the difficulties we have with the offload of the federal government of hundreds of millions of dollars that have been dedicated in the past for things such as family services, health and education, and that a province like ours simply cannot backfill for all of the things that the federal government has historically and traditionally done, and now have indicated they will no longer provide that level of funding.

Having said that, however, the member and all members are aware that those are still our priority departments, and that we still are able within this department to provide a lot of financial support and a lot of staff support to the many groups that are out there. I know that in multiculturalism that the groups have been very understanding of the pressures on government, and we still are able to, I think, satisfy many of the needs that

are out there. In fact, in discussing this with staff and in turn with the Multicultural Grants Advisory Council, we are able through the granting of dollars or the granting of bingos, to satisfy many of them. There is also a recognition that within the citizenship portion of the department that a lot of the services are being provided to these groups.

I would say though that I find it a little bit interesting that members of the opposition often indicate that they would like to put more funds into just about every issue that comes forward. I am reminded of being in Brandon recently at a juried art show where the chair of the event indicated how pleased they were with the support that government gives them, and the person who organized the particular day said how wonderful it was that the government had been able to maintain their funding and that our art purchase plan was still in place. The only sort of cry in the wilderness was the member for Brandon East (Mr. Leonard Evans) who came forward to say, yes, but you need more money, and I am going to continue to lobby the minister and fight with the minister to see that arts groups get more money.

I think it is fair to say that arts groups in Manitoba feel that they have been fairly treated and are very pleased we have been able to maintain the levels of funding that we have. Many of them go to cross-country meetings with arts councils from other jurisdictions who have truly been rather decimated in terms of the funding that they are allowed. Here, in Manitoba, I am very proud we have been able to maintain that funding. I see the Chair is going to bang the gavel. I would like to get back to this when we next meet because I think it is a very important issue.

**Mr. Chairperson:** Order, please.

The hour now being 5:30 p.m., I am interrupting the proceedings of this committee, the committee will be recessed until 9 a.m. tomorrow (Thursday).

\* (1530)

### CONSUMER AND CORPORATE AFFAIRS

**Mr. Deputy Chairperson (Ben Sveinson):** 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 Consumer and Corporate Affairs. Does the honourable Minister of Consumer and Corporate Affairs have an opening statement?

**Hon. Jim Ernst (Minister of Consumer and Corporate Affairs):** Mr. Chairman, I am pleased to introduce the Estimates of the Department of Consumer and Corporate Affairs for '96-97. My statement will focus on some highlights of the past year and of this year's activity.

One of the main changes, Mr. Chairman, has been the transfer of the Property Rights Division to my department from the Department of Justice. The division comprises the Land Titles Office and the Personal Property Security Registry. It has 157 staff-years with more than \$6 million in salaries and \$1.8 million in operating funds and virtually doubles the size of the department.

One of the reasons for the transfer, Mr. Chairman, is that their services are an excellent fit with our registry programs such as the Companies Office and the Vital Statistics Agency. In addition, their target populations are similar. Since the two branches are new to the department, I would like to say a little bit about them. In the Land Titles Office about 150,000 instruments and 60,000 titles are registered and created every year and worth about \$2.5 billion in transfer values and \$5.5 billion in mortgage securities.

About \$10.5 million is collected annually in land transfer tax and an additional \$6.5 million in fees. Six Land Title district offices report to the registrar of general property rights, including a Surveys branch in downtown Winnipeg. The Winnipeg office accounts for about 80 percent of the system's revenue and 75 percent of all recorded registrations. Other district offices are located in Brandon, Dauphin, Morden, Neepawa, and Portage la Prairie.

The primary purpose of a land titles system, Mr. Chairman, is to provide certainty of ownership of interest in land and to simplify proof of ownership. The district offices also administer and collect land transfer tax under The Revenue Act. They supply records to the Assessment branches of the City of Winnipeg and Manitoba Rural Development and act as subdivision and farmlands' ownership control points for other areas in the government. Records from Vital Statistics and the

Companies Office are routinely registered in Land Titles Offices as proof of matters relating to a registration.

The Personal Property Registry, Mr. Chairman, records and provides information on corporate securities, appointments of receivers, and security interests in collateral under The Personal Property Security Act. It provides a central registry for liens having priority under The Garage Keepers Act, The Payment of Wages Act, and The Summary Convictions Act. It is also used for government liens on personal property under seven tax acts.

The registry has two primary client groups. Consumers use it to ensure there are no hidden liens against personal property they want to purchase. Banks, credit unions, financiers, lawyers, wholesalers, and retailers need an efficient registry for recording security interests in collateral.

Mr. Chairman, several years ago my department helped develop the Canadian Motor Vehicle Arbitration Program. Through CAMVAP, consumers experiencing problems with defects or warranties in new vehicles can apply for arbitration as an option to going to court. Arbitrators can award buy-back or replacement of the vehicle, repairs, compensation for repairs already made, limited out-of-pocket expenses, or find no liability on the manufacturer's part at all.

CAMVAP began in Manitoba in October of 1994. As of the end of 1995, it had resolved 31 cases. Of these, 20 were through arbitration, nine through mediation, and two during the hearing process. Along with other awards, the 20 arbitrations resulted in four vehicle buy-backs and one replacement. Steps are being taken to ensure CAMVAP continues to operate well. One of these steps is a consumer satisfaction survey being conducted among users. This fall there will be an independent review of that plan.

\* (1540)

Mr. Chairman, our consumer education program is very active. My department recognizes the practical value of consumer education and is committed to helping families function in our fast-changing economy and expanding marketplace. That is why my department spearheaded the recent creation of a Canadian Consumer Education and

Information Forum. The 35 members are a group of consumer professionals and educators from across Canada drawn from the academic community, schools, business and consumer groups, federal and provincial governments plus community help agencies. The forum provides opportunities to share research, ideas and resources and work on joint cost-effective projects. Examples are the interactive Internet website for consumers and consumer educators that will soon offer up-to-date Canadian information, lesson plans and references for high school teachers. This is an ambitious initiative created to address pressing marketplace needs. It also meets the needs of consumer specialists and educators who, like all of us, are doing more with less.

Mr. Chairman, I would like to mention briefly the senior crime and safety network, a new initiative of our Consumer Education branch to strengthen our efforts against consumer fraud. I am proud that we were instrumental in forming this new partnership with seniors agencies, Winnipeg police, RCMP, Citizens for Crime Awareness, Crime Stoppers, Manitoba Justice and the Seniors Directorate. It links us with other agencies and services concerned with crime prevention. We are pleased that the network has already strengthened program partnerships and identified opportunities for joint projects.

Mr. Chairman, in the Residential Tenancies Branch we are now working towards expanding the volunteer speakers program to include workshops for high-risk renters. We are developing a one-hour teaching package for volunteers to use in community workshops. It includes handouts, activities, transparencies and several active teaching techniques that relate to adults' renting experiences. The next phase is assigning staff and resources to the program, recruiting and training volunteers and to promote the workshops to community groups.

Another commitment I made last year was a comprehensive policies and procedures guidebook to help both tenants and landlords understand how Residential Tenancies Law is applied and the policies the branch uses in its daily operations. I am pleased to say the guidebook was recently completed. It will be used by staff and will be available to tenants and landlords. I would like to note that it is in plain language which will make it easy to use and the material easy to understand.

The guidebook deals with matters concerning the legislation, such as security deposits, rent increases and notices by landlords and tenants. It has information on tenants' and landlords' rights and responsibilities, mediation and hearings. Besides being a comprehensive source of information for landlords and tenants, the guidebook will be used to train new staff and as reference for experienced staff. We think it will be a useful, practical tool for making consistent decisions.

Finally, I have referred to the company's office during my statement. This is the former Corporations Branch, which became a special operating agency on April 1 under its new name. As an SOA the company's office can concentrate on improvements and introduce necessary technological changes without the usual government restrictions. In my department the office joins the Vital Statistics as an SOA. Mr. Chairman, that concludes my opening remarks.

**Mr. Jim Maloway (Elmwood):** Mr. Chairman, I think this year I will dispense with the opening comments, and if I could get the agreement of the minister, perhaps, we could deal with the Estimates in such a way so as I could ask questions under any area of the department. I know that that has been done now in Highways and a couple of other Estimates.

**Mr. Ernst:** In principle I do not object, although we have, as you can see, a wide variety of staff here to provide—we have a brand new deputy minister, as you may know. Let us try it and if it creates a problem, we will have to revert to the old way.

**Mr. Maloway:** The reason I ask, and the minister may know better than I, I am not certain how many hours have been allocated for these Estimates, as to whether we are anticipating being finished at 5:30, or whether in fact we are going to be continuing on until tomorrow.

**Mr. Ernst:** I have got as many hours as it takes, but your House leader might have some other suggestion.

**Mr. Maloway:** In the absence then of confirmation from my House leaders as to what time we have in mind, I had planned to ask a series of questions in one area and if time permits afterward I would go into other areas. That is why I did not want to find myself with a shortage of

time at the end if we had to finish by 5:30. So that was the reasoning behind the request.

**Mr. Ernst:** If you would like to indicate which kind of area you wanted to ask questions, then I can have the appropriate staff approach me.

**Mr. Maloway:** Currently it would be the Public Utilities Board.

**Mr. Ernst:** Well, Mr. Chairman, the Public Utilities Board is an independent, arm's-length organization. We have no staff here for that. I could answer as many questions as I can with respect to its operations.

**Mr. Maloway:** The Public Utilities Board is listed under Corporate Affairs, and if the minister is prepared to take questions on that area, then I think that is quite acceptable to me.

**Mr. Deputy Chairperson:** The honourable member for Elmwood, are you going to have an opening statement?

**Mr. Maloway:** I would like to begin by asking the minister—

**Mr. Deputy Chairperson:** Order, please. You are going to start with your questions then, are you?

**Mr. Maloway:** Yes.

**Mr. Deputy Chairperson:** Okay, then let me just catch up. Under Manitoba practice, the debate of Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table and we ask that the minister introduce his staff present.

**Mr. Ernst:** Mr. Chairman, I would like to introduce Alex Morton, who is the newly appointed Deputy Minister of the Department of Consumer and Corporate Affairs. She previously was the Registrar General under the Land Titles Office and the Personal Property Registry. She is a lawyer by profession, although we will not hold that against her. Of course, Fred Bryans, I think, is known to all members, who is our administrative officer.

**Mr. Deputy Chairperson:** We thank the minister. We will now proceed to 5.1.(b)(1) Executive Support, Salaries and Employee Benefits, on page 25 of the main Estimates book. Shall the item pass?

**Mr. Maloway:** I thought we had agreed that I would be allowed to ask questions.

**Mr. Deputy Chairperson:** Agreed.

**Mr. Maloway:** I am sure the minister will have to take some of these questions as notice in order to obtain the material for us, but I think what we are interested in knowing is what sort of reporting that the MPIC would provide to the PUB in support of its rates applications each year. Currently, as the minister knows, we are trying to get the minister in charge of Manitoba Public Insurance Corporation to provide us with actuary reports dealing with the \$29 million and now \$49 million in tort claims before March 1, 1994. We are unable to get the proper responses and proper information from that minister.

Suggestion has been made that, in fact, some of the actuarial reports may have been submitted to the PUB. So I would ask the minister if he would endeavour—I am making the assumption that he would not be aware that these actuarial reports had been given—on the part of this committee to obtain for us all actuarial reports submitted to the PUB on behalf of the MPIC rate increase application?

\* (1550)

**Mr. Ernst:** Well, the member is right, Mr. Chairman. I have absolutely no idea what information is submitted to the Public Utilities Board. Historically, the Public Utilities Board, notwithstanding that the members are appointed by government, operates in an independent arm's-length manner from the government. These are highly complex matters, and reams of information, generally speaking, I think, are provided from what I know. I freely admit, I have never been to a Public Utilities Board meeting where they were considering an application from any of their client groups. I understand they are quite complex, and all kinds of information is provided. I will certainly ask of the Public Utilities Board what information is available.

**Mr. Maloway:** Mr. Chairman, I suppose they can be as complex as they want to be, but, at the end of the day, if they are not able to obtain accurate information concerning a figure such as this 29 million or 49 million, if they are not given the actuarial reports, then how are they possibly going to be in a position to be able to accurately predict what the rates would be?

I think that is what we are really trying to find out here. If the corporation provided the actuarial reports to the PUB and on that basis they made a decision, then I would be very happy to take it up with the PUB. If that is not the case and there were no reports given to the PUB, then I will be happy to take it up with the minister in charge of MPIC, but I am not convinced that, certainly, correct reports were forwarded to the PUB. Clearly, that is the case.

**Mr. Ernst:** I will endeavour to find out.

**Mr. Maloway:** Mr. Chairman, now the member is aware of the track reports. I am sure he knows what they are; a series of eight and early warning signs to test the solvency of a corporation. What we found shocking about this system—and you must understand that the track report is a voluntary reporting system. Why the Manitoba Public Insurance Corporation would voluntarily turn over financial information that it would know in advance would only allow it to pass two of eight solvency tests is a question that I certainly cannot answer, and I would like to know the person who made a decision like that. Nevertheless, they did provide this information.

Now, given that they provided the information, we have been asking why it is that the corporation would recommend that the minister would support a rate reduction in view of these track reports, which show that the corporation is in bad shape. What I would like to know is: Were these track reports ever passed on to the PUB for their decisions? When they made these decisions, did they have copies of the track reports, did they have copies of the actuarial reports? Because if they did not, it is clear to see how they could have made a decision; if they did have them, then it is mind-boggling that they could make the decision that they did.

**Mr. Ernst:** Well, I do not know whether they did or did not, and I will endeavour to find out.

I should point out, though, that if you have ever seen a decision by the Public Utilities Board with respect to any of their rate application considerations, they are quite exhaustive in terms of the amount of information provided, running 60, 80, 100, 150 pages, in some cases, of report, but I will endeavour to find out the answer to the question.

**Mr. Maloway:** Mr. Chairman, I certainly would not dispute, having sat through some PUB hearings, the fact that there is quite an involved, complicated process involved over there and certainly a costly process, but at the end of the day, if vital information that is material to the decision is hidden, or is sat on, by people in the government who are essentially conspiring to gain an end in this being the reduction of the premiums before an election, to win an election, then that is a different matter.

**Mr. Deputy Chairperson:** Order, please.

#### Point of Order

**Mr. Ernst:** Mr. Chairman, on a point of order.

Mr. Chairman, I ask you to ask the member for Elmwood not to make unfounded allegations in the committee here. He can surmise all he wants, but to make unfounded allegations is inappropriate.

**Mr. Deputy Chairperson:** The comments made by the member for Elmwood I believe started out with the word "if" and as such I will rule at this time that the minister does not have a point of order, but I would ask the member for Elmwood and any other members of the committee to choose their words carefully.

\* \* \*

**Mr. Maloway:** Mr. Chairman, I did not mean to rile the minister, and it was my finishing comment to this particular area.

I would like now to go into the subject area involving the, I guess, recent uncovering of a land/house-flipping scheme operating in the city. I am not certain just what section of the Estimates that we would be dealing with under this section, but nevertheless I would like to ask the minister when he became aware of this ring of house-flippers working in this town and why he did not issue a

public warning that this sort of operation was going on. I would just like to get his initial comments on this first.

**Mr. Ernst:** Well, Mr. Chairman, I learned about it when I read about it in the paper. There is no specific tracking system that would identify every transaction in the Land Titles Office which I might indicate only came to our department from Justice on the first of April, which postdates that business by some time. I am advised by the staff that with respect to the transactions that occur in Land Titles Office, it is on an individual transaction basis. There are quite legitimate transfers of land that occur from time to time within short periods of time with a variety of considerations attached to them.

**Mr. Maloway:** Mr. Chairman, I actually asked that question last fall and I am still waiting for an answer. Maybe we can get into that now, and that is, there appeared to be in a number of the same-day transfers—and they were not all same-day transfers in which it appears as though the province in effect lost out in the land transfer tax, the collection of land transfer tax. I am wondering how that could happen, and that is why I asked the minister to investigate that element of it, because we are talking nearly a hundred transactions here, not all of which of course have missing fees.

**Mr. Ernst:** Well, first of all, let me say that as I indicated in my opening remarks, there are some 150,000 transactions occur in the Land Titles Office on an annual basis. So for a hundred to be of some concern to the member does not represent a very large percentage. At the same time, there should not be any missing land transfer tax in the process.

**Mr. Maloway:** Given that his department would have more or less a complete list of the transactions involved, then I would think that would narrow down the field as to the ones that we are interested in, in this particular case.

**Mr. Ernst:** Well, we have thousands and thousands and thousands of titles. Which ones are the ones that are involved?

\* (1600)

**Mr. Maloway:** I would think that the minister would be aware of that when his department gave him the list. I know the minister said he read about it in the paper, that

is how he found about it. But I would like to know when and how the department actually found out about it.

**Mr. Ernst:** Mr. Chairman, when an individual title comes into the department or the transfer of an individual title, it is assessed on the face value of the title. If a transfer came in one day for a property at a certain value and three days later another transfer came in for the same title with a different value, generally speaking, we would not know one versus the other and would not correlate them.

If they came in together, two transfers came in together, one from party A to party B, and one from party B to party C, we, generally speaking, would tax on the higher of the two values. But there is an option, from time to time, if there is an indication that something is untoward, that a determination could be made on the question of what tax is payable or what value is taxable, shall we say.

**Mr. Maloway:** My question is really, when did the department learn of the problem? The minister is claiming that he was not aware of it till he read the story that was run in the paper, I believe it was December 7, and clearly the CMHC newsletter was sent out June 1994 basically talking about this operation, so what I would like to know is, why did it take so long? I mean, clearly, if the CMHC knew about it and his department knew about it, then why did they wait so long to tell him?

**Mr. Ernst:** Inherently, there is nothing illegal about selling a property for a particular price where one party is selling it to another party at a different price. It may not be terribly ethical, but it is not illegal. So that if somebody is doing this—I mean, it is a caveat emptor situation in the public. If somebody sells their property for \$10,000 and the person who buys it turns around and sells it for \$20,000 at a later time, then there is nothing untoward about that other than the fact that either somebody paid too much or somebody sold for too little.

So that whether these kinds of activities are a good way—there are all kinds of scams going on in the public on a regular basis, and we try and keep an eye on as many of those as possible. If they are in contravention of The Consumer Protection Act or in contravention of The Business Practices Act, then we come down on them quite hard. We have had some significant successes in recent time. Nonetheless, if the concern is simply that are

we collecting the appropriate amount of tax, I would say from what I understand, by and large yes, we are.

There may be occasions when for one reason or another it does not occur, but, nonetheless, what is the true value of the property? I mean, on the one hand if you sell a property for \$10,000, is that the value? If somebody else pays \$20,000 for it, is that the value or is the value somewhere in between or above or below those amounts? It is a subjective situation as to whether or not that is the particular value.

I have indicated what the process is in terms of the Land Titles Office and how they deal with that. But by and large, again, Mr. Chairman, there is nothing inherently illegal about it.

**Mr. Maloway:** Mr. Chairman, I think that the police that are currently interviewing and investigating the whole disaster have a different opinion of that. I asked the minister before about a house on Scotland Avenue—that it increased from \$21,000 to \$65,000 in one day, and I just wonder if there is a way to set up some sort of a mechanism to screen extremes? You know, I understand some of these house-flips involve three or four weeks, and it is quite possible that if the operator bought it for 40 and sold it for 60, and there is a three-week period in between that maybe he did fix it up—and, in fact, there are people in the business who do that. But a house that same day flips, which was quite characteristic of this ring, going from \$21,000 to \$65,000, I just wonder if there is a mechanism that can be set up to flag something like that.

**Mr. Ernst:** I think I indicated, Mr. Chairman, that in a case like that if two transfers came in together that the tax would be applied on the higher amount, the land transfer tax. But whether or not that is illegal or not—unless there is some fraud or other kind of activity that is associated with that—if it is decided between two parties that is what they want to do, then there is nothing illegal about that, and why would we want to track it?

**Mr. Maloway:** So, yes, there would be no desire on the department's part to ask questions or to refer it for an opinion.

**Mr. Ernst:** Mr. Chairman, the job of the Land Titles Office is to register titles of land to ensure if people have



a valid ownership instrument or a mortgage or some other caveat or whatever on their particular property. That is their function. Their function is to provide that service to the public.

**Mr. Maloway:** Mr. Chairman, and I do understand the minister's point in this. It just seems to me that—I have actually personally visited with most of these people. I think that if any of you had been in the same situation to see young newly married couples, just starting out for the first time, with just more or less minimum-wage jobs being involved in a proposition like this, where the property is overvalued by \$30,000-\$40,000, it is not a laughing matter, and I feel sorry for those people. They are all over the city. In my view, the sooner the ring is shut down the happier I will be. I guess there is a role for people who fix up houses and sell them and so on, but this particular operation had certain characteristics to it and a certain method of operation that should have maybe been caught earlier than it was, and I guess that is what we are getting on to. The question is, have we learned anything by this?

\* (1610)

Now, I want to ask the minister about the appraisal business, because it seemed to me that the common thread in all of this was that the appraisal was not made available to all the parties involved, that the appraisal people have some sort of a rule that indicates that when you buy a house and an appraisal is done, that is for the bank's purposes only, for example. Then if you resell the house you have to get another appraisal, and I guess it is good for the appraisal business. It means that people have to have more appraisals.

But my point is that if the bank could have shared the appraisals with these people then this thing would have been nipped in the bud, because these people tended to deal with one real estate agent and they were certainly not sophisticated. None of them were multiple-time house buyers and, because of that appraisal business, it seemed to me that if we could somehow make sort of regulations or make some agreement with the appraisal institute that they would permit appraisals that they do on a house to be shared, then that would solve a tremendous amount. In this particular case I believe this ring could not have operated if that had been in place, and the minister knows a bit about this area.

**Mr. Ernst:** That is right. As a former real estate appraiser I can tell you that first of all, generally speaking, in the business, the report is the property of the person who paid for it. But I suspect that what the member is alleging is that a report provided to a financial institution for the purposes of securing financing, if that were to be shared with the owner that they might not have proceeded with it. I am assuming that if the appraiser report was accurate that they would not have got their financing if the property was in fact overvalued. Likely speaking, if a property was worth \$25,000 and was sold for \$65,000 or an offer to purchase was concluded at that that they would not get the financing if the bank got a report that said the property was worth \$25,000. The bank or financial institution would have queried that immediately, I would think.

Nonetheless, the warning we give from the consumer side of things, generally speaking, to people is, before they buy anything check out the person you are buying it from and, if it is a case of a piece of real estate, for instance, there is nothing preventing somebody from hiring a real estate appraiser on their own. I mean, very often you see in offers to purchase that it is subject to the inspection of the property by an engineer. People should, quite frankly, making an investment of that size—that is clearly for most people the biggest single investment they will ever make, the biggest single commitment they will ever attach themselves to in terms of a mortgage, and it is, I would think, in their best interest to hire somebody professional to give them an indication of what the property is worth generally in the open market.

I would not certainly do it but, mind you, having been in that field of endeavour I am maybe a little prejudiced but, nonetheless, anybody making an investment of that size—and today, I mean, the average is somewhere up around \$90,000 or more now, I believe. That is an incredible amount of money, and people ought to—I mean, to invest \$100 or \$200 to hire a real estate appraiser, a qualified, independent appraiser, makes ultimate sense in my view but, historically, that is not done.

You might also try and differentiate between the fact that reports provided by a professional real estate appraiser may well be significantly different than those provided by a real estate agent, who is not bound by the same code of ethics that a member of the Appraisal Institute of Canada would be, so those may vary from

time to time. Even reports from qualified appraisers, depending upon the assumptions that are made in terms of a value, can differ significantly, one from the other.

In theory, if you apply all of the principles for the establishment of values laid out in the course material in the Appraisal Institute of Canada, you should all come to the same conclusion, but from time to time somebody looks at something and sees more value or less value in that particular circumstance that another may not.

**Mr. Maloway:** I would like to ask the minister then, who called in the police? If the minister did not know until November 7, when the press ran their article in the paper, if he did not know about it till then, this thing had been going on for a year and a half and more before that, then who called in the police?

**Mr. Ernst:** I have no idea. Presumably, one of the injured parties may have called the police in, but, as far as I know, it was not us.

**Mr. Maloway:** Then the question is, why did you not?

**Mr. Ernst:** From the perspective of the Land Titles Office, there was no evidence of any fraud. There was no evidence of anything illegal. If there is no evidence of anything illegal, why would you call in the police?

**Mr. Maloway:** Mr. Chairman, the point is that at some point you did. At some point, your investigators turned over to Commercial Crime the information.

**Mr. Ernst:** Mr. Chairman, let me consult with the Consumers' Bureau people that are here and see what was involved there, so hang on.

Mr. Chairman, staff from the Consumers' Bureau also were not involved in this, but it may have been the Securities Commission where a complaint was lodged with the registrar of The Real Estate Brokers Act. I do not have that staff here, so I will have to ask whether it was they who were involved.

**Mr. Maloway:** What we have, at least if you read the August '94 CMHC newsletter, clearly this thing was well underway by August of '94, presumably the beginnings of it. They were aware some time before August '94, and yet the minister was not aware until November of 1995.

This thing had been operating under the minister's nose for a year and a half, and his department has been aware of it. We were able to determine that they were involved in it fairly early because somebody went to them.

The question is, because it got so big, I mean, why would they not tell him? I do not understand that.

**Mr. Ernst:** Again, we have to determine whether anybody has done anything illegally. You may not like what has happened, and the people may feel they have been ripped off and so on, but was there anything illegal done? That is a matter of determination, I guess, ultimately, by the police department, but the fact of the matter is that simply the buying and selling of property is not illegal.

The buying and selling of property for different sums of money is not illegal. Registering those titles is not illegal. The financing of the property is not illegal. Now, if there is fraud involved somewhere along the way, that is a different question. If there are unethical or illegal practises by a real estate agent, for which they should have their licence suspended, that is a different situation. The fact of the matter is that because somebody sells a property to somebody else for more than it is worth, it is not illegal.

\* (1620)

**Mr. Maloway:** But if the minister were to check his records, I think he would find that this whole thing started to become unglued when the first person, the first man, an 18-year-old, who worked at a convenience store, went to the Securities Commission because he had been able to buy three properties in one day, obtained three mortgages with three different branches of the CIBC, using the same mortgage broker. I believe one of the houses was put in the name of his brother. Now that is the story that this person walked into the Securities Commission with, and the minister is asking, we are looking for something more than just a straight same-day flip of a property. We want to see some evidence of improprieties.

Now, if that sort of a story does not alert some red flags, then I do not what would, and it did. It was that story that got the whole ball rolling, and then No. 2 came in and No. 3 and No. 4. Then your investigator started

chasing Nos. 5, 6, 7 and 8, and the stories started to unravel. But this was early on in 1994.

**Mr. Ernst:** I should point out that the Manitoba Securities Commission also, as does the PUB, operates on an arm's-length basis from the government, and they are responsible for the administration of The Real Estate Brokers Act. But I will inquire as to the circumstances and what we have with respect to the commission, and we will provide some additional information to the member.

**Mr. Maloway:** My information is, and I think I am right, that the CMHC is in fact the client of the RCMP in this situation, so it does not sound as though the provincial government has any role in this investigation at all at this point. The fact of the matter is that the principles in this operation are still operating. That is the sad part. From early June '94 until the minister read this story in the paper on November 7, 1995, this ring continued to flip houses and take advantages of these poor people. They continue to do it.

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

It was not until the first two people came to me and we took the story to the paper and we did a story on it, that is when things started to happen. That is when the rings started to put up "For Sale" signs at their houses, and that is when they started to run for cover. That is when the minister says he first read about it. You know, I just came home and opened up the paper and there it was. And so, you know, who shut down the ring? I mean, obviously those newspaper stories did more than all these investigative teams that have been running around for a long time trying to settle this thing down. I know there is an element of due process here, but surely the department is here to protect the consumers, and I do not know why it would take two years before the industry and before the government could get on top of this thing and shut this operation down, and I do not even have a guarantee that it is shut down right now. I wish somebody would tell me that it is.

**Mr. Ernst:** Okay, I have been provided with a little bit of information. Maybe I can impart that to the member for Elmwood (Mr. Maloway). In October of 1994, what was indeed the Manitoba Securities Commission received a complaint alleging a certain real estate agent may have been involved with another individual in a scheme to

defraud CMHC and the income tax department, neither of which are provincial government agencies. However, the commission did do some preliminary investigation and indicated that a certain real estate investor had purchased some lower priced houses and flipped them and that this real estate agent had been involved in all of the transactions.

The buyers, I gather, purchased the houses with little or no down payment by misrepresenting their financial position and the financing terms of the deals to the mortgage lender. The initial inquiries also showed that there may have been two lawyers and a bank loan officer who were also involved in this particular scheme.

So on January of 1995 the findings were reported to the commission and the commission directed that the matter be discussed with CMHC, who is the defrauded party in this case, with a view to filing a criminal complaint. CMHC did file the complaint, as they were the injured party in this case, with the RCMP in the fall of '95. Securities Commission staff contacted the real estate agent and obtained written undertakings that that real estate agent would cease and desist from all further dealings with the investor.

**An Honourable Member:** When was that?

**Mr. Ernst:** It does not say, particularly, but some time after that I guess. It said, when CMHC learned that—when the commission learned that CMHC had filed a complaint in the fall of 1995, that they had in fact done that. Currently the RCMP and the Law Society are both conducting investigations. The real estate person involved has had his registration suspended, and I am advised he is on some extended sick leave, for whatever. I do not know what the circumstances are.

The commission's investigation has been put on hold pending the report of the Law Society and the RCMP with respect to the operations of the alleged investor who was doing this, Tysowsky [phonetic] I think is his name—

**An Honourable Member:** Leonard.

**Mr. Ernst:** —indicated that none of the individuals involved in this circumstance, save for the real estate agent perhaps, and that is yet to be proven, fall under the jurisdiction of the Manitoba Securities Commission.

CMHC is the defrauded party and if the bank has an employee who was not doing what he should be doing or doing something untoward, that is another matter. But the bank is the injured party there, and we do not control what the bank does, we do not control what CMHC does. So the RCMP are involved, they are investigating. If there is wrongdoing with respect to certain activities there, then the RCMP will lay charges.

**Mr. Maloway:** I would ask the minister if it is possible to provide me with a copy of the briefing note that he read from, because actually that is probably the first bit of real information I have been able to get on this whole case. It would indicate to me that at least the minister seems to have been doing something anyway. I was not aware that the real estate agent had been, in fact, disciplined. As a matter of fact, quite the opposite. I had spoken to the real estate association and the argument there was, well, we cannot do anything about it because we are waiting for the criminal side of this to sort itself out.

My response was, well, when will this happen? I mean, it could take forever. It has already taken forever. You have to understand here that these people are in foreclosure. I just talked to one a couple of weeks ago and his lawyer has been telling him to keep paying the mortgage payments, but he cannot do it anymore. He has just had his second baby and it is only three weeks old or whatever and he has another small child and he is walking out of his house, and that is the sad part of this whole thing. If we could have speeded this up and got this over with quicker, then people might have some remedies, but while all this process is going on these people are suffering and they are going to be out on the street. Would the minister provide me with a copy of that briefing note?

**Mr. Ernst:** I will provide the member with a summary.

**Mr. Maloway:** Clearly the minister is saving some information for a potential future question. I would like to ask a couple of questions about what the department and the minister has learned from all of this, because surely there are some rules and some changes that could be put into place that might help out in the future.

A lot of this was fairly straightforward, but the whole role of the appraisers was really the cloudy part here. It

was hard to tie that down to get information about it. Now does the minister have any recommendations? Will the minister have any recommendations coming out of this that he can adopt with respect to any area of his department that was involved in this?

\* (1630)

**Mr. Ernst:** There is legislation in place to deal with people like this. It is called the Criminal Code of Canada. If you are doing something illegal and found out and charged and proven in court that you are guilty, then you will pay the price. That legislation is there for people who do not follow the rules, but as I said earlier it is not illegal to sell property, buy property at any particular price. It is illegal to defraud people, it is illegal to do some other things, but the fact of the matter is that we have laws, we have people to enforce those laws, and the appropriate parties are involved in this particular case. While it may not occur as quickly—and I have sympathy for the folks that got involved in this in the first place. Relatively unsophisticated home buyers, but the fact of the matter is there are unscrupulous people in this world, and they do operate out there in a variety of different fields.

All I can do is encourage people. We do have consumer advocates out there, the Consumers' Association. We do run volunteer programs. We have speakers' bureaus to go out and tell people what they should do before they buy anything to ensure that they protect themselves as much as possible and do not get duped in the process. Beyond that, I do not foresee that we need to necessarily do anything beyond enforcement of the Criminal Code because it is criminal activity that is illegal.

(Mr. Deputy Chairperson in the Chair)

**Mr. Maloway:** There was a recent press report about a million-dollar scam here involving stolen cars and merchandise and so on and calling it Winnipeg's largest scam, but would the minister agree that this one involves even more money? Does the minister have a figure as to what amount of losses would be involved here?

**Mr. Ernst:** I presume the member is talking about where the people came in, set up a company, leased a bunch of cars and then took them offshore or something like that. Is that one he is referring to?

**Mr. Maloway:** No, I was simply making the comment that that particular scam was around the million-dollar range, and it was called the largest in the province. I am pointing out to the minister that this one is clearly multiples of the million dollars. Does the minister have an idea of what this is going to cost at the end of the day? How much money has been lost by the banks and CMHC at the end of the day?

**Mr. Ernst:** No, I do not, Mr. Chairman, but again this is a matter of fraud. Fraud is a Criminal Code offence and it is under the Criminal Code the people are prosecuted. I do not have any idea, nor does our department have any direct involvement.

**Mr. Maloway:** Has the minister made any representations or recommendations to CMHC in an effort to tighten up some of its procedures? Because clearly, the fact that the CMHC did not inspect these houses is in large part a large contributory factor to this scheme being successful.

**Mr. Ernst:** The Canada Mortgage and Housing Corporation, as it is now called, is a federal government agency. They are big boys, they have been in this business a long time, and if they choose not to inspect houses as a conscious policy decision, which it is, an attempt to try and save money in their operations, then they open themselves to this kind of abuse. Again, illegal activity is illegal activity and prosecutable under the Criminal Code.

**Mr. Maloway:** So the minister is telling me that no representations have been made by his officials to CMHC to tighten up their standards? He is just assuming that they will figure it out on their own.

**Mr. Ernst:** As I said, Mr. Chairman, Canada Mortgage and Housing Corporation is a federal government agency.

**Mr. Maloway:** And a federal government agency that would not look kindly, I gather, on representations from a minister in a provincial jurisdiction.

**Mr. Ernst:** The member can surmise as he wishes.

**Mr. Maloway:** Is the minister aware of any other rings operating within the city at this point in time?

**Mr. Ernst:** No.

**Mr. Maloway:** Is the minister aware of any other rings operating in the province of Manitoba at this time?

**Mr. Ernst:** I am not personally aware. There may be something at the Manitoba Securities Commission, some complaint may have been laid or something, that I do not know.

**Mr. Maloway:** Could the minister then endeavour to find out about that and get back to me as to whether there are other rings operating in the city or in other areas of the province?

**Mr. Ernst:** I do not know any. I will ask the Securities Commission if they have had any complaints and what they are doing about them, but I cannot suggest for a minute that there may be a ring involved, there may be a conspiracy involved. All I can ask is do they have any complaints from the public with respect to certain activity, and then we will take it from there.

**Mr. Maloway:** Is the minister aware of other similar type rings operating in other cities?

**Mr. Ernst:** Outside of Manitoba?

**Mr. Maloway:** Yes. The similar type of rings have been discovered in other parts of the country. I just wanted to ask the minister whether he was aware that these rings were operating elsewhere.

**Mr. Ernst:** No.

**Mr. Maloway:** I wanted to ask the minister some questions on the Automobile Injury Compensation Appeals Commission. Can he give us an update as to what experience his department has had with this particular Automobile Injury Compensation Appeals Commission over the past year? I believe last year he told me that appeals, while they were almost negligible the first year, the second year they increased a little bit, but the department did not have to expend the money that it put in the account, I believe, for offices and stuff like that. So I would like him to give me as complete as possible an update on what has been transpiring over the last 12 months.

**Mr. Ernst:** Fiscal '95-96, there were 37 appeals dealt with by the commission. For '96-97 the commission expects somewhere around 100 appeals, and the expectation is, generally on an average after that, about 200 appeals are expected to be filed. We based it initially on the fact that Quebec with a similar system has about 1,600 appeals per year, and if you take it on a per capita basis, we expected to have 250, 300, something like that.

\* (1640)

We are not sure why the number of appeals has not reached that level yet, except that it may take a considerable amount of time to work its way through the system, although, you know, the other surmise might be that it is working well and you do not need to appeal, that Autopac is paying an appropriate amount of money, but I mean, that is a guess on anybody's part at this point. We will see how the experience over the next year or so goes. But again, we have not staffed up to the full amount. We have operated at less money than was originally budgeted.

**Mr. Maloway:** Is the minister aware or has the minister been approached by any insurance companies in town inquiring about information on the no-fault system and how the appeal procedure works and the number of appeals and so on, with the view to making a representation to the government regarding the privatization of the no-fault benefits program?

**Mr. Ernst:** No.

**Mr. Maloway:** So the minister is not aware nor has he been represented to in any way by any life insurer in town regarding the takeover of the MPIC no-fault benefits program?

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

**Mr. Maloway:** Would the minister vigorously oppose any representations that might be made to him regarding such a proposal?

**Mr. Ernst:** That is a hypothetical question, Mr. Chairman, and I do not intend to answer it.

**Mr. Maloway:** I would like to ask the member some questions regarding the Manitoba Securities Com-

mission. There is some talk about the securities commission amalgamating in this country. It has been going on for a few years now with the federal securities commission. I guess there is some merit to it, but Manitoba has resisted it.

I would like to ask the minister to give us an update as to what is currently happening with that proposal.

**Mr. Ernst:** In 1994, there was a potential memorandum of understanding or letter circulated by the federal government with respect to a national securities commission to which to the best of my knowledge all provinces declined. However, the Province of Ontario and the federal government have been conducting bilateral negotiations over the past few months with respect to the potential for a national securities commission.

When that was learned, some articles appeared in the Globe and Mail and so on, and information came to us through our own securities administrators who meet together fairly regularly and discuss things amongst one another. We inquired from Ontario, and we found out that they were having bilateral negotiations on the basis of a national securities commission, one at least, because 90 percent of the securities activity takes place in Ontario anyway. The Ontario bilateral discussions, as I said, we learned about. We had some discussions with their staff and our staff, and there have been a couple of other meetings with respect to the issue, but I suspect there will be some further discussions on that issue again at the Western Premiers' Conference next week and at the First Ministers' Conference later in June.

Our position in 1994 was we were not interested. If the rest of the country is going to form a national securities commission and leave Manitoba sitting by itself, that may not be in our best interest either, but if we are to be involved in anything, we have a certain quid pro quo we require and would not be interested without those conditions being met.

So the process is ongoing. Discussions will be taking place, and we will see how it goes.

**Mr. Maloway:** Then I take it from that that the minister is currently resisting all changes to this proposal, and he

is going to keep resisting until the Premier (Mr. Filmon) tells him he has made some other arrangements.

**Mr. Ernst:** That kind of speculation does not deserve an answer.

**Mr. Maloway:** Well, I do not want the minister to get testy about this. I mean, the fact of the matter is he has done, I am sure, a very good job of representing Manitoba's interests, to make certain that we do not lose anything in this attempted squeeze, and I am sure he is doing a good job at it. What he has said was, I thought, that he was trying to maintain the status quo, but there may come a time when he might be forced to make a trade-off, and that is what I read into what he had to say.

Now if he did not say that, then would he please tell me again what he did say or what he did mean.

**Mr. Ernst:** What I said was that we had rejected the 1994 proposal. If it turns out that a national securities commission is going to be into place and Manitoba is the only province not included, that may not be in the best interests of Manitoba ultimately. If that is the case, then we might consider the national securities commission proposal, provided that our conditions, the minimum conditions, are met. That is what is ongoing at the present time.

Sorry, if the member misunderstood what I said, but we have not rejected anything, nor have we endorsed anything at this point. What we are looking at is a set of conditions that are precedent to Manitoba becoming involved in anything beyond what we are doing now. We have certain desires and certain protections we want in place for our industry here, for the growth of our province, for the ability of our commodities exchange and stock exchange to function, to provide opportunities for the generation of capital through raising of money through securities, and we have a lot of conditions that would be precedent to our becoming involved. Be that as it may, nothing has gone that far yet.

**Mr. Maloway:** Would the minister foresee job losses then? I assume that is part of the motivation for not wanting to integrate.

**Mr. Ernst:** If you are talking about job losses within the commission itself, one of the conditions precedent is

an office here in Manitoba, a full-service office— [interjection] Well, whether it is bigger or smaller than the current number of people, again, we are not talking about a lot of people in any event. The Securities Commission have maybe six or eight, 10 people who work there; I am not sure exactly how many. The fact of the matter is, it is the function more than the individual circumstances there that is more important, because that relates to a whole lot more jobs than the actual commission itself. If we have newly forming companies or companies that are presently venture capital financed who want to go public once established, they cannot get into a marketplace at a reasonable price, then that impacts on an awful lot more jobs than the direct jobs in the Securities Commission, and that concerns us greatly. That is something we are very much looking at.

**Mr. Maloway:** One of the ideas that I have heard advanced in the past has been the idea that the Securities Commission should vet the Grow Bond applications. I would like to ask the minister, what is his opinion or what is his staff's opinion of the feasibility of something like that? What would be the advantages if there are any?

**Mr. Ernst:** I do not know that there is any specific advantage. The legislation excludes it. They are excluded from the jurisdiction of the Securities Commission. I think they have their own board, so whether that board has any better expertise or less expertise than the Manitoba Securities Commission, who knows? The fact of the matter is, they are governed by a board but legislatively outside the Manitoba Securities Commission.

**Mr. Maloway:** Would the minister look into that question and maybe get back to me with an informed opinion as to what the possibilities are? If we had a better procedure by putting them under the Securities Commission, I think the public might be better served by that. On the other hand, if they are operating fine the way they are, then there probably is no sense changing it.

\* (1650)

**Mr. Ernst:** I think I gave him that opinion. Quite frankly, things are generally operating okay the way they are with respect to the Grow Bonds board. I do not see any need to duplicate any efforts; we have enough of that going on. We are trying to get rid of duplication, not add to it.

**Mr. Maloway:** Mr. Chairman, the minister will recall that I spoke with him in the last month about the question of the Lloyds names, and I wondered if he could take some time or have staff investigate that question. I understand that the Lloyds names in the United States are able to get a much larger settlement. I did have the figures. I do not have them here with me right now, but they more or less got triple what they were offered two years ago. They are still going to be out a lot of money, of course, but at the end of the day, they were able to do this by having the backing of Securities Commission regulations and laws in the United States. There are at least two jurisdictions in the United States—the minister can pull it up on the World Wide Web there; it is all there to be seen—but there are at least two states that have enacted some sort of legislation to protect these names.

The comment that was made, that I had read anyway, was that the reason the Canadian names were not being protected is because they lacked this similar sort of tough securities legislation. I am not certain that we can do anything about it or the government can do anything about it, but if the government is interested, maybe they could look into it. We would be happy to give you the information as to where we found the American legislation.

**Mr. Ernst:** Well, Mr. Chairman, I do recall the member talking to me about it. The member at that time promised to give me the information that he had, and he did not do it; but if he does, I will.

**Mr. Maloway:** Mr. Chairman, I must have been having a busy day because I do not remember promising to give him the information, but I am not saying he is wrong; I may have, so I will now have to remember to do it.

I would like to ask—I guess it would not be a fitting conclusion to Estimates that we did not get into some sort of discussion here about the lemon law, and as long as I have been here we have been discussing it. Actually, we were in government and Gerry Ducharme was the critic. Give him credit, he was actually the first person to be talking about CAMVAP, I guess you refer to it now, but, of course, his approach was not as tough as ours would be. We tended to support the tough legislation that was implemented in California and other states, and, in fact, you know, 45 of the 50 states do have lemon law, but some of those states have essentially company lemon law.

It is really just a farce. It is not very effective, and the opinion that I had from the Ph.D. of lemon law himself in Florida, where I attended some of the actual sessions where they make decisions, he felt that the—[interjection] My colleague the member for Radisson (Ms. Cerilli) said she did not know I had been to Florida, so now I am in big trouble.

Mr. Chairman, the fact of the matter is that there certainly were states where their lemon law is functioning very, very well. Their opinion of the Canadian system, which is the system that this government signed into last year, was that this is a kind of watered-down version. It is better than no lemon law, but it is a watered-down version. I would like to ask the minister to give us an update of where we sit with this? How many people have filed for arbitration, and what have been the results of each of these arbitration panels?

**Mr. Ernst:** I would be happy to provide that information to the member, but I can tell you that if you have two willing parties prepared to deal with something, then I think that is much better than trying to force them into court by virtue of legislation. That was the premise upon which CAMVAP was originally founded. It was supported by all of the parties, including the Consumers' Association of Canada. In fact, they sat at the table with the announcement, quite frankly, ready to endorse it.

But I can tell you that in Manitoba for the last year, there were: 20 arbitrations; nine mediations; total consent awards was two, where they reached a settlement and the arbitrator awarded that settlement; eight, there was no liability on the part of the manufacturer, 12 were determined to be in favour of the consumer, involving four buybacks, one replacement; six had ordered repairs; three were reimbursed for repairs; and one was provided out-of-pocket expenses. Regarding the nine mediations, settlement occurs, generally speaking, before arbitration, and the consumer withdraws. But those are the numbers, basically. In Canada, as a whole, in '95 there were 365 arbitrations, 92 mediations, 29 consent awards, 58 buybacks, seven replacements, 127 ordered repairs, 68 reimbursed for repairs, 22 with out-of-pocket expenses and 138 where there was no manufacturer's liability.

**Mr. Maloway:** I would like to ask the minister whether he would provide us a copy of the briefing note that he has just read from, because I am trying to get an idea as



to whether the companies are winning or the consumers are winning, and I would imagine that statistically over a number of cases it probably would be 50-50, but I do not know for sure. One figure the minister gave indicated that the consumers had won in 12 cases, and I guess the point, Mr. Chairman, is this, that in some of the states where the lemon law is a sham, the company wins all the time. In some of the other states, it is more balanced between the consumer and the company, and that is what we want to see.

**Mr. Ernst:** In this case, in Manitoba, 12 out of 20 were awarded to the consumer.

**Mr. Maloway:** Another element to this program that I have noticed is it is virtually invisible. In fact, if a person buys a new vehicle, there is absolutely no mention of the program to the person. There is no booklet provided. In Florida, it is the law that the lemon law book must be provided to the new buyer. It must be, I believe, explained to the new buyer. You cannot sell a new car in Florida without the book. In Manitoba, I would invite any of you to go out and buy a new car, and you will find that the salesperson will not know anything about this program. It is the sad truth, but are there no provisions? What sort of provisions are there in place for the sales staff who deal with the customer to explain that this program exists? It has never been explained.

**Mr. Ernst:** Information booklets are available at dealerships, the Better Business Bureau, the Consumers' Bureau, the Manitoba Motor League and the Consumers' Association of Canada. Owners' manuals for new cars include a reference to the plan, as well as a toll-free phone number. We are attempting to get into the small claims court system information pamphlets, as well, but I think there is a significant move on the part of the auto makers to make the program available and noticed to the public. If they are putting them in new car manuals with a toll-free phone number, that is a pretty significant move on their part.

\* (1700)

**Mr. Maloway:** Is the minister saying then that they are planning to do this, or they are doing it, and if they are doing it, are they doing it across the country or just in certain provinces?

**Mr. Ernst:** The information that I have been provided with is that they are doing it now.

**Mr. Maloway:** Well, when did they start doing it?

**Mr. Ernst:** I am not aware, Mr. Chairman, exactly the dates or whether they have all got them in or only some of them have them in at the moment, but we can inquire.

**Mr. Maloway:** Can then the minister endeavour to provide me with a copy of material that each manufacturer produces—at least the big three North American manufacturers—that is supposed to be given to the consumers? I am not aware of anything that is being given to anybody at this point, and this program has been in now for what?—a year and a half, two years.

The other point that I would like to make here is, is there not a statistical manual or book put together on the experience of the program that can be made available to the Legislature? For example, in Florida, the Florida program at the end of the year produces a report, and the report—I can provide a copy to the minister if he wants—is quite detailed. It is a year-by-year analysis of how the program operates. So at least you have some idea of where you started from and where you have gone over the course of a year. No such thing exists here.

**Mr. Ernst:** As far as the information is concerned, I will make inquiries to see what is available; and whatever we can get our hands on, we will pass along to the member.

With respect to the annual report, the 1994 report, which is only part-year, I think, is available. We could provide you with a copy of that, but the '95 report is expected in the next few months.

**Mr. Maloway:** Before I turn the microphone over to my colleague the member for Radisson (Ms. Cerilli) to ask some questions, I would like to conclude by asking the minister to give us an update on the activities under The Business Practices Act, as to how that whole program is working. It has been now what?—three years maybe. Oh, gosh, more than that.

**Mr. Ernst:** It is working great. We have had some very good successes, and they have been advertised in the newspaper. Gordon MacDonald here, the investigator

with the department, is a television star. We are quite happy with the way things have been working.

**Ms. Marianne Cerilli (Radisson):** I actually thought I was coming in here to do Sport, but we will do that another time, I think.

I just want to ask a few questions related to the Residential Tenancies Branch.

**Mr. Ernst:** Has the member for Elmwood (Mr. Maloway) completed his—I have a whole bunch of staff sitting here and there is no point to them sitting here if we are done.

**Mr. Maloway:** I would like a more complete answer on the unfair—Business Practices Act, if he could, and then, fine, we are finished.

**Mr. Ernst:** I think what I said, we handled 770 complaints in the last year. We have had some very good successes. As a matter of fact, our legislation is better than the Criminal Code in many cases, and we have been able to stop several significant illegal activities in conjunction with the Winnipeg Police Services. As a matter of fact, the Winnipeg Police Services and our investigators worked together very well and have had some very good success.

If we have a second, I can relate a little story to you. There were—I think it is Agape—ministries were out raising money on the basis that if you contributed to your salvation, you would get an interest-free mortgage and a few other things. People were quite easily taken in by this. I guess it was Gordon who went to the meeting—I mean, there was no advertising for this; this was all done clandestinely, word of mouth. Anyway, we did find out about it, so Gordon and the Winnipeg Police department went down to the meeting to hear what was going on and, of course, what they heard was illegal. So what happened was at the end of the meeting the guy asked, are there any questions? The police officer stood up and said, yes, Constable So-and-so, Winnipeg Police department, you are under arrest.

So that was through actually the work on our staff that were able to get the information which then the police were able to act on, so now we are quite pleased to say that there are 700-and-plus situations that we have been

able to deal with. As a matter of fact, we had a loan broker business we shut down in a matter of less than three weeks, I think, and we were quite proud of the fact that the staff were right on it and dealt with it immediately.

**Mr. Deputy Chairperson:** Would the committee like to go through some of the sections up until the Residential Tenancies? What is the will of the committee?

**Ms. Cerilli:** I appreciate the indulgence of the committee in accommodating the way that we split our critic areas. I just have a few specific questions related to policy, some concerns that have been brought to my attention with regard to residential tenancies complaints. I wonder if the minister could tell me what the policy is with respect to landlords charging rent increases for repairs that were mandated or required because properties were not up to standard. This has been brought to my attention that it has occurred. It seems to me that if there are requirements for landlords to do repairs because properties are unsafe or unsound that those should not be turned around as capital improvements on the properties that would qualify for a rent increase.

**Mr. Ernst:** I can tell you that generally speaking when an order is issued and work has to be done, we first of all ensure it is done, but we have the right to disallow it under a certain set of circumstances. Capital improvements, in the general scheme of things, like capital improvements to buildings or major replacements and things of that nature, maintenance, are all taken into consideration in the application of the rent process.

**Ms. Cerilli:** I am not clear, though. Is it legal or is it policy that an improvement that is done as a requirement of a work order can be then turned around and paid for by the tenant with a rent increase?

**Mr. Ernst:** I guess the answer is yes and no. It can be taken into account and it can also be disallowed when the rent increase application comes forward. If the rent increase application came forward to which was attached an order or where an order was forced upon a landlord, it is taken into consideration at the time of the rent increase by the department.

\* (1710)

**Ms. Cerilli:** I am wondering if the minister could give an example of one that has been allowed, if with the assistance of the staff, we could have some examples of when it is deemed admissible that work order repairs would qualify for a rent increase.

**Mr. Ernst:** We do not have an example just at the present time, but what I can undertake is to have them look and see if there is something available that might be pertinent, and if the member has a specific example she wants us to look into, then by all means, provide us with the information, not necessarily on the public record but provide us with the information, and we would be happy to look into it.

**Ms. Cerilli:** I can endeavour to dig that out. I am also concerned that there is a policy that is perhaps not being followed in the Residential Tenancies Commission. As I understood it, the commission was designed so that lawyers would not be used by either party in a dispute over rent. It is my understanding that often landlords, particularly if they are with a larger property company, will use lawyers in the hearings.

I am wondering if that is acceptable, given the policy, and if it is not in the opinion of the government setting up a real disadvantage for tenants who likely will not be able to hire counsel. If this is happening, how often is it happening, if it is not a violation of the intent of the Residential Tenancies Commission and division?

**Mr. Ernst:** There is no prohibition policy or legislatively for anyone to have representation, be it a lawyer or some other person. It is discouraged, generally speaking, at the preliminary or the first level of decision which is at the branch level. Very seldom do lawyers ever get involved there.

However, at the commission level which is a little more formal with commissioners hearing and so on, it is not uncommon but not common to have both landlords and tenants represented by lawyers there. There is no necessity. We try to maintain the procedures, and the commission tries to maintain its procedures so that no one requires a lawyer, but, sometimes, particularly if they are not happy with the original decision of the branch, they may feel that they need the services of an advocate to appear before the commission when the appeal is heard, but there is no prohibition.

**Ms. Cerilli:** So how does the Residential Tenancies Commission deal with this when it occurs, when there is a lawyer with the landlord or the building managers and there is no counsel for the tenant? How is that dealt with by the commission?

**Mr. Ernst:** First of all, the commission has a set of practices and procedures. Let us assume for a moment it is a tenant unrepresented, has an opportunity to understand the process, the fact that documents have to be filed in advance, the fact that they are available for the tenant to review in order to acquaint themselves with the information. I have never been to a commission hearing, but I am told that the commission, by and large, tries to not allow anyone to dominate the process. It is a fairly informal process; it is not nearly like a courtroom, and commissioners will, from time to time, try and encourage information to come forward that maybe we thought of, or whatever. They try to be fair and reasonable, I guess, to both sides, is where it is at. If it is a case where an advocate happens to be there on behalf of one of the parties and just trying to dominate the circumstances, then they tend to try and not allow that to happen or discourage it as much as possible.

**Ms. Cerilli:** Maybe to conclude this area, I just would like to suggest that the minister give this some attention because I have gone to the commission with tenants who have been very intimidated by the use of lawyers and by the way the proceedings do not follow what they were told would happen. There is a prescribed speaking order, and then there are supposed to be no interruptions. What ends up happening is, it seems that that is not what occurs. The tenants are intimidated, and they are interrupted. They feel like it is not always an equal or fair hearing. I am sure the minister can imagine, especially with some tenants who would not be able to deal with an issue like that from a broad base of experience with having to advocate on their own behalf and be faced with trying to counter a lawyer working on behalf of the management of a block—

**Mr. Ernst:** Some of the lawyers are not so great either.

**Ms. Cerilli:** The minister says some of the lawyers are not so great, but I am just drawing this to the minister's attention, that I have had tenants come to me with complaints, and I would just request that he give this some attention and ensure that the staff and the

commission are following the protocol and the procedure that is prescribed.

**Mr. Ernst:** I thank the member and certainly will take that information back to the commission. Sometimes, though, in an attempt to be flexible, they are not following procedures because they are trying to be flexible, but that is construed by some as not following the procedures that they had sort of expected. In particular, if you have some specific instance that you would like us to investigate, we would be more than happy to do that.

**Ms. Cerilli:** I will raise another issue, and this I have drawn to the minister's attention, both Minister of Housing (Mr. Reimer) and the minister of residential tenancies.

I want to ask about the use of the police to issue eviction notices. How common a practice is that? The case that I am referring to occurred with public housing development. The tenant was responding to a knock on the door, and there was the manager of the block with a policeman to issue an eviction notice. I am wondering what the circumstances have to be for that to occur and, again, looking at it from the point of view of the tenant, the intimidation that occurs, and, well, it just seems that there was undue force used.

**Mr. Ernst:** I ask for clarification of the member: Is this a landlord appearing at the door to deliver an eviction notice accompanied by a police officer, or is this the police officer delivering the notice?

**Ms. Cerilli:** That is a fine distinction. I think it was the landlord or the manager of the building delivering a notice accompanied by a police officer, but I am not sure. Maybe the minister can clarify the distinction for us.

**Mr. Ernst:** This is a civil matter, and in a civil matter the police department ought not to be delivering anything. If it is a case where a landlord in attempting to evict a tenant has some fear for his physical safety or something along that line and has requested the police to attend, that is a matter between the person and police department, but it has nothing to do with us. However, if it is a circumstance where the police department is involved in a civil matter, which I doubt very much, they are usually so busy that they do not have time for half the things that

they should be doing, let alone delivering notices; but, if we found that out, we would certainly be very unhappy about that and would take it up with the police department immediately.

\* (1720)

If it is a question of, I want to evict Joe, but Joe might beat me over the head, and if I go there to deliver the notice, maybe I should have some protection, then calls the police and the police decide to attend, that is a matter between the police and the individual, not with us.

**Ms. Cerilli:** Yes, it tells you something about tenant-management relations. I will draw that specific issue to the minister's attention with a letter.

I want to ask another quick question. I notice in the legislation outlined that is the responsibility of the Minister of Consumer and Corporate Affairs there is The Housing and Renewal Corporations Act. I am wanting to clarify which act that is. The reason I am asking is, I am wondering if this minister is going to have any involvement in the negotiations with the federal government on the devolution of responsibility for housing, if that is Canada Mortgage and Housing or—

**Mr. Ernst:** The answer is basically no. We are not going to be involved with the CMHC or the federal government. That will be the Minister of Housing who does that. This reference deals with under the Emergency Repair Program where Residential Tenancies does not have any money of its own. In the event they had to go into an apartment building—as we did in Thompson, for instance, we went into the building and spent considerable amount of money to provide heat and certain other activities there. We have to borrow the money, so we borrow it from MHRC. That is why the reference.

**Ms. Cerilli:** A couple other quick things have to do with the areas of the city that have really poor rental housing stock. I have asked some questions in this vein before about setting up specific programs to do inspections in areas which are known to have very poor housing stock that would probably be substandard. I have asked about having a system with roving inspectors, and the City of Winnipeg's chief inspector had expressed some interest in that.

I am also concerned about, first of all, the lack of enforcement for regulations for rooming houses, group homes and boarding houses, where there could be no locks on doors; these are the areas, particularly on west Broadway and other areas in the core area where we often hear that there have been assaults and killings. I know that there was one right on Sara, Sara and Westminster area, and it was in a rooming house where the neighbourhood knows that there are no locks on the doors where the tenants have their own room but they are not secured.

Those are two areas that I am wanting to draw to the minister's attention that either there is poor regulations in the area of rooming houses or they are not enforced, and also then in those kind of areas to have some additional kind of programs to do inspections.

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

The William Whyte area is another part of the city where they have done a study on the number of buildings that have absentee landlords, that are really in disrepair. I am wondering if we could have a better system to ensure that there are inspections in these neighbourhoods to improve the quality of the housing for the people that live there?

**Mr. Ernst:** We have two full-time inspectors working on repairs, but they operate on a complaint basis where 99 percent of the problems arise from by-law infractions under the City of Winnipeg whose Health department has significantly more inspectors. In fact, they do not need for a complaint; they can go in at random to inspect properties, and they can file their repair orders with us for enforcement, and they do not.

We have been trying to encourage them to do that. The problem is, of course, which is a rental house property and which is not? Repair orders are also made against properties that are not rented, but nonetheless, we would encourage them to do that. We will enforce them, if they file them with us. We have been trying to encourage them to do that and they are, so far, not doing it, at least not very regularly.

**Ms. Cerilli:** Just before we conclude on that, I know that I had asked questions and recommended before that we have an automatic system for the City of Winnipeg to

refer the inspection orders for enforcement to the province. Can the minister tell us how we would go about making that a required procedure?

**Mr. Ernst:** Well, there are two ways of doing it, either agree to do it or legislate it.

**Ms. Cerilli:** Just to conclude, I will look forward to the legislation.

**The Acting Chairperson (Mr. Dyck):** Item 5.1.(b) Executive Support (1) Salaries and Employee Benefits \$297,800—pass; (2) Other Expenditures \$49,700—pass.

5.1.(c) Administrative Services (1) Salaries and Employee Benefits \$544,400—pass; (2) Other Expenditures \$179,800—pass; (3) Less: Recoverable from Legislative Assembly (\$221,600)—pass.

5.1.(d) Research and Planning (1) Salaries and Employee Benefits \$153,500—pass; (2) Other Expenditures \$25,900—pass.

5.1.(e) Vital Statistics Agency, nil.

5.2.Consumer Affairs (a) Consumers' Bureau (1) Salaries and Employee Benefits \$929,400—pass; (2) Other Expenditures \$209,400—pass.

5.2.(b) Residential Tenancies (1) Salaries and Employee Benefits \$2,494,500—pass; (2) Other Expenditures \$637,200—pass.

5.2.(c) Automobile Injury Compensation Appeals Commission (1) Salaries and Employee Benefits \$432,100—pass; (2) Other Expenditures \$209,800—pass.

5.2.(d) Grants \$89,700—pass.

Resolution 5.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,002,100 for Consumer and Corporate Affairs, Consumer Affairs \$5,002,100, for the fiscal year ending the 31st day of March 1997.

5.3. Corporate Affairs (a) Insurance Branch (1) Salaries and Employee Benefits \$307,200—pass; (2) Other Expenditures \$99,700—pass.

**Mr. Ernst:** With the co-operation of the members of the committee, can we deal just with the resolutions, or do we have to go through this line by line?

**The Acting Chairperson (Mr. Dyck):** Is it the will of the committee to sit past 5:30 p.m. It is agreed.

5.3.(b) Manitoba Securities Commission (1) Salaries and Employee Benefits \$1,300,600—pass; (2) Other Expenditures \$267,800—pass.

5.3.(c) Public Utilities Board (1) Salaries and Employee Benefits \$657,100—pass; (2) Other Expenditures \$1,225,700—pass.

5.3.(d) Trust and Loan Corporations Branch (1) Salaries and Employee Benefits \$218,900—pass; (2) Other Expenditures \$68,300—pass.

5.3.(e) Cooperative and Credit Union Regulation (1) Salaries and Employee Benefits \$300,200; (2) Other Expenditures \$52,300—pass.

5.3.(f) Land Titles Offices (1) Salaries and Employee Benefits \$5,430,900—pass; (2) Other Expenditures \$1,459,700—pass; (3) Less: Recoverable from other appropriations (\$180,000)—pass.

5.3.(g) Personal Property Registry (1) Salaries and Employee Benefits \$641,300—pass; (2) Other Expenditures \$392,400—pass.

5.3.(h) Companies Office (1) Salaries and Employee Benefits, nil—pass; (2) Other Expenditures, nil—pass.

Resolution 5.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,242,100 for Consumer and Corporate Affairs, Corporate Affairs, for the fiscal year ending the 31st day of March, 1997.

We will turn to the Minister's Salary under 5.1.(a) for the amount of \$25,200—pass.

Resolution 5.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,054,700 for Consumer and Corporate Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 1997.

This completes the Estimates of Consumer and Corporate Affairs.

The committee is recessed until 9 a.m. tomorrow (Thursday).

## URBAN AFFAIRS

**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 Urban Affairs.

Does the honourable minister responsible have an opening statement?

**Hon. Jack Reimer (Minister of Urban Affairs):** Yes, I do. Mr. Chairperson, it is my pleasure to introduce the 1996-97 Estimates for the Department of Urban Affairs. I have enjoyed my first year as the Minister of Urban Affairs and the opportunity to work with the mayor and the council of the City of Winnipeg on areas of mutual concern respecting our great capital city.

Manitoba Urban Affairs continues to perform the important role of facilitating and supporting intergovernmental relations between the city and the province. The department is responsible for the development and the maintenance of a legislative, financial and planning framework that supports Winnipeg's sustainable development and meets the needs of Winnipeg's citizens.

My department will undertake several initiatives in 1996-97 which support this mandate and an effective partnership with the City of Winnipeg. In keeping with the province's commitment to a financial partnership with Winnipeg, I am pleased to advise that this year's Urban Affairs operating grants to the city will total \$83.48 million, an increase—I will repeat, an increase—of 3.2 percent over last year. This includes a \$1.4-million increase in the unconditional video lottery terminal grant. This increased funding support to the city comes at a time when many provincial governments elsewhere have been freezing or cutting municipal support grants. Ontario, for example, has announced that it will be reducing its municipal support grants by 22 percent this year.

In the area of capital funding, the province will be providing \$16 million to the City of Winnipeg in 1996-

97 through the Urban Capital Project Allocation. The Urban Capital Project Allocation or UCPA is a cost-sharing partnership between the province and the city with each party contributing 50 percent toward eligible program expenditures.

This year's provincial funding will be used for projects such as the purchase of transit buses, bridge construction and community revitalization. As well, a portion of these funds are again being provided unconditionally to give the city greater flexibility to determine and implement its capital priorities. The project's funding will create jobs and economic spin-offs in addition to enabling necessary improvements to Winnipeg's infrastructure.

Over the years, one of Urban Affairs' most important roles has been to co-ordinate provincial participation in the intergovernmental agreements to improve urban living. On March 10, 1995, the \$75-million Winnipeg Development Agreement or WDA was signed by the governments of Canada, Manitoba and Winnipeg. The objective of this agreement is to undertake programming which supports Winnipeg's long-term sustainable economic development through three components, community development and security, labour force development, and, third, strategic and sectorial investments. I am pleased to report that most programs under these sectors are now operational after completing extensive consultation with stakeholders.

\* (1540)

In addition to providing overall provincial co-ordination for the WDA, Urban Affairs is implementing a number of programs including the north main economic development, urban safety, neighbourhood improvement, riverbank development and strategic initiatives. All of these programs are now in operation or will be shortly, and all have benefited from input from relevant interest groups. Funding of projects has now commenced under the programs being implemented by Urban Affairs, with the first project being the Downtown Watch safety patrol project under urban safety. Many more announcements under all Urban Affairs programs can be expected in the coming months.

It is important to note, too, that other provincial departments that are implementing WDA programs have

also commenced project funding. Education and Training has just announced funding for an intensive study of Winnipeg's workplace and labour force sponsored by Winnipeg 2000 under the training and emerging growth sectors program. Under the transportation program, Highways and Transportation is funding the initial planning phase of a major initiative to support implementation of the WINNPORT multimodal cargo hub at the airport.

The government maintains its commitment to the revitalization of Winnipeg's older residential neighbourhoods through its partnership with the city under the Manitoba-Winnipeg community Revitalization Program. In 1996, work in the Fort Rouge neighbourhood will be wrapped up, and revitalization efforts in Elmwood, Glenwood and east Norwood neighbourhoods will continue.

My department also continues to work to foster a partnership between Winnipeg and surrounding municipalities. A key element of this effort is the consultative process to develop a Capital Region Strategy. A strategy developed jointly by the Round Table on Environment and Economy and the Capital Region Committee has been reviewed by the public and received strong support. The strategy will provide a framework for the planning and the development in the capital region well into the next century. The Capital Region Committee is the other major vehicle for forging a regional partnership and intergovernmental co-operation in the Winnipeg region. Urban Affairs provides secretarial support to this body.

The committee, which I co-chair with the Minister of Rural Development (Mr. Derkach) and which includes all mayors and reeves in the region, continues to meet regularly. It provides a forum for the identification and the discussion of regional issues and the implementation of solutions. In 1996 and subsequent years, the committee's focus will be on implementation of the Capital Region Strategy.

In the area of environment, Urban Affairs chairs a bilateral committee of staff called the City/Provincial Environmental Planning Committee. The committee will be continuing its co-operative efforts to develop plans for implementing the Clean Environment Commission's recommendations relating to water quality in the Red and the Assiniboine rivers.

Urban Affairs also continues to have a significant role in the TransPlan 2010 process. Several years ago the province identified a need for the city of Winnipeg to have a comprehensive urban transportation plan, which resulted in my department committing \$390,000 towards the preparation of the TransPlan 2010. This plan will provide a 15- to 20-year framework to guide both short- and long-term transportation decisions in Winnipeg. A steering committee of five citizens has been appointed to direct the development of TransPlan 2010. Departmental staff are participating on the advisory committee and the city-provincial management committee.

The process to develop the new transportation plan has involved extensive public consultation and input. The plan is scheduled to receive provincial approval and to be adopted by the City Council in the very near future.

On the legislative front, my department carries on with its efforts to update and streamline The City of Winnipeg Act and to respond to specific requests for amendments for the City Council. I have introduced two bills during this session, The City of Winnipeg Amendment Act and The Charleswood Bridge Facilitation Act.

In closing, I feel confident in saying that Urban Affairs will continue its proactive role to support the sustainable development of our capital city and improve the well-being of its residents. Mr. Chairperson, this concludes my opening remarks. I look forward to discussion on these Estimates.

**Mr. Chairperson:** Order, please. We thank the minister for those comments. Does the official opposition critic, the honourable member for Wellington (Ms. Barrett), have an opening statement?

**Ms. Becky Barrett (Wellington):** No, Mr. Chair.

**Mr. Chairperson:** We thank the critic. I would remind all honourable members of the committee that debate on the Minister's Salary, item 1, is deferred until all other items on the Estimates of this department are passed, and 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 to the committee?

**Mr. Reimer:** On my left, I will introduce the Deputy Minister, Bill Kimnear, and then Marianne Farag. On my right, we have John Gunn and Heather MacKnight.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

**The Acting Chairperson (Mr. Radcliffe):** The item before the committee is item 20.1. Administration (b) Executive Support.

**Ms. Barrett:** Mr. Chair, I would have a process question to begin with. Last year in Estimates we agreed that we could discuss the department more or less in its entirety, and, as I am going through my questions, they do pretty much flow, but I do have some questions that may go over one line or another. So I am wondering if it is agreeable to the minister to do it all in one group.

**Mr. Reimer:** I have no problem with that, as long as the member realizes, sometimes we may have to scurry around for some of the answers, but I have no problem with an overall questioning of the department.

**Ms. Barrett:** I have a couple of questions relating, I guess you could call it "business arising from the last year's Estimates," and I am wondering if I could ask the minister about status reports on a few of these things. I will understand if he has to get that information for me later. We discussed last year the issue of permanent voters' list, and I am wondering if the minister can explain or tell me what the status is of the permanent voters' list issue. You said last year that it was a study being undertaken.

**Mr. Reimer:** As mentioned by the member for Wellington, the question was asked last time, and it was in the discussion stage and the development stage at that time. It is still in progress. It has not been put off in a sense that it is not continuing. Part of the reason that it has been delayed, to a degree, is getting the priorities and the staffing in place and also that the federal government, Elections Canada, was undertaking an extensive examination of developing a permanent list for the federal elections.

Just recently, in fact, it was a just a couple of months ago in March that they released the findings of their research feasibility study and were using those results as



a starting point as to the voters' list that she is referring to.

\* (1550)

**Ms. Barrett:** There was going to be a committee established with representatives from a number of areas in the department and throughout the province, including UMM, MAST, the Department of Education, the provincial electoral office and the federal electoral commission. Has that committee been struck yet?

**Mr. Reimer:** To my knowledge, that committee has been struck, yes.

**Ms. Barrett:** Could the minister provide me with a list of the members of that committee and any terms of references that have been established? I am more than happy to not have it read into the record, if you like, but just to give it to me, to table it.

**Mr. Reimer:** Correct me if I am wrong, what you are looking for is the individuals who have been appointed to that or the departments that have been appointed to that committee.

**Ms. Barrett:** My understanding is that in the last year's Estimates you itemized the organizations that were involved in the committee, and I would like to know, if possible, the names of the committee if the individuals have been named and the terms of reference. In order to save time, if the minister could just provide me with that, it does not have to be right now.

**Mr. Reimer:** I certainly can provide the list. I do have the various groups, the working group itself, the names of the working group. As to the individuals who have been assigned to that group, I do not have that, but I can give you the working group names. There are 10 of them. I can make that available for the member then.

**Ms. Barrett:** Thank you, Mr. Chair, and I appreciate that from the minister.

Another item that we discussed at a little bit of length last year was the suburban growth management study, to be more precise. There had been some delay in establishing that committee due to reticence on the part of the city, and I am wondering if there has been any

movement in that regard or if that committee has begun its work or what the status is of that committee.

**Mr. Reimer:** I believe the member is aware that there were three parties involved with the proposal. There is the City of Winnipeg, there is the Urban Development Institute and the department. We have been informed that the other two parties have asked for a delay on the implementation on it, but it is an item that will be brought forth for discussion in meetings with the city to see whether there is any other direction that they are suggesting.

(Mr. Chairperson in the Chair.)

**Ms. Barrett:** So the minister is saying that the other two partners, which are the Urban Development Institute and the City of Winnipeg, have asked for a delay in the study. Well, has the study begun? Where is it stalled, if I can use that word? At what point is the suburban growth management study? Have the objectives been established? Has anybody been consulted for the study? There was some discussion about hiring an outside consultant. What has happened and at what point are we now?

**Mr. Reimer:** As indicated a few moments ago, there are three partners involved with the initiative, the City of Winnipeg, the Urban Development Institute and the province.

The terms of reference were established initially for the proceedings to begin; however, because of the staff or the commitment to it by the Urban Development Institute, they wrote a letter requesting that it be—and if the members like, I can read in the record the letter, it is a short letter.

As you know, the Urban Development Institute has recently gone through a restructuring process. The initial two UDI, or Urban Development Institute, representatives assigned to the growth management study are no longer with UDI. Although the positive impact of our industry needs to be recognized by the city, we find ourselves unable to devote adequate time to this issue due to our diminishing numbers. We accordingly ask that the city give our association time to meet and elect new representatives to deal with this issue. And then it says, yours truly, and it is signed.

Then the City of Winnipeg also wrote: Pursuant to our recent discussions, please be advised—this was directed to the Manitoba Urban Affairs, a letter received, to us. Pursuant to our recent discussions, please be advised that the Urban Development Institute has informed me that it does not wish to proceed with the above referred study at this time. A copy of the letter dated December 27, 1995, from Mr. David Borger, president of UDI, is enclosed for your information. I concur with Mr. Borger's position that this study be held in abeyance. In the interim I intend to recommend a review of the city's development agreement parameters with input from and with discussions with Urban Development Institute. It had originally been intended that this study would be conducted following the completion of the growth study, so the other two partners had indicated to us that they were wanting to hold on it, but as mentioned it becomes a discussion point now politically and this is where it will proceed from here.

**Ms. Barrett:** Has the minister or his department had any further communication with either the city or the Urban Development Institute since December of last year in regard to their timetable for being able to participate in the establishment of this study?

**Mr. Reimer:** There have been discussions on the administrative level, but nothing has been taken forward for recommendations at this time.

\* (1600)

**Ms. Barrett:** I will not belabour this issue anymore because it is clear that it is not moving for obviously a number of reasons. But I do want to put on the record the fact that this is now the third year of Estimates that we have been discussing the issue of the suburban growth management study, and I think, as it will become clear in my line of questioning throughout the Estimates process, the whole issue of suburban growth is one that if it does not frame much of the work of the department, should frame much of the work of the department, it is a huge issue, one that has implications far beyond the boundaries of the city of Winnipeg. So I would ask the minister with all diligence to try and see what the problems are with the city and the Urban Development Institute and try and either make a decision that you are not going to do the study or move forward to actually beginning this process so that we have some sense that there is a recognition of

the problems facing the City of Winnipeg, the capital region and the Province of Manitoba in this area.

**Mr. Reimer:** The member must recognize that in any type of relationship there has to be a consensus and a co-operation to proceed. One partner cannot be the initiator and the instigator of all changes. The idea with this tripartite agreement or overview as instigated is to build upon a co-operative nature, and if there is not a willingness of the other two partners to participate or to be part of an aggressive program on this, one partner alone cannot be the sole proprietor of making everything happen.

I think the member would recognize that the spirit of co-operation is more important in coming to a unanimous direction and decision on any type of growth and to have it spearheaded or be the sole proprietor of ownership of any type of initiative that is affecting all of the city of Winnipeg is something that I do not believe this department or this government would take party to. So I believe that there has to be a tripartite understanding of what the initiatives are, and it is something that as mentioned will be brought forward, but again there has to be a willingness by all parties to co-operate or things cannot happen.

**Ms. Barrett:** I am not disagreeing with the minister in that regard at all. I am just saying that the spirit of co-operation is all very well and we do need partnership and consensus, but that does not preclude one of the partners from taking a facilitative role, if you will—if you are not comfortable with the leadership role then a facilitative role—to try and find out from the other two partners what the problems are.

There may be underlying concerns with how the study has been formulated to this point. There may be issues that the minister or his department are not aware of. I am just suggesting it would be a very good idea, I think, for him to take that kind of leadership, which does not say this is the way it shall be but says, look, we seem to have a problem getting started here. Why are we having a problem? Is this a good idea? If it is, how can we help facilitate your problems, the other two partners, so that we can start working together, and if it comes out that it just cannot work, then let us know that, too. You can take a leadership role without it voiding the spirit of co-operation and consensus. That is my only concern there.

If I may, one other question, business arising, and that is in the last Estimates there were some discussions about housing, trends in housing, and the minister said last year that there is no forecasting mechanism within the Department of Urban Affairs to foretell where the trends are in housing and which way the market dictates. The ending of that discussion was, it is kind of crystal ball gazing, and I guess we are not in that department yet.

I am wondering if there has been any change in the department—now that I gather there is a real spirit of co-operation between the Department of Urban Affairs and the Department of Housing, if there has been any discussion within the department looking at the whole issue of housing, the trends, what is happening, what does it look like ahead, this kind of thing, or is it pretty much still the same thing as it was last year.

**Mr. Reimer:** Mr. Chairperson, the member has mentioned the fact that this is the Department of Urban Affairs, but I also am the Minister responsible for Housing, so there is a close relationship between the two, and I guess there is the interpretation of what housing is and what the Department of Housing is for, and I think that she would recognize that the Department of Housing, per se, has a function to provide housing for people of need or for people who are in a position where housing is a requirement. So the definition within the Department of Housing is in regards to providing accommodation and housing for people of need.

Under the banner or wearing the hat as Minister of Urban Affairs, the notion of housing is always of importance because housing will generate economic growth. It generates job growth. It generates the spin-off of all kinds of economic activity regarding housing.

So there is a concern on both ends of the department, whether it is in Urban Affairs or in the Department of Housing. In the city of Winnipeg, as I am sure the member is aware, housing starts last year were very poor. Housing starts in the city of Winnipeg were down. They dropped approximately about 38 percent overall provincially, and the city of Winnipeg was in around the same amount with about a 40 percent decrease in housing activity during 1995.

Despite this, the city of Winnipeg actually achieved an increase of just over one percent in its share of provincial

single housing starts from 1994 to '95, so I guess the fact of housing activity is important. In my Department of Housing, I look forward to discussions regarding housing and some of the initiatives that were taken forth at that time. In regard to Urban Affairs, I guess any type of growth in the new market area and the resale market shows that Winnipeg is still a very, very good place to buy and to raise a family, in the fact that the rates are down. Some of the initiatives that are offered not only by this provincial government but federally for home ownership are very attractive right now.

The quality of workmanship in new homes is by far some of the best it has ever been because of the energy efficiencies that the new homebuilders are putting into their market, so it is a good time to buy or invest in homes. It is just a matter of having that type of confidence that people have to make that major purchase, because, as mentioned, buying a home is one of the most major choices that anybody makes nowadays. One of the things that makes that choice easier, I guess, is strong economic activity that this government has initiated because of our job growth and our economic indicators that show Manitoba is one of the best places in Canada to grow and to invest in because of our provincial economy and the strong government that we have brought forth that people are recognizing.

Our Home Renovation Program which was an excellent program that just wound up very recently, where we had a take-up of almost \$10 million for the Home Renovation Program—I believe it was \$9.6 million that was taken up by the people of Manitoba. The breakdown was approximately 56 percent of the homeowners in Winnipeg took advantage of the grant which was \$1,000 for any type of renovations over \$5,000 in a home under \$100,000 assessment. I should point out that well over half of the homeowners that took advantage of it, their home assessed value was less than \$75,000, so it hit the market where we felt it should be hit or should be concentrated.

It also generated over \$74-million worth of spin-off activity in home renovations which amounted to I believe just over 1,200 person years of employment for that type of growth, so we have had some very strong initiatives and indicators of what our programs are doing, but home starts are something that I think we would naturally like more happening, but, again, it is an indication of how the

market is going. I believe in 1995 there were just over 840 starts for about half of what happened in Manitoba.

\* (1610)

**Ms. Barrett:** I would like to say that I think perhaps part of the problem—and again this is going over into the Housing. I will not belabour the point because there will be time for Housing Estimates, but I think the minister's response shows part of the problem that I see with the whole issue of Housing as it relates to urban development and urban affairs, is that the definition that the minister used for Housing dealt with new houses or houses for purchase, resale, that kind of thing. The issues, it seems to me, are far broader and deeper than just the housing market as reflected in the Winnipeg Real Estate Board. He did not speak at all about the housing stock as it is reflected in the rental market, which is where virtually all of the social housing stock is found or most of the social housing stock, where much of the older housing stock is found, where much of the housing stock is found that is in the core area of the city.

I gather from the minister's response that there has not been an analysis done of, what does the housing stock look like in the city of Winnipeg? What are the implications for urban development of the housing stock, of the fact that because we are having a decline in new housing starts and we are having a precipitous decline in social housing, what are the impacts of that on the whole issue of the urban development? That is not just a Housing issue; that is an Urban Affairs issue. That is an issue that, I believe, has to be looked at by the department. What are we looking at now? What is the fact that we are a graying population in many regards—and I speak of that in a global context not individual context—the fact that our population is, by and large, aging, but there are pockets of groups that have a very young population, many of which live in the inner parts of the city of Winnipeg, huge social and economic concerns there, one of which is housing.

Every study that has ever been done about urban decay or, on the other side, urban growth and development has as a major component the quality and the affordability and the numbers of appropriate housing stocks. It is a far broader issue than simply the houses that are for sale or not for sale or being built or not being built in the city of Winnipeg. I am saying that I think it is essential that the

department take a look at that, maybe the Department of Housing. I mean, I am sure the membranes are very semipermeable between Urban Affairs and Housing, but somewhere in the government we need to take a look at what is out there now and what are our forecasts. The Capital Region Strategy book has pages of what is anticipated to be the look of the capital region in the next 15 years. It is a scary little projection, and I think the whole issue of housing and the ramifications that has for urban development for the entire capital region is an essential one. It also gets into other areas that I will get into later, on planning and sprawl and that kind of thing. I think it is unfortunate that the department has not taken on to itself at least the beginning of a look at that forecasting.

Also, if I may question the Home Renovation Program which just concluded, and I am wondering if the minister has any plans to bring that program back either in the same format or in a different format. Clearly, the government feels it was a success, and we on this side of the House feel that it was a modified success. We, as the minister knows, had some concerns with the scope and the range of the program, but, of course, anything that can help improve the housing stock in the city is essential, and I am wondering if the minister plans to reintroduce that program or another program that would be designed to facilitate home renovation.

**Mr. Reimer:** The member is right. The program did come forth with a lot of very successful stories. In fact, it was nice to receive letters of congratulation and of thank yous from homeowners and people who did renovations in their homes and from people who took advantage of it, complimentary not only of the program, but quite a few of the letters even complicated the work ethic and the people who did the home repairs, complimenting the various small entrepreneurs and business people that did the work, that they really appreciated it.

The Home Renovation Program was a good program. It was well recognized by our government as coming forth with a tremendous amount of benefit. As to whether it would be reintroduced, that is something that would take further consideration within the budgetary process and the parameters of priorities that all departments are faced with as we go into the challenges of the budget in the next couple of years, so decisions as to whether it will

come back or not would not be within my parameter to speculate at this time.

I would like to point out something that the member mentioned regarding the housing, because I think it is an important component of not only Urban Affairs but as Housing minister also. One of the things that we introduced last year to the City of Winnipeg, which I feel is something that should be taken advantage of and has not been initiated to any extent yet, was the fact that we were able to give the City of Winnipeg the ability to bring forth tax concessions for the renovations and the improvement of heritage buildings in the downtown area.

I think that this is an excellent vehicle for not only renovations and job growth but also for the revitalization of some of these wonderful heritage buildings that we have here in Winnipeg, and we do have a tremendous legacy and an asset base because of our heritage buildings. By the fact that the City of Winnipeg lobbied to have this amendment brought forth to The City of Winnipeg Act, we worked diligently to put it forth and get it passed last year.

To our knowledge, the by-law has not been passed by the City of Winnipeg to date, and I feel this is an excellent opportunity for them to get some of these buildings back into shape, for redevelopment for either commercial or even office space and things like that, because if you have activity in the downtown area, you are going to attract people downtown. It is going to create places where people want to maybe live and work, plus the fact they will be close to the amenities of shopping, and I believe that it represents an excellent opportunity for more development and growth in the downtown area.

I have mentioned this to some of the councillors, that I feel it is an excellent opportunity. I believe the multiplier effect for \$1 spent on heritage buildings is \$7 of additional revenue that is generated through that building. In essence, what I mean is \$1 in tax savings that tax concessions would generate \$7 in expenditures, so that the return is almost immediate with renovations of these heritage buildings. So I feel that there is an excellent opportunity for the city to gain an advantage of not only showcasing our heritage buildings but utilizing them by getting activity and possibly even people moving back downtown to be close to work.

**Ms. Barrett:** I would like to move, if I may, into some of the other current material. On page 18 of the Estimates book under Unconditional Current Programs Grant, I am wondering if the minister can explain what seems to me to be a bit of a contradiction here where there is a reduction in the grant of some \$400,000, estimate over estimate. The Expected Results which state that this would provide greater flexibility for the city in resourcing municipal services and will increase the enhancement of the city's capacity to control property tax increases, I do not see how you can have flexibility and enhancement for the city when you have reduced the grant by \$400,000. I am wondering if the minister can explain that.

\* (1620)

**Mr. Chairperson:** Order, please. Before we continue, is the committee ready to pass the line Executive Support at this time?

**Ms. Barrett:** Mr. Chair, earlier in the Estimates process, we agreed to do as we did last year, which is discuss the entire Estimates and then pass them at the conclusion of the hearing.

**Mr. Chairperson:** Okay. Agreed to then.

**Mr. Reimer:** The member is pointing out one particular area of monies that go to the City of Winnipeg, and that is the Unconditional Current Programs Grant. Unconditional means that it is within the city's purview to make the decisions as to where the expenditures are. As pointed out earlier, in our overall granting to the City of Winnipeg, we have increased our grant totally by 3.2 percent up to almost \$84 million. So I guess when you look at certain sectors of where the money is coming from, one or two may be down, but overall others are up; and when you bring in the whole content of where monies are going to the City of Winnipeg and the amount of monies that they do have to spend showing an increase, it is significant in comparison to a lot of the other municipal governments in Canada that we have done.

I guess it is similar to an analogy of going to Safeway with \$20, and where you spend that \$20, whether it is in the meat department or the produce department, is the choice of the individual. We are giving to the City of Winnipeg almost \$84 million, and this one portion of just

over \$19.5 million is really within their purview as to where they feel they would like to spend it.

**Ms. Barrett:** As far as I can tell, and I may be inaccurate, the one area of support to the city that has gone up is the VLT revenue. Yes, Financial Assistance. Yes, it is up, which says it is reflecting the growth in net VLT revenues available for distribution. Could the minister explain the formula or the process whereby the decision was made to increase the VLT revenue grant?

**Mr. Reimer:** It is based on the revenues that are generated by VLTs in the previous year, and that is 10 percent of that amount. This is why the figure shows an increase, but I should also point out to the member that the provincial-municipal tax-sharing portion that we are also transferring to the city is up almost \$2 million also, so it is a very win-win situation for the city of Winnipeg.

They actually budgeted a lot less than what we gave them. We gave them more money than what they actually budgeted for. If you recall, the previous Minister of Urban Affairs and myself, when we were giving letters to the City of Winnipeg, we indicated to them to budget for zero or no increase. It is through the efforts of this government and the economic climates that we are able to readjust the funding to the City of Winnipeg and give them this increase of 3.2 percent, which was highly over what they expected.

**Ms. Barrett:** According to my reading of the document, and I missed a portion of what the minister said, I am sorry, but it seems to me that the increase in support to the City of Winnipeg comes basically from the VLT revenue, increase in VLT revenues. I would suggest that that does not necessarily bode well for the underlying financial stability and health of the province as a whole.

This is not the purview of the Minister of Urban Affairs, I recognize that. I do believe it is important to note that the one growth area in the Department of Urban Affairs, support to the City of Winnipeg, is in the VLT revenue, and that is not necessarily a positive indicator as to the basic financial, economic or even social health of the province of Manitoba.

I do not think that is necessarily a sterling recommendation or a sterling acknowledgement of the fiscal

responsibility of the current government. As I said earlier, this is not the purview of the Minister of Urban Affairs, and I will just leave it at that.

**Mr. Reimer:** I realize the amount of money that we give to the City of Winnipeg is a huge amount of money. In fact, if you look at the direct and indirect provincial assistance in all departments that goes to the City of Winnipeg, we are looking at well over \$228 million that goes to the City of Winnipeg. Under our Urban Affairs portfolio, as mentioned, our contribution was around just almost \$84 million.

So the City of Winnipeg has a fair access to funding by the provincial government. In fact, if you look at the historic funding for the City of Winnipeg since 1988, we have increased it approximately 4.5 percent per year, and we have increased our funding to almost 50 percent since 1988. I believe it is around 47 percent that we have increased our funding to the City of Winnipeg. So we have historically always been there for the City of Winnipeg even in the fact that when you look at some comparisons to other cities in western Canada, our percentage of grants to the City of Winnipeg is 17.5 percent of their budget, whereas when you compare other cities in western Canada, such as Regina is 7.5 percent, Saskatoon is 8.6 percent, Edmonton is 6.5 percent and Calgary is 6 percent. So our funding to the City of Winnipeg to 17.5 percent is a very, very significant amount of money of our commitment to the City of Winnipeg.

The City of Winnipeg enjoys a very strong financial relationship with the Province of Manitoba, and that is recognized because of the fact that Winnipeg is a—not only its uniqueness of being the population hub, if you want to call it, of Manitoba, but of the commitments that this government has to the city. So we have been there, and historically we have been there, with an increase every year since 1988. So the amount of money, as I say, now we are looking at through various departments, directly and indirectly, of almost \$230 million—\$228 million. That is an awful lot of money that we give. The tax sharing portion alone in 1995 was a 6.7 percent increase over the previous year. So we are talking about up all the time when we are talking about the City of Winnipeg and its finances from us.

\* (1630)

**Ms. Barrett:** Mr. Chair, moving onwards into the Capital Region Sustainable Development Strategy pages on 31 and 32, and I have a fair number of questions actually in this area, and one in particular. There was a recent set of Municipal Board hearings in Selkirk, I believe it was last month, dealing with the proposed draft development plan for the Selkirk and district planning area, which was a whole series of by-law changes, the general effect of which was to increase potentially the supply of housing lots, almost doubling them, I believe, in that corridor between Winnipeg and Selkirk. In December of 1994, a policy and program analyst from the department of municipal affairs sent a memo to Manitoba Rural Development regarding this draft development plan in which it said that the department had reviewed the draft plan, had not identified any concerns, and stated that the plan appears to respect the provincial land use policies and does not conflict with the intent of the draft Capital Region Strategy. I am wondering if the minister can explain that—well, state, No. 1, if that continues to be the position of the Department of Urban Affairs; and No.2, if it does, how that connects with the concerns that were actually raised at the Municipal Board hearings by the departments of Rural Development and Natural Resources regarding soil and ground water resources and provincial investments in highway infrastructure. There appears to be some discrepancy between the Department of Urban Affairs and the departments of Rural Development and Natural Resources.

**Mr. Reimer:** I should begin by sort of couching my remarks in the sense of saying that I understand that the development plans are before the board of appeal right now and that it would be premature for me to speculate too far into a discussion as to the development plans that Selkirk put forth. But I should point out that Winnipeg does have the ability and it does have the position to represent itself at these hearings that were pertaining to the—I believe the member is talking about the Selkirk development plans, so that they do have the ability to make representation.

We do not have a policy of participating in the Municipal Board hearings, because the Department of Rural Development is there, the Department of Environment is there, the Department of Natural Resources, and Highways and Transportation is there so that the concerns and the problems that are addressed by

those departments are brought forth. We feel that we do not have to appear at this board either, at the Municipal Board.

So the government is represented through the various other departments so we can seek direction or we can seek advice or we can seek their opinions as to what the outcome is on various other areas. In this particular draft that the member is referring to regarding Selkirk, as I say, it is before an appeal process right now, and I am not too familiar with the position of it or where it stands as to its completion.

**Ms. Barrett:** I find this passing strange. The minister states that his department really does not have to make presentations before the Municipal Board because the departments of Rural Development and Natural Resources do that. Then why is the minister's department asked to comment on these development plans if he does not feel the need to respond to them? I assume from his earlier response that he feels that the departments of Rural Development and Natural Resources will effectively reflect the concerns of the province. That is ridiculous. Pardon me, Mr. Minister, but that is absolutely ridiculous.

The Department of Urban Affairs has a very specific and quite distinct from the departments of Rural Development and Natural Resources, concern about the issues that are before the Municipal Board, or it certainly should have.

So the minister cannot have it both ways. He cannot on the one hand have one of his staff people say a year and a half ago, we do not have any problems with this, and on the other hand say, it is not our job to make representation to the Municipal Board; we are leaving it in the hands of the Departments of Rural Development and Natural Resources which have, one would hope, overlapping but not identical responsibilities.

If the Department of Urban Affairs was deemed important enough to be asked to comment on the original draft plan, it seems to me it is deemed important enough to make presentation to the Municipal Board. There is no reason why it does not do it when the other two departments do.

\* (1640)

**Mr. Chairperson:** Order, please. Before the minister responds, I would ask the honourable member to put her comments through the Chairperson. It does make a little better decorum in the end.

**Mr. Reimer:** Mr. Chairperson, I guess where there may be disagreement between the member and myself is in the area of government involvement in process. One of the things that Urban Affairs has a responsibility for, as the member mentioned, is the City of Winnipeg under The City of Winnipeg Act, but the City of Winnipeg is in the best position to represent itself in matters regarding developments and municipal actions in and around the city. Urban Affairs makes available and will be in contact with the City of Winnipeg to make sure that they are aware of what is happening regarding the zoning and the various developments that are happening.

The City of Winnipeg has an obligation to fend for itself in the sense of making representation and making itself heard. I do not think there should be the assumption that the Province of Manitoba has to be the carrier of all good and intent for everything and anything that the City of Winnipeg has deemed to be important. The City of Winnipeg has a responsibility to represent itself at public hearings. For the minister or this department to take on the responsibility of being the lead on any and everything that pertains to the City of Winnipeg when the elected officials with the City of Winnipeg also have a responsibility to be involved with the well-being of the city is something that is of importance. Rural Development also makes overtures to the City of Winnipeg when there are plans that are coming forward for adaptation.

So the process of consultation is there. The process of being part of the decision making is partially responsible for the City of Winnipeg to make its position known, excuse me, and represent its interests too.

**Ms. Barrett:** Through you, Mr. Chair, to the minister, and I apologize for having neglected to follow process in this regard. The minister, in his opening statements, and I will have to paraphrase because I do not have them in Hansard yet, but I wrote down that the minister stated in his opening statements that the Department of Urban Affairs must undertake a proactive role in the sustainability of the capital city.

Now the minister's comments in response to my concerns about the lack of participation in the Municipal Board hearings over the Selkirk district draft plan. He states that the province is not responsible for what the city does, that the city must handle its own issues and concerns. Nobody is suggesting that the city does not have to participate effectively on its behalf as well. But the minister has stated that the Department of Urban Affairs has a proactive role to play in the sustainability of the city of Winnipeg. It would seem to me, under that role, it would be incumbent upon the Department of Urban Affairs to make presentation to the Municipal Board on an issue that has very clear implications for the City of Winnipeg.

I am not putting on the record a position either in opposition to, or in favour of, the Selkirk district plan amendments. I am talking about the process here where two departments of the provincial government undertook to do a detailed analysis of this development plan, and have spoken out on the concerns they have regarding it. The Department of Urban Affairs did undertake an analysis of some sort of this proposed amendment because there is a memo stating in December of 1994 that they did not have any problems with it.

So, again, Mr. Chair, it appears that the minister is trying to say two different things. On the one hand, he is saying that the city has to take responsibility, that the government does not have any responsibility for the city of Winnipeg in this regard. If that is carried through, then I would assume that the Department of Urban Affairs would not have made a presentation to the Department of Rural Development on the draft plan in December of 1994. So I would again ask the minister if he stands by the memo that was sent to the Department of Rural Development, December 9, 1994, stating that the Department of Urban Affairs has no problem with the Selkirk and district planning area draft development plan.

**Mr. Reimer:** Firstly, regarding the proactive role, as mentioned in the speaking notes, the proactive role was to support sustainable development of our capital region. Also, in regard to what the member is referring to—the member is referring to a draft that was brought forth for review at that time—it was not the final report that was brought for consideration. The fact that it is under appeal right now, I feel that to comment on it is really hypothetical in a sense, because we really do not know



the nature and the stature of which way the appeal is going to develop.

**Ms. Barrett:** Yes, the draft development plan is under appeal, but that did not stop the departments of Rural Development and Natural Resources from making quite detailed presentations to the Municipal Board. I am not talking now about the minister making a statement now in the House about that plan. I am talking about what happened and what did not happen in dealing with the Selkirk development plan. I would like to ask the minister if the Department of Urban Affairs has been asked, since December of 1994, to comment further on the Selkirk division and district development plan amendment?

**Mr. Reimer:** As mentioned, the draft the member is referring to, or the document that was a draft, it was circulated. It was again circulated and brought forward through the Department of Rural Development in review and consideration at that time. Again, with our input in the sense of being aware of it, we did not feel that there was a need to add to the report. We agreed with the position that was brought forth by Rural Development in addressing some of the areas of concern that we may have had, so there was no reason for a separate input in the Urban Affairs department.

It should be pointed out, too, that there seems to be a presumption by the member that the Province of Manitoba should be acting on behalf of the City of Winnipeg in matters that come forth to the city. If the city does not come and make representations and make overtures to meetings or planning committees or to district planning that is happening in and around the area, the presumption that the province should take the lead is something that I find a bit distressing in the sense that if the city does not have the concern or does not indicate the concern by making representations at the meetings or the hearings. For some reason, the member feels that the Department of Urban Affairs should be picking up something that the City of Winnipeg is not placing any type of immediacy on.

\* (1650)

**Ms. Barrett:** Mr. Chair, I am not for a moment suggesting that the province should act in loco parentis with the City of Winnipeg, and I never have made that suggestion. However, the minister is in charge of the

department that deals not simply with the City of Winnipeg, but he is a major player in the Urban Affairs Committee of Cabinet, and he also is a major player in the Capital Region Sustainable Development Strategy.

This is not just an issue for the city of Winnipeg as defined on the map. This is an issue that reflects—and this is a discussion that the minister and I had last year as well. Where does the responsibility, what kind of leadership role does the Department of Urban Affairs have in dealing with the issues that face not only the City of Winnipeg but the capital region, and the minister again says, in effect, very little. We do not have a leadership role to take.

The issue here is not what the city does or does not do. The issue here is, what is the responsibility of the Department of Urban Affairs in making sure that the issues that affect the entire capital region and, by extension, the entire province are raised. There is nothing to have prevented the city from making presentation to the Municipal Board, and the city could have walked in the day of the Municipal Board hearings and made a presentation.

The minister is saying that because the city did not do it, the department should not take over that responsibility—is not accurate, I would suggest, because the timing of those hearings was such that the city could very well have made presentation that the Department of Urban Affairs would not know about ahead of time. So for the minister to say that because the city abrogated their responsibility the department was not going to take over is not, I would say, arguing the issue in its fairest context.

To the specific response that I believe the minister made, what I think the minister said is that the Department of Rural Development and the Department of Natural Resources spoke with the Department of Urban Affairs, shared their concerns, the Department of Urban Affairs then subscribed to those concerns that were expressed at the Municipal Board by those other two departments so that the Department of Urban Affairs felt it was not necessary to go along and make a separate presentation at the recent Municipal Board hearings. Is that an accurate summary of what the minister said?

**Mr. Reimer:** Not that I would want to feel that the member for Wellington totally has all the facts straight,

but more or less what she has outlined in broad parameters, in broad guidelines is more or less what we were talking about, yes.

**Ms. Barrett:** Not to belabour the point anymore, but is there a substantive area in which I have misrepresented, unwittingly of course, what the minister did say in his earlier response?

**Mr. Reimer:** I would have to peruse Hansard to find out exactly what the member for Wellington said before I would commit myself to whether she is saying it right or correctly. But I will point out that the Capital Region Strategy has proven to be a very successful model in the sense that it is a unique situation because of the uniqueness of Winnipeg in Manitoba, and the Capital Region Strategy, I am very optimistic that there is a vehicle of change and co-operation that we can build upon with the Capital Region Strategy, and the fact that it is one of the first times that a lot of these municipalities and reeves and councillors have gotten together to talk about common problems makes it in essence something that we should be very optimistic about, that there is a sense of co-operation and co-ordination between the municipalities and the mayor and the reeves, that we can look for positive changes.

As the Minister of Urban Affairs, acting as a facilitator with this program, I look forward to some very positive initiatives coming forth because of the co-operation that I have experienced so far with it. I should point out, the capital region, my co-chairperson with that is the Minister of Rural Development (Mr. Derkach), so there is a close co-ordination and a co-operation between our two departments in respect to the departments and the various municipalities in this capital region, so I feel fairly optimistic that the Capital Region Strategy is a very, very beneficial program to build upon.

**Ms. Barrett:** That takes me right into the next area that I would like to talk about, which is the Capital Region Strategy. I note that on page 32 of the Estimates book there is nothing itemized as far as expenditure for the Development Strategy, and the note says that is because the strategy was completed in 1995-96.

I would like to ask the minister how the strategy is going to be implemented. Who is going to be

responsible for the implementation of this quite extensive strategy?

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

**Mr. Reimer:** Mr. Chairperson, the member is correct in looking at, in particular, page 32, where there was an expenditure in '95-96 of \$30,000, and there is zero for this year. That is mainly because of the strategy itself and the workmanship of it, and the actual report itself was part of that expenditure there.

It is an ongoing commitment by government and this department to still act as the facilitator regarding the Capital Region Strategy. The support staff and the monies, I believe, that the member is referring to may not be identified, but through our support staff and our operational staff within the Department of Urban Affairs, it will still be facilitated in trying to get the implementation of the strategy going, yes.

**Ms. Barrett:** Mr. Chair, yes, I understand that. I am just wondering, seeing as how there is, as far as I can tell, no additional staffing identified in the departments anywhere, and clearly there has been a reduction in the capital region development strategy because the report is prepared, who will be acting as facilitator to implement the strategy which, as was quoted in the Free Press on May 11, under the new policy all future provincial district and municipal development plans and policies are to be co-ordinated to ensure they are compatible with adjoining areas.

A very laudable aim. I would like to know who is going to implement that goal.

**Mr. Reimer:** Mr. Chairperson, I guess this is an indication of a very efficient department. You know, the workmanship, and the people that are working in the department take on extra loads. There is hardly a ripple in their performance because of the workload that we can give them. But there is an individual that has more or less been assigned, if you want to call it, to work with Capital Region Strategy, a Mr. Chris Leach, and his function will still be primarily, along with his other duties in the department, with the Capital Region Strategy. The work within the department will be carried out, co-ordinated, as I say, through our administrative staff. There is no need to hire additional staff for it. We

have been able to implement the initial study and the report stages and the consultation stages without hiring any additional staff, and now that we have the strategy in its formative stage, there is no need to have extra staff. If there is need for additional studies or something that is of an important nature, it does not preclude that we cannot hire an outside consultant from our appropriation. So there is the availability to make that type of decision if and when that comes about, but at this time we feel that with the staff and the availability of the direction we can handle it within.

\* (1700)

**Ms. Barrett:** I am not going to take anything away from any of the staff of Urban Affairs, and I want to make sure that my comments are not seen in that light. But it does seem to me that with a strategy that has, and I have not counted them all, but literally hundreds of policy statements and implementation goals and objectives and five levels that are responsible for or have an input into the implementation of this, this is a very complicated, complex strategy. I do not think it is fair to the strategy nor to the department staff to assume that one individual, or even the staffing that is currently available in the department, to be able to effectively implement or facilitate even—if we do not want to get too strong in these words here—but the facilitation of a document of this nature is an enormous undertaking. I would suggest to the minister that to assume that current staffing can implement this with any degree of efficiency and effectiveness is being unrealistic at the very least, and it leads one to think that perhaps the importance of this document is not going to be given the support that it needs.

I mean, I have some quibbles with some of the stuff in here, and I will ask some specific questions, but an enormous amount of work has gone into this. If we actually did use this as a tool to implement a Capital Region Strategy, we would be, I dare say, in the vanguard in North America if not the entire developed world, that without additional resources to implement this or facilitate it or co-operate with the groups that need to do the implementation, this is going to be yet another study that has promise but not actualization.

**Mr. Reimer:** The member mentioned one very, very important item there, and that is the idea of partnerships.

I believe that this is an excellent example of where there are partnerships involved, and it is not only the partnership with Urban Affairs and the City of Winnipeg but also the partnership that is involved with the various municipalities, the reeves and the mayors in the capital region area.

There are also the partnerships involved that the member should be aware of in regard to other departments within government. An example of one of the initiatives that has been taken on just recently is an initiative that was brought forth for a study on the landfill sites in and around the city of Winnipeg in the capital region study, and this has been funded and directed through the Department of the Environment.

We, when I say we, I mean the Department of Urban Affairs, act as a facilitator to initiate this type of study, and I believe that there will be other areas where there will be this partnership between other departments, not only with the City of Winnipeg but also the various departments within the government of Manitoba and also within the municipalities themselves because they, too, see the benefit of working together and co-ordinating some of their studies for a cost savings because of the duplication of events or things that they are taking on, when these things can be done in a co-ordinated effort between the various municipalities.

So it is a partnership and a utilization of resources with the fact that Urban Affairs will be acting as a facilitator, so that there is the availability of not only staff in the Department of Urban Affairs, but staff in Environment, maybe staff in I, T and T if there is a study to be initiated through them. It all becomes part of a consultation process for the betterment of the Capital Region Strategy.

So the best way to look at it is to look at it in the fact that we will act in any way to try to facilitate what is good for the region and try to bring forth some sort of good suggestions for it.

**Ms. Barrett:** Mr. Chair, I will not belabour this issue because we discussed this in last year's Estimates, and I think that we have a philosophical disagreement on this whole issue. So, while it would be interesting to carry it on, I think that perhaps I will move on to some specific questions, if I may.

I went through the Workbook on the Capital Region Strategy and compared it to Applying Manitoba's Capital Region Policy. I have a few questions, if I may, specific things that were taken out or added from the draft to the final one. I do not know if you have both documents here. If you do not, I can perhaps just give my questions and then you can respond to me. I know it is a little complicated to do this, but some of these things, I think, are interesting. On page 15 in the Workbook under The Vision, sort of the introduction, it talks about the presence of the International Institute for Sustainable Development. That phrase is missing from the final document, and the final document says: Our efforts to make sustainable development part of our everyday lives will have further added to our reputation. That is the same as in the original, but there is no reference to the International Institute for Sustainable Development, and I am wondering the reason for that.

**Mr. Reimer:** Mr. Chairman, I guess in doing the final draft there was a fair amount of input, and good input, from various sectors of consultation. The International Institute of Sustainable Development was mentioned in the original draft that the member is referring to. I guess the opinion in doing the final document that we have before us here, Applying Manitoba's Capital Region Policy, it was thought that to identify or to single out maybe one of the contributors and not have others that were also of very valuable input, and not have them part of it—it was felt that to do it properly maybe we should not be referring to the one and not having the others that were involved for their contribution. So it was a matter of just having it worded the way it is now in the Applying book instead of referring to the individuals.

\* (1710)

**Ms. Barrett:** I can understand that. It is similar to when you are thanking someone in a speech. You do not want to ignore one person, so it is better either to be all encompassing or not. I understand that, but the implication when you leave out that institute, or say, such as, among others. As it reads now, it talks only about our efforts, and I am assuming that that refers more to government than to external agencies. It is not a huge issue but I think that it is, and I will not belabour it. There is one other one, actually on both of those two same pages and it perhaps may be the same thing. In the draft you talk about our Buy Manitoba promotion will

have kept more dollars, jobs and people in our province, region and communities. In the final it says our policies and does not refer to our Buy Manitoba promotion.

Again, not to just to use one program, but this appears to be by eliminating the external kinds of programs, it appears—I hesitate to say this but just a tad self-serving.

**Mr. Reimer:** I guess the definitions are what words we are referring to but I think when we talk about our Manitoba, “our Manitoba” refers to not only our government but our Manitoba as all members of Manitoba, whether they are members that sit in opposition or people that sit up in various sectors of government, or, this is our province and pertains to the betterment of our total province. So I would interpret “our” meaning our citizens of Manitoba, which includes the members of the opposition and the member for Wellington. It is a very broad statement when we say our policies. I would include her in our policies, too.

**Ms. Barrett:** Mr. Chair, I will give the minister the benefit of the doubt on this one. If I may proceed—[interjection] If I may ask leave, the member for Inkster (Mr. Lamoureux) would like to ask two specific questions, and I am prepared to let the member for Inkster do that if it is the will of the committee.

**The Acting Chairperson (Mr. Radcliffe):** Is it the will of the committee to allow the member for Inkster to ask some of the questions at this time? [agreed]

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I appreciate the member for Wellington allowing me to ask a couple of questions. Actually, it will just be one question. I was talking to an individual. It is rather unique and it is relating to property tax, so hopefully the minister should be able to give me a direct response regarding it. If not, maybe he can give me a bit more detailed response, sometime tomorrow morning would be more than adequate.

(Mr. Chairperson in the Chair)

A specific example. I have a constituent who has a condominium. She owns the condo, yet she is a live-in caregiver. That means that her primary residence has to be with her employer. So when she is asked where is her primary residence, she says, well, it is with my employer.

But her condominium that she owns and bought is used for—it is extended family. It is not like brothers and sisters, extended family, she does not charge them any rent. The question is what classification and would that actually put this type of an individual in—normally one would think it would just be—it would not be the normal classification of Residential 3, which includes owners of condominiums, yet she would argue that she is an owner, she just has to, by law, because she is a live-in caregiver, live, or say her primary residence is over here when, in fact, it is over at her employer's, a case that has an impact on the amount of property tax that she has to pay, obviously, at the condo. I am wondering if the minister can just comment on that and if he does not have the real details or would like to get more information from me specifically on this particular case I would be more than happy to provide it.

\* (1720)

**Mr. Reimer:** The member for Inkster (Mr. Lamoureux) poses an interesting question regarding the classification of taxes and whether it is owner occupied or separate classes for rental. I could not speculate through our department as to the actual, you know, problem that is faced by this constituent of his, but I can take his problem and try to get the proper answers or get some direction for him. Maybe what we can do is once we have a chance to peruse Hansard to get exactly or if the member can meet with me individually after, I will certainly try to get him on the right track or give him the right department or try to get answers for him.

**Ms. Barrett:** Moving on to page 13 of the applying book, second column, it talks about pay as you go, and this is I think what was part of the press release dealing with the whole document. I just would like to ask the minister what the services are that the second sentence refers to when it says, the full costs of developing, operating and maintaining services will be apportioned among the beneficiaries. So I would like to know what services those are and who the beneficiaries are.

**Mr. Reimer:** I guess what the referral in that line is regarding the development and the cost, for the people who are going to benefit during any type of subdivision in an area, they are going to be responsible for the bringing in of the services such as water or for sewage or for roads, the paving of roads and things like that, that is more or less what the referral is, that the people who are

going to benefit from it will be the people who are going to have to pay for those types of amenities.

**Ms. Barrett:** The minister said the kinds of services were such as water and sewer and roads, and my understanding is that that is pretty much the standard definition of services that are paid for by the beneficiaries.

Is the department looking at an expansion of the definition of what these services are that are paid for by the beneficiaries, such as schools, fire-halls, community centres, those amenities that my understanding currently do not constitute services as defined.

**Mr. Reimer:** I guess with any type of development, it is the development itself that will outline the demands that they are looking for. We are not in a position to outline what the benefits are or what the services should or should not be. If communities grow to a point where they feel that they should have schools or they should have community centres or other type of development, I believe that that is within the purview of what will transpire on a natural basis.

We will not be sort of outlining in a shopping list or a guideline as to what the services would be appropriate or what should be expected, no.

**Ms. Barrett:** So given an expansion of housing such as Lindenwoods, for example, or River Park South or any one of a number of subdivisions that have come on stream in the last few years, currently my understanding is that the water and sewer and some road construction and maybe lighting are part of what the developer and the beneficiaries are required to pay. It is built into the cost of the house because it is seen as the responsibility of those people who are the beneficiaries.

A development the size of Lindenwoods is obviously going to require schools and probably fire services. Those are currently paid for by the property taxpayers of the entire city, not by the direct beneficiaries of the development, and my question is, is there any plan to look at expanding the items that would be put into those costs of development for the beneficiaries?

**Mr. Reimer:** I guess there are two areas of jurisdiction, or not jurisdiction, but of concern, that we are talking

about. In the city of Winnipeg itself, the demands that are placed upon various subdivisions or housing developments in the city of Winnipeg usually grow to a point where decisions are made as to what should or should not happen in that particular area. That is under the jurisdiction of the City of Winnipeg and their zoning by-laws and their local councillors and the residents themselves as to what they are looking for and the abilities of what they expect out of their community, so the decisions are made that way, where there is no input or direction by Urban Affairs as to what the various communities, as mentioned, like Lindenwoods or River Park South and what way they develop and which direction they take.

It is within the purview of the City of Winnipeg and the councillors that are aware of the problems as to when it comes to a point that a school is warranted or when it comes to a point where a community centre is warranted and what the residents in the area are looking for for their comfort and their conveniences. So the city of Winnipeg and their residents there make that type of decision as pointed out.

In the rural area, as pointed out, which this urban Capital Region Strategy is pertaining to is the services and development in there. That is something that will come about again because of the individual circumstances for that particular type of development. If there is a development in a certain area of one of the surrounding municipalities and the people feel that they have come to

that point also where schools are warranted or they want better street lighting or roads, that is something they recognize will have to come about through their taxation base or their special levy base or a charge that they feel they would like to have for the betterment of their community. These are some of the things that will come about through natural growth and attrition in the area of where the services come about.

It is hard to speculate as to how it will transpire or where it will transpire. It is just that in all likelihood it will be the people in the areas that will make these decisions as to what they feel is necessary because of their growth potential and what they find is necessary to make things happen.

**Ms. Barrett:** I realize our time today is short. I would just like to ask the minister, for the next time we meet, if he could explain why on page 14 of the new policy, an action that was in the original draft which said, develop a long-term, comprehensive sustainable development plan for the capital region is missing.

It may be somewhere else and I just did not see it but, if the minister could investigate that for next time, I would appreciate it.

**Mr. Chairperson:** Order, please.

The hour being 5:30 p.m., this committee is recessed until 9 a.m. tomorrow (Thursday) as previously agreed.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, May 29, 1996

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