

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 18 August, 1986.

Time — 2:00 p.m.

**OPENING PRAYER by Madam Speaker.**

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

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MADAM SPEAKER:** The Honourable Member for Thompson.

**MR. S. ASHTON:** Thank you, Madam Speaker. I'd like to present the First Report of the Committee on Municipal Affairs.

Your Committee met on Thursday, August 14, 1986 at 8:00 p.m. in Room 254 of the Legislative Building and elected Mr. Ashton as Chairman. Your Committee heard representations with respect to the following:

Bill 17 - An Act to amend The Taxicab Act; Loi modifiant la Loi sur les taxis.

Mr. Norman Rosenbaum - Manitoba Association for Rights and Liberties.

Bill 31 - An Act to amend The Social Allowances Act, The Municipal Act and The Mental Health Act in relation to liens; Loi modifiant la Loi sur l'aide sociale, la Loi sur les municipalités et la Loi sur la santé mentale en matière de privilèges.

Mrs. Ursuala Goeres - Solicitor, City of Winnipeg.

Your Committee considered:

Bill 11 - An Act to amend The Planning Act; Loi modifiant la Loi sur l'aménagement du territoire;

Bill 15 - An Act to amend The Highway Traffic Act; Loi modifiant le Code de la route;

Bill 16 - An Act to amend The Snowmobile Act; Loi modifiant la Loi sur les motoneiges;

Bill 17 - An Act to amend The Taxicab Act; Loi modifiant la Loi sur les taxis;

Bill 18 - The Statute Law Amendment (Elections) Act (1986); Loi de 1986 modifiant le droit statutaire en matière d'élections;

Bill 28 - An Act to amend The Northern Affairs Act; Loi modifiant la Loi sur les Affaires du Nord;

Bill 31 - An Act to amend The Social Allowances Act, The Municipal Act and The Mental Health Act in relation to liens; Loi modifiant la Loi sur l'aide sociale, la Loi sur les municipalités et la Loi sur la santé mentale en matière de privilèges;

Bill 33 - An Act to amend The Municipal Act; Loi modifiant la Loi sur les municipalités.

And agreed to report the same with certain amendments.

Your Committee also considered:

Bill 10 - The Manitoba Hazardous Waste Management Corporation Act; Loi sur la Corporation manitobaine de gestion des déchets dangereux;

Bill 37 - An Act to amend The City of Winnipeg Act; Loi modifiant la Loi sur la Ville de Winnipeg.

And agreed to report the same without amendment. All of which is respectfully submitted.

**MADAM SPEAKER:** The Honourable Member for Thompson.

**MR. S. ASHTON:** I move, seconded by the Honourable Member for Lac du Bonnet that the report of the committee be received.

**MOTION presented and carried.**

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Madam Speaker, on Friday, in introducing The Statute Law Amendment Act 1986, I undertook to table in the House a copy for all members of the explanatory notes with an asterick against those sections which are more than routine or technical in nature. I'm taking this opportunity to table enough copies of the report for all members of the House.

**MADAM SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

### ORAL QUESTIONS

#### MTS - IBM contract

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker.

My question is for the Minister responsible for the Manitoba Telephone System. I wonder if the Minister could indicate whether or not MTS successfully bid a contract in 1985 for supply of IBM computer equipment to the City of Winnipeg?

**HON. A. MACKLING:** Sorry, Madam Speaker, I'm going to put my receiver on. Did the honourable member say MTX or MTS? Would he mind repeating the question?

**MR. G. FILMON:** I wonder if the Minister could indicate whether or not MTS successfully bid a contract for the supply of IBM computer equipment to the City of Winnipeg last year.

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** I don't have the information at hand. I will take it as notice, Madam Speaker.

**MR. G. FILMON:** I wonder if the Minister could indicate, when he brings back that information, whether or not that successful bid resulted in a profit to MTS.

**HON. A. MACKLING:** I will include that supplementary question in the initial question I took as notice.

### **MTS - SADL purchase of IBM computers**

**MR. G. FILMON:** Madam Speaker, I wonder if the Minister could further indicate whether or not he has information to the effect that SADL, the Saudi Arabian subsidiary of MTX, is purchasing the same IBM computer equipment as was supplied to the City of Winnipeg at a cost of 25 percent greater than they could get it through other suppliers.

**HON. A. MACKLING:** Madam Speaker, I'll include that in the question I took as notice.

**MR. G. FILMON:** In bringing that further information, Madam Speaker, I wonder if the Minister could assure the House that we are not paying 25 percent higher than we need to for the purchase of IBM computer equipment in Saudi Arabia, while undercutting Winnipeg retailers for business in selling the equipment here to customers, such as, the City of Winnipeg.

**HON. A. MACKLING:** Madam Speaker, as I indicated, I will take all of those questions as notice and deal with them in a subsequent sitting.

### **MTS - investigating bodies responsible for various allegations re MTX**

**MR. G. FILMON:** Madam Speaker, I wonder if an investigation or an inquiry of this nature would be part of the RCMP investigation, or part of the management consulting investigation into the operations of MTX.

**HON. A. MACKLING:** Madam Speaker, I'm sure that the honourable member will want to identify, through the meeting of the committee on Thursday, those areas where it may be appropriate for the management audit firm to provide specific attention, or should there be matters that honourable members feel that the RCMP should be concerned about, that they will be identified and we certainly will look for a constructive analysis of issues at the committee hearing.

**MR. G. FILMON:** Madam Speaker, my further questions on the subject of MTX are to the Premier.

I wonder if he could indicate, given that he has continued to maintain that all of the matters that will be investigated with respect to MTX will be investigated or will be adequately dealt with through both the RCMP

investigation and the management consulting audit that will take place, I wonder if he will indicate who will be responsible for investigating the responsibility for Ministers misinforming both the committee and the House on issues, such as, the flogging which apparently took place in Saudi Arabia, the return of equipment that was sent over to Saudi Arabia and was unable to be used to fulfill a contract, or the employment of Theresa Aysan? Which of those two bodies will be doing the investigation on those matters?

**HON. H. PAWLEY:** Madam Speaker, the question presupposes deliberate misinforming on the part of Ministers, and that supposition would first have to be established. Otherwise, the questions that the honourable member has raised would be matters for committee.

**MR. G. FILMON:** I made no allegation of deliberate misinformation. Madam Speaker, you and I and every person in this House was present when the Minister stood up and voluntarily apologized for having misinformed the members of the Legislature with respect to the return of the equipment from Saudi Arabia. We were all given evidence, by virtue of an invoice, of the employment of Theresa Aysan.

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** Yes, indeed, Madam Speaker, and I intend to get to it.

**MADAM SPEAKER:** Question period is not a time for debate.

**MR. G. FILMON:** Madam Speaker, I am not debating it, I am attempting to assist the Premier in answering the question.

**MADAM SPEAKER:** Order please. The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** On a point of order, Madam Speaker, the honourable member is charging that this Minister misinformed the House in respect to return of some equipment. The honourable member will recall that I indicated to the House a concern that I had misinformed the media and I wanted to clarify for members of the House that the cancellation of the order was not as a result of the bank having changed ownership, but there had been a change in the operational philosophy. I never gave that information to the House; I gave the information to the media, which was incorrect, and I clarified that in the House.

**MADAM SPEAKER:** Order please. A dispute over the facts is not a point of order.

The Honourable Leader of the Opposition with a question.

**MR. G. FILMON:** Madam Speaker, I didn't want to lengthen the question by reading from Hansard the information that had previously been given by a former Minister of the Telephone System on the flogging, or

Monday, 18 August, 1986

the statement that had been made by various people that, indeed, no women had been employed over in Saudi Arabia by the MTX Corporation; all that evidence is available. I won't quarrel with the Minister saying that it was the media that he misinformed, rather than the House. My question to the Premier, Madam Speaker

**MADAM SPEAKER:** Order please. The time is for questions, not for speeches.

**MR. G. FILMON:** Madam Speaker, I merely want to assist in making sure the Premier understands the question before he's able to answer it.

My question to the Premier is: Who will be responsible for investigating those instances of misinformation by Ministers with respect to various issues connected to the MTX operation in Saudi Arabia that I have outlined for him.

**HON. H. PAWLEY:** Madam Speaker, first, in connection with the issue, the equipment, I'm attempting to find the exact chapter and verse, but the Minister indicated in Committee that there had been a misunderstanding between his office and MTS in respect to that particular matter.

I think that's an appropriate role for the Committee. If the Committee is of the view, as a result of submissions presented to the Committee, as a result of discussion within the Committee, that a Minister or a member of the MTS or MTX staff misled or misinformed anyone in this Chamber, that is a matter for appropriate discussion in that Committee. Madam Speaker, if such is established, then that would be the responsibility of myself to deal with, but let us, Madam Speaker, establish the facts before we prejudice the conclusions. There appears to me to have been a great deal of prejudging in respect to a number of matters that are appropriately dealt with by way of the management audit, by way of the RCMP, by way of the Committee.

**MADAM SPEAKER:** May I also remind honourable members that I have a matter of privilege under advisement that I am holding until the return of the member that raised it and I would hope that honourable members would not refer to that item while it's under advisement.

**MR. G. FILMON:** Madam Speaker, I'm not aware of the matter of privilege that you're speaking of so perhaps you'll merely interject if I tread on that territory.

**MADAM SPEAKER:** Right. The Honourable Leader of the Opposition with a question.

**MR. G. FILMON:** Madam Speaker, my question for the Premier is who will be responsible for investigating the matter of the Minister having been misinformed with respect to the nature of the kickback, or the origin of the kickback, that was admitted to by Mr. Provencher in Committee last week? Who will be responsible for investigating how the Minister was misinformed and under what circumstances?

**HON. H. PAWLEY:** Madam Speaker, first I think it would have to be established that there was misinforming;

and secondly, there would be the necessity, if it relates to the overall area of kickbacks, that the RCMP deal with any of those matters pertaining to the kickbacks. But I think it's very important, Madam Speaker, that we not prejudge, again, the information that's before us until the Committee has completed its hearings and received its testimony. I don't believe it is in the public interest for us to be prejudging or presuming the outcome of discussions at this stage, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, I merely indicate that matter was stated here in the House, when the Minister responsible for the Telephone System acknowledged that he had been told a few days prior to the Committee hearing about the one kickback that Mr. Provencher described to Committee, but he said at the time he had been given the impression that it was the related company, Al Bassan International, not the 50/50-owned company. That's the misinformation I'm speaking of and I'm not attempting to prejudge it in any way, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, my further question to the Premier is who will be responsible for investigating the allegation of discriminatory hiring practices by MTX and its operations in Saudi Arabia?

**HON. H. PAWLEY:** Madam Speaker, first, when I talk about prejudging, it's my understanding that in fact the officials of MTS still stand by the statement that the Minister did originally give in this Chamber.

So again, this goes to the question of hasty or reckless prejudging until we have all of the facts, all of the information before us. Then, we can deal with our evaluation in a fair manner, rather than attempting to prejudge for our own particular purposes.

The last part of the question that the Leader of the Opposition raised was in respect to . . .

**HON. R. PENNER:** Discrimination.

**MR. G. FILMON:** Discrimination. Madam Speaker, that also is a matter that I dealt with in this House some two weeks ago. I must say, I had a very positive meeting with the B'nai B'rith, along with the Attorney-General on Friday that applauded the steps of this government and the commitment by this government to introduce legislation in the next Session of the Legislature. Apparently, the B'nai B'rith had taken that position very clearly at the time of that announcement by this government, and they were very pleased and very laudatory of this government's initiatives in that respect.

**MR. G. FILMON:** Madam Speaker, I wonder if the Premier could finish off by indicating who will be investigating the allegations of discriminatory hiring practices by MTX in Saudi Arabia. Will it be the RCMP, or will it be the management consultants?

**HON. H. PAWLEY:** Madam Speaker, I've dealt with that and indicated, if there are specific areas, any group that feels that one of its members has indeed been victimized by way of discrimination, there are appropriate measures through the laws of the Province of Manitoba under which that can be undertaken. So that can be dealt with in an adequate way.

There is also plenty of opportunity for honourable members to raise those issues in committee. They can, as well, be dealt with through the management audit if, in fact, there are practices that are discriminatory, which would be in contradiction to the policy that was set down by this New Democratic Party Government in 1982 when the Manitoba Telephone System was advised, very precisely, very clearly that we would not permit discriminatory practices on the part of the Manitoba Telephone System or MTX.

**MR. G. FILMON:** Madam Speaker, I'm disappointed that the Premier has chosen not to have it investigated; he wants to wait for somebody to apply as sacrificial lamb. I think that's shocking and shameful.

But, Madam Speaker, my further question to the Premier is: Who will be investigating - will it be the RCMP or the management consultants - the allegation of employees being placed at risk by being forced to work at times and under circumstances that contravene Saudi religious laws?

**HON. H. PAWLEY:** Madam Speaker, MTX follows the laws of Saudi Arabia. Apparently, even in that particular respect, there was discussion in committee, and the matters aren't as clear as honourable members would like to establish them to be. There is a clear set of directions insofar as ensuring that MTX follow the laws in respect to any countries in which they carry out operations. Those are the laws of the land that they're expected to follow and to pursue, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, I guess the Premier is conveniently forgetting that some were flogged . . .

**MADAM SPEAKER:** Question?

**MR. G. FILMON:** . . . and some were charged by the Saudi religious police, so obviously that's not part of his memory.

Madam Speaker, my further question to the Premier is: Who will be responsible for investigating the allegation of false information having been placed on applications for Saudi Arabia visas?

**HON. H. PAWLEY:** The Royal Canadian Mounted Police, Madam Speaker.

### **MTS - management audit**

**MR. G. FILMON:** Madam Speaker, my further question to the Premier is: Who will be investigating the accuracy and the completeness of the information given to the Minister and the Cabinet prior to the decision to set up MTX?

**HON. H. PAWLEY:** Madam Speaker, first, we are prejudging. I've indicated that there is a Management Audit Review that will examine the complete and total operations of MTX, and will also establish whether or not there was any improper reporting to the board of the Manitoba Telephone System and, at the same time, deal with past practices, whether they were improper or not, in relationship to the time that the allegations that are before us arose.

**MR. G. FILMON:** Madam Speaker, I wonder if the Premier can indicate what has been under investigation by a management audit that has been ongoing at MTS during the past year by a firm which I understand is called Wofax, a very extensive investigation at fairly extensive cost. I wonder if the Premier could indicate what their responsibilities have been.

**HON. H. PAWLEY:** That is an appropriate question for committee, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, in view of the fact that the Premier has indicated today there is not going to be a vehicle, either through the RCMP or the management audit, to investigate matters such as the misinformation on the flogging, on the return of equipment from Saudi Arabia, the employment of Theresa Aysan . . .

**MADAM SPEAKER:** Question?

**MR. G. FILMON:** Given the fact that he has indicated there won't be a vehicle for the investigation of alleged discriminatory hiring practices; given, Madam Speaker, that there won't be an appropriate vehicle for the allegations of operations contrary to Saudi religious laws . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** Indeed, Madam Speaker.

**MADAM SPEAKER:** Would he please ask it.

**MR. G. FILMON:** A new question, and this is a preamble. Given, Madam Speaker . . .

**MADAM SPEAKER:** May I remind the honourable member that several times during question period he has opened his question with very extensive comments, based on an answer that he's received, before he has got to the question. The list that the member just reiterated is a list that he's already mentioned twice in question period.

Could you ask your question, please?

### **MTS - judicial inquiry re MTX**

**MR. G. FILMON:** Yes. Given, Madam Speaker, that various employees have stated publicly their concern for their jobs and their protection and security, should they be forced to answer questions without being placed under oath, without being placed under a complete public inquiry, will the Premier not now ask for the complete public inquiry so that we can open up all of these areas and insure that no stone is left unturned, that no area of examination that should be covered is ignored by either the RCMP investigation or the management audit?

**HON. H. PAWLEY:** Madam Speaker, there will, indeed, be no stone left unturned by this government in ensuring that this matter is dealt with efficiently and satisfactorily and expeditiously, and not as the result of a lengthy

Monday, 18 August, 1986

inquiry that honourable members would like that could go on for 12 months or 18 months. The RCMP, Madam Speaker, will deal with this matter in the way that it is anticipated the RCMP would.

The honourable member is referring to a particular employee who has made a comment to that effect, Madam Speaker. That particular employee is named in the Ferguson affidavit and the matters relating to that particular employee deal with criminal matters; that employee is legally obliged to cooperate with the Royal Canadian Mounted Police.

**MR. G. FILMON:** Madam Speaker, what information, what allegations, other than those of a criminal nature, would it take to convince the Premier of the need for a full public inquiry with powers to subpoena witnesses under oath?

**HON. H. PAWLEY:** Madam Speaker, I'm well satisfied that all the areas of substantive concern will be dealt with either by way of the RCMP investigation, by way of the Management Review Audit that will be undertaken, that will be full scale and comprehensive in its nature, and by initiative of this government.

We will do that which is necessary to ensure, without prejudging, as the Leader of the Opposition would do, that all defects, weaknesses in legalities will be dealt with and will be dealt with according to the law, Madam Speaker.

#### **MTS - attendance of MTX officials at committee hearings**

**MR. G. FILMON:** Madam Speaker, last week Legal Counsel for the Manitoba Telephone System requested that employees who had been in Saudi Arabia provide him with a report by Friday providing information which would either confirm or refute the allegations in the Ian Ferguson affidavit. Those employees subsequently, as I understand it, asked that this request be made in writing through the Minister, but no such request was received. Was the Legal Counsel acting on the Minister's behalf when he asked for that information to all employees who had been employed in Saudi Arabia, employees of the Telephone System?

**HON. H. PAWLEY:** Madam Speaker, maybe we should have the Attorney-General give us a 30-minute lecture on criminal law for the benefit of honourable members across the way, because the particular employees who the honourable member is making reference to are employees who are named in Ferguson affidavit that may or may not have information in respect to alleged criminal conduct. Madam Speaker, those employees ought to give their information fully and comprehensively to the Royal Canadian Mounted Police. I will expect them to cooperate fully with the RCMP.

**MR. G. FILMON:** Madam Speaker, is the Premier then indicating that the MTS Legal Counsel was acting on behalf of the RCMP when he made that request for information?

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. A. MACKLING:** Madam Speaker, immediately the affidavit had been tabled in the committee on the Tuesday, I sought out the Attorney-General's Department and instructed the RCMP be asked to look into the matter, the allegations contained in that affidavit.

I also asked a Legal Counsel at the MTS at the very least to ask each of the employees named in the affidavit to respond to the concerns that were obviously there about their involvement. Subsequent to that, when one of the employees wrote to me and asked me whether I would direct that he provide that information, I advised him to communicate fully with the RCM Police.

**HON. H. PAWLEY:** Madam Speaker, given that the Premier has indicated that many of the matters which I've raised in question period ought to be discussed at committee on Thursday, will he now assure us that Mike Aysan, Don Plunkett and Maurice Provencher will be at that committee hearing to respond to questions?

**HON. H. PAWLEY:** Madam Speaker, the individuals in question will be asked to appear.

**MR. G. FILMON:** Madam Speaker, will the Premier be directing his majority on that committee to agree to having those people examined under oath at that committee?

**HON. H. PAWLEY:** Madam Speaker, I thought I advised the Leader of the Opposition Thursday and Friday, and I guess I must repeat the same again today, that the legislative committee will deal with a particular function and purpose. If the Leader of the Opposition wants to investigate, on a parallel basis, the functions and responsibilities of the RCMP in regard to allegations that are raised, then that would be improper, Madam Speaker, to be dealt with at the committee.

**MR. G. FILMON:** Madam Speaker, I will give absolute assurance that I do not want to parallel the RCMP investigation. I would want the opportunity merely to ask questions dealing with misinformation, not of a criminal nature . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** . . . that has been provided in the past. Will he assure that his majority on the committee will support the opportunity to have those people examined under oath before committee?

**HON. H. PAWLEY:** Madam Speaker, as I again indicated last Thursday and Friday, the committee will establish its rules. Madam Speaker, if the Honourable Leader of the Opposition wants to raise matters in which he alleges specific misleading, then let the Leader of the Opposition raise those particular concerns at committee. They will be on the record in committee and he can ask those questions in committee.

#### **Group home panelling and placement personnel**

**MADAM SPEAKER:** The Honourable Member for Kildonan.

**MR. M. DOLIN:** Thank you, Madam Speaker. My question is to the Minister of Community Services regarding the establishment of Amba Homes.

On August 5, the Honourable Leader of the Opposition suggested that an employee, Nerina Robson, employed by the Association for Community Living, was involved in the panelling which approves the assignment to group homes and, in fact, is responsible for implementing the Welcome Home Program for the Association for Community Living. Does this person, in fact, have any responsibility for group homes and placement?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Madam Speaker, the individual so named is an employee of ACL and she has been involved in 24-hour planning of individuals. She has not been involved in any decision-making role on the departmental side in terms of panelling and placement.

**MR. M. DOLIN:** Madam Speaker, to the same Minister a supplementary.

In fact, did this Nerina Robson have any responsibility whatsoever for the establishment of Amba Homes?

**HON. M. SMITH:** No, Madam Speaker, she was operating as an employee, as I said, of the Association of Community Living, an advocacy group for the well-being of the mentally disabled citizens of Manitoba. I think the allegation, both during Estimate and in this House during question period, that she was in any conflict of interest, or had a direct decision-making role, was incorrect and I understand that the ACL has sent an explanatory letter to the Opposition outlining the precise role and responsibility of the individual.

**MR. M. DOLIN:** Madam Speaker, given that the Leader of the Opposition's accusations were again incorrect, has the Minister received any correspondence from the Association of Community Living regarding these incorrect allegations?

### Manitoba Development Centre, Portage

**HON. M. SMITH:** Madam Speaker, I have, as I said, received a copy of a statement from the ACL, and I understand that it was also sent to the Opposition to clarify the situation.

While I'm on my feet, Madam Speaker, I'd like to answer a question I took on August 6 about the number of people discharged from the Manitoba Developmental Centre in June and July. Madam Speaker, I'm pleased to inform members that the population is now under 700 - it's 699 - the first time that we've ever been below the 700 barrier. In June, 7 were discharged; in July, 8, and concrete plans are in place to achieve the population reduction targets in the time allotted.

### Western Equine Encephalitis

**MADAM SPEAKER:** The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker, my question is to the Minister of Health.

Three years ago, one Manitoban died and 17 other Manitobans contracted Western Equine Encephalitis, some cases resulting in permanent brain damage. Can the Minister advise this House whether there are any mosquitos carrying the virus in other parts of Manitoba, in view of the fact that the virus is being carried by mosquitos within the City of Winnipeg?

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, since 1975 or so, or even before that, there have been three deaths here associated with the encephalitis. I say "associated" because there are no proofs that they've died solely caused by the encephalitis. For instance, the last one that died was a young lady who also had diabetes very badly.

During that time, every year approximately there are 4,000 deaths due to the disease of circulation, including heart disease - that's one year, not for 20 years or 30 years - 2,000 deaths due to cancer, 400 dead due to accidents, 100 due to diabetes, 350 to others caused by communicable disease.

We have stated that there is no way that you can guarantee that you'll get rid of all the mosquitos. We are saying that it is lulling the people into a false sense of security if you think that you're going to tell them that there's no danger but, all of a sudden, there's danger. There is a danger at all times.

We have traps - and you can ask my friend, there are traps to see the type that we have. We're on the 15th of August, we've never had a count like this so late that it's been dangerous at all times. I've answered this question three times, but I guess that Councillor Mitchelson needs a little help for his election so we'll answer it again.

**MRS. B. MITCHELSON:** I'd like to ask the Minister of Health whether he is prepared to conduct aerial spraying to protect the health and safety of all Manitobans from this dreaded disease?

**HON. L. DESJARDINS:** I'd appreciate it, Madam Speaker . . .

**MADAM SPEAKER:** Order please.

**HON. L. DESJARDINS:** . . . if my honourable friends who are asking these questions would pay attention to the answer.

**MADAM SPEAKER:** Order please.

That question is not within the Minister of Health's jurisdiction.

**MR. J. DOWNEY:** Madam Speaker, on a point of order.

**MADAM SPEAKER:** The Honourable Member for Arthur on a point of order.

**MR. J. DOWNEY:** Madam Speaker, the matters of health of the people of the Province of Manitoba, I would think, would fall within the purview of the Minister of Health.

Monday, 18 August, 1986

**MADAM SPEAKER:** The honourable member was asking a question within the jurisdiction of the Honourable Minister of the Environment.

The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker.

Might I ask the Minister of Environment then whether he is prepared to conduct aerial spraying to protect the health and safety of all Manitobans from this dreaded disease.

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Thank you, Madam Speaker.

My department doesn't do the spraying. My department certainly . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

**HON. G. LECUYER:** Madam Speaker, I'm prepared to answer, if the members of the Opposition are interested in the answers.

My department certainly would be consulted, Madam Speaker, before such measures were to be undertaken. The Minister of Health a while ago stated some figures which indicate, for instance, the very low incidence of deaths related to encephalitis in Manitoba. In fact, the Minister should have stated - and that's what he meant to state - that, since 1960 in Manitoba, there have been three deaths associated with Western Equine Encephalitis, not since '75, but since 1960, and only one of those was clearly established as being caused by Western Equine Encephalitis.

The ratio of mortality, besides that, Madam Speaker, per the number of cases established in human beings of having contacted Western Equine Encephalitis is extremely low. In the case, for instance, Madam Speaker, of adults, it's one in 1,150. Madam Speaker, the Department of Environment has been monitoring the incidence of culex tarsalis mosquitos, the carrier of the virus, and it's been established that, indeed, the proportion of culex tarsalis to total mosquitos in the first half of August had gone up, and it has since been going down. We expect that is normal. Rarely is the high incidence of culex tarsalis present after July in Manitoba. With cool evenings presently upon us, we expect that number to further go down.

But the advice provided by the City of Winnipeg entomologist is the same that the Minister of Health has frequently provided, and is good advice.

**MRS. B. MITCHELSON:** I have a new question for the Premier, Madam Speaker.

The fact is, Madam Speaker, that people have died from encephalitis in Manitoba, and people do suffer irreparable brain damage as a result of contracting Western Equine Encephalitis in this province. I might suggest that people who die, Madam Speaker, as a result are luckier than those who suffer irreparable brain damage.

My question to the Premier is: Since the Minister of Health will take no action, and the Minister of

Environment will take no action, to protect the health and safety of the citizens of Manitoba, will the Premier not look into asking them to resign and appointing Ministers that have the health and safety of all Manitobans as a first priority?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, I think regrettably the Member for River East is learning to prejudge and to arrive at wild conclusions like her leader.

Madam Speaker, this Minister of Health, this Minister of Environment need no defending. Their attitudes, their positions are well-known. The people of the Province of Manitoba gave both Ministers a full round of endorsement on March 18.

### Bridge replacement

**MADAM SPEAKER:** The Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** Thank you, Madam Speaker, my question is to the Minister of Municipal Affairs.

There has been a problem replacing a bridge which involved two municipalities and an LGD. Could the Minister use his good offices to encourage the replacement of that bridge, because we're into the harvest season now and it's going to inconvenience very many farmers?

**MADAM SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker.

As has been indicated, the problem is between three municipalities. I think they're very responsible bodies, and I would hope that they can work out a resolution between the three of them. As a matter of fact, two have already agreed to their fair share of the costs. I understand a meeting is coming up within the next week or so, and I will ensure that Municipal Affairs staff are there to assist if they are able to do so.

**MADAM SPEAKER:** The time for Oral Questions has expired.

The Honourable Minister of Culture, Heritage and Recreation.

**HON. J. WASYLYCIA-LEIS:** Yes, Madam Speaker, I have a non-political statement.

**MADAM SPEAKER:** Does the Honourable Minister have leave? (Agreed)

The Honourable Minister.

### NON-POLITICAL STATEMENT

**HON. J. WASYLYCIA-LEIS:** Thank you, Madam Speaker. I am sure all members of this House will want to join me in recognizing the tremendous success of Folklorama '86.

Madam Speaker, the Festival in its 17th year ended last night with passport sales up over 10 percent from

Monday, 18 August, 1986

last year, representing an approximate attendance of 800,000 person visits.

Folklorama, as we all know, is one of the largest ethno-cultural events in North America with 39 different pavilions featuring great food, informative displays and impressive entertainment. I, personally, had the privilege, Madam Speaker, of visiting 35 pavilions and I know that the Member for River Heights did even better and managed to take in all 39 pavilions - quite a feat. Folklorama is a celebration of our cultural diversity, it promotes tolerance, understanding and appreciation. It is also a significant tourist attraction with increasing numbers of visitors coming from other parts of Canada, the United States and abroad.

This year's Folklorama did this and more. It brought together people to share their traditions in a spirit of harmony, and therefore, was a tribute to 1986, the International Year of Peace. I am sure all members of the House join me in thanking those who made this year's Festival of Nations such a success. The staff and executive members of the Folk Arts Council and, most important of all, the over 17,000 volunteers, the performing artists, the Mayors, the Queens, the Youth Ambassadors, the cooks, the waiters, the guides, the builders, and so on. It is because of their dedication and hard work that Folklorama has been, and will continue to be, such a success.

Madam Speaker, in a tribute to this fine event, and to display to the visitors of the Legislative Building, a symbol of the heritage of our Chinese citizens, two lions from China, each weighing 4,000 lbs. will temporarily guard the east and west entrances to the Pool of the Black Star. I would encourage all members to view the lions before they are moved to their final destination in the Chinese community.

Madam Speaker, Folklorama is a multi-cultural celebration. We congratulate those who made it possible, and we look forward to its continued success for years to come.

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker, I am delighted to join with the Minister of Culture, Heritage and Recreation in this non-political statement, and I am sure that the Member for River Heights will want to join in expressing her goodwill and enjoyment of the 39 pavilions, and the opportunity to select Miss Folklorama, which she had during the course of this past week.

Indeed, many members on our side of the House visited a considerable number of pavilions and I had the opportunity to get to many, as time permitted, during the course of the week. I think one of the things, in addition to Folklorama being an opportunity for all of us to enjoy in a non-partisan basis, the goodwill and the heritage and culture that goes into making Manitoba the great province that it is, is the fact that it is done almost entirely without government support and assistance, and totally on the basis of the hard work, energy and commitment of the 17,000 volunteers who work throughout the pavilions in Winnipeg during this one great week in August.

Indeed, Madam Speaker, the Folk Arts Council is to be complimented for their continuing efforts in

organizing and ensuring that Folklorama becomes better and better every year, and it has become a festival of major international importance to the extent that, it is my understanding, 88 busloads of people from outside the City of Winnipeg, many of them from the United States and surrounding environments, came to Winnipeg in this one great week, and enjoyed our hospitality, enjoyed the opportunity to partake in our culture and the food, the entertainment and all of the things that make this such a great attraction.

I thank the Minister for the opportunity to be able to participate in this non-political statement.

## COMMITTEE CHANGES

**MADAM SPEAKER:** The Honourable Member for Ellice.

**MR. H. SMITH:** Madam Speaker, I have changes in two committees: Economic Development Committee, the Member for Kildonan substituting for the Member for Radisson. Industrial Relations Committee, the Member for Seven Oaks substituting for the Member for St. James.

**MADAM SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Committee changes, Madam Speaker. Industrial Relations Committee, Kovnats for Brown; and Birt for Orchard.

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MADAM SPEAKER:** The Honourable Member for Elmwood.

**MR. J. MALOWAY:** Madam Speaker, I beg to present the Second Report of the Committee on Statutory Regulations and Orders.

**MADAM SPEAKER:** Order please. Do we have leave to revert to Presenting Reports by Standing and Special Committees? (Agreed)

The Honourable Member for Elmwood.

**MR. J. MALOWAY:** Madam Speaker, I beg to present the Second Report of the Committee on Statutory Regulations and Orders.

**MR. CLERK, W. Remnant:** Your Committee met on Thursday, August 14, 1986 at 10:00 a.m. in Room 255 of the Legislative Building to consider Bills referred.

Your Committee heard representations on certain Bills as follows:

Bill 24 - An Act to amend The Teachers' Pensions Act; Loi modifiant la Loi sur la pension de retraite des enseignants.

Mr. Cordell Barker - Manitoba Teachers' Society.

Bill 27 - An Act to amend The Liquor Control Act; Loi modifiant la Loi sur la réglementation des alcools.

Dr. Fletcher Baragar - Manitoba Medical Association.

Monday, 18 August, 1986

Bill 48 - An Act to amend The Manitoba Municipal Secretary-Treasurers' Association Act; Loi modifiant la Loi intitulée "The Manitoba Municipal Secretary-Treasurers' Association Act."

Mr. Robert Adkins - Solicitor for The Manitoba Municipal Secretary-Treasurers' Association.

Bill 52 - The Manitoba Medical Association Fees Act; Loi sur les droits de l'Association médicale du Manitoba.

Dr. J.B. Sutherland - Manitoba Medical Association  
Mr. Ben Hanuschak - Progressive Party of Manitoba  
Dr. Fletcher Baragar - Manitoba Medical Association.

Your Committee has considered:

Bill 25 - An Act to amend The Law Society Act; Loi modifiant la Loi sur la Société du Barreau;

Bill 27 - An Act to amend The Liquor Control Act; Loi modifiant la Loi sur la réglementation des alcools;

Bill 34 - The Constitutional Questions Act; Loi sur les questions constitutionnelles;

Bill 36 - The Real Property Act and Various Other Acts Amendment Act; Loi modifiant la Loi sur les biens réels et diverses autres lois;

Bill 44 - The Judgment Interest and Discount Act; Loi sur les taux d'intérêt et d'actualisation des sommes allouées par jugement;

And has agreed to report the same with certain amendments.

Your Committee has also considered:

Bill 9 - An Act to amend The Public Schools Act; Loi modifiant la Loi sur les écoles publiques;

Bill 23 - The Charter Compliance Statute Amendment Act, 1986; Loi de 1986 modifiant diverses dispositions législatives afin d'assurer de respect de la Charte;

Bill 24 - An Act to amend The Teachers' Pensions Act; Loi modifiant la Loi sur la pension de retraite des enseignants;

Bill 26 - An Act to amend The Public Trustee Act; Loi modifiant la Loi sur le curateur public;

Bill 30 - The Justice for Victims of Crime Act; Loi sur les droits des victimes d'actes criminels;

Bill 42 - An Act to amend The Insurance Act and The Queen's Bench Act; Loi modifiant la Loi sur les assurances et la Loi sur la Cour du Banc de la Reine;

Bill 46 - An Act respecting The Institute of Certified Management Consultants of Manitoba; Loi sur l'Institut manitobain des conseillers en administration agréés;

Bill 47 - An Act to amend An Act to provide for the establishment and maintenance of a Boys' and Girls' Band in the Town of Dauphin; loi modifiant la Loi intitulée

"An Act to provide for the establishment and maintenance of a Boys' and Girls' Band in the Town of Dauphin."

Bill 48 - An Act to amend The Manitoba Municipal Secretary-Treasurers' Association Act; Loi modifiant la Loi intitulée "The Manitoba Municipal Secretary-Treasurers' Association Act";

Bill 49 - An Act to incorporate The Portage District General Hospital Foundation; Loi constituant en corporation la Fondation de l'Hôpital général du district Portage;

And has agreed to report the same without amendment.

Your Committee recommends THAT the fees paid with respect to the following Private Bill be refunded, less the cost of printing:

Bill 49 - An Act to incorporate The Portage District General Hospital Foundation; Loi constituant en corporation la Fondation de l'Hôpital général du district Portage.

All of which is respectfully submitted.

**MADAM SPEAKER:** The Honourable Member for Elmwood.

**MR. J. MALOWAY:** Madam Speaker, I move, seconded by the Honourable Member for Kildonan that the report of the Committee be received.

**MOTION presented and carried.**

### **MOTION FOR REFUND OF PRIVATE BILL FEE**

**MADAM SPEAKER:** The Honourable Member for Elmwood.

**MR. J. MALOWAY:** Madam Speaker, I move, seconded by the Honourable Member for Kildonan, that the fees paid with respect to the following Private Bill be refunded, less the cost of printing:

Bill 49 - An Act to incorporate The Portage District General Hospital Foundation; Loi constituant en corporation la Fondation de l'Hôpital général du district Portage.

**MOTION presented and carried.**

### **ORDERS OF THE DAY HOUSE BUSINESS**

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Yes, Madam Speaker. Before moving a number of motions this afternoon, I might outline the orders for today and the House Business which is going

to take place tomorrow. This is to confirm that the Standing Committee on Economic Development, and the Standing Committee on Industrial Relations will be meeting tomorrow at 10:00 a.m. to consider matters referred to them. Also to confirm that the Standing Committee on Public Utilities and Natural Resources will be meeting on Thursday morning at 10:00 a.m. to consider the Annual Report of the Manitoba Telephone System.

Also, today, Madam Speaker, it is my intention to move the motion standing in my name regarding the Rules Committee; then to move us into Committee of the Whole to consider Bill No. 53, in the Report of the Rules Committee; following that to move us into Committee of Supply under the normal motion to consider the Estimates, Natural Resources being considered in the House, and Housing being considered in the Committee Room this afternoon; and the Attorney-General, I understand, to be considered in the Committee Room this evening.

My understanding, as well, is that there is an inclination to forego Private Members' Hour and to continue on with the review of the Estimates until 5:30 p.m.

I would then move, Madam Speaker, seconded by the Honourable Member for Thompson that the Report of the Standing Committee . . .

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** I would then move, Madam Speaker, seconded by the Member for Thompson, that the Report of the Standing Committee on the Rules of the House, received by the Assembly on August 14, 1986, be referred to the Committee of the Whole House for consideration.

**MOTION presented and carried.**

**HON. J. COWAN:** Madam Speaker, I move, seconded by the Minister of Labour, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the Report of the Standing Committee on the Rules of the House received by the Assembly on August 14, 1986; and Bill No. 53.

**MOTION presented and carried** and the House resolved itself into a Committee of the Whole to consider the Report of the Standing Committee on the Rules of the House; and Bill No. 53 with the Honourable Member for Burrows in the Chair.

## COMMITTEE OF THE WHOLE HOUSE

### RULES OF THE HOUSE

**MR. CHAIRMAN, C. Santos:** Committee please come to order in order to consider the proposal for changes in Rules presented to the House and afterwards to consider Bill No. 53.

The Report of the Rules Committee is found on Page 274 of the Votes and Proceedings No. 67, dated Thursday, August 14, 1986, Page 274. If any member does not have a copy of the Votes and Proceedings of the House, the Chair has some copies available.

We shall consider this report item-by-item. Item No. 1 on Page 274. There is a request that we consider this page-by-page? Is it the will of the committee to consider the report page by page? It's so agreed; so ordered.

Page 274 - the Honourable House Leader.

**HON. J. COWAN:** On Page 274, it indicates that the agreed-to changes would take place next Session, except the ones that would come into force on the day following the date of concurrence of this report, would be No. 3 and 6. In actuality, I believe that should read 3 through 6, because Items 4, 5 and 6 are dealing with Item 3 and the ringing of the bells in the deferral. So if we can have that amendment noted.

**MR. CHAIRMAN:** So it will be amended as Items 3 through 6. Is that agreed? So ordered.

Page 274, as amended—pass.

The Honourable Member for St. Vital.

**MR. J. WALDING:** Mr. Chairman, before you pass Page 275, there was a matter that I wanted to refer to again, and I did speak on it during the committee stage although members didn't seem inclined to make any changes at that time.

I refer specifically to 3(6) and, for the benefit of members, it reads: "When a division is deferred pursuant to sub-rule (4), the House shall continue with the business before it, pursuant to sub-rule 19(2)."

What we're talking about here is if there is a ringing of the bells which will go beyond the time set out for it, that there can be a deferral by the Speaker after consultation with the two House Leaders for a time presently up to 24 hours and, according to this change, up to 72 hours, I understand.

This particular rule before us says that although there has been that deferral and the bells are presumably ringing at some level of volume or other, that the House can continue with what it is doing. My concern with this is not that it solves the particular problem; and surely, everything we do, we have to look at it not as to whether it solves the immediacy of the problem or not but as to what the consequences will be next week, next year, next month or whenever it happens to be. I am quite concerned that adopting this particular rule, although it might do what the members want it to do at this time, it will cause very considerable problems in the future.

I only ask members to imagine for a moment what the division might be on. Frequently, the division that is before the House has to do with something that the House is considering at that particular time which would change if the vote were to carry. I can imagine that there would be such things as the adjournment which immediately comes to mind. The matter of a six-month hoist, for example; do you in fact give it a hoist or do you continue? Now the vote might well be on that, and if we allow this particular change to say yes, we can continue with what we are doing, then surely you preempt the vote that is coming up for the House to make the decision upon. It won't necessarily happen next week, won't necessarily happen in this Session, but as long as this particular rule is there, as sure as eggs is eggs, it will occur at some time in the future and it will cause this House problems.

It refers clearly to a division happening, and a division is the calling in of members to vote. We have another rule in the book that says there is no further debate when a division is ordered, and I'm at a loss to see how you can stop the debate on the motion to have a vote and, at the same time, continue the debate for a future time.

I would very strongly urge that either this be deleted or it be amended in some way so as to avoid that problem which is, sure as anything, going to happen at some time in the future.

**HON. J. COWAN:** In regard to my earlier amendment that we amend Page 274 to show "Items 3 through 6," upon further reading of it, it's clear to me that "Items 3 and 6" is the appropriate way to phrase it and I would draw the suggestion of an amendment, with leave, and we would leave it as it stands.

**MR. CHAIRMAN:** Is there leave to withdraw the amendment? So ordered. We will approve Page No. 274 as is.

Pages 275 to 279, inclusive, were each read and passed; the Report as a whole, in totality—pass.

### BILL NO. 53 - THE LEGISLATIVE ASSEMBLY ACT

**MR. CHAIRMAN:** Shall we consider this bill page-by-page or otherwise? Page-by-page.

Pages 1 to 6, inclusive, were each read and passed; Preamble—pass; Title—pass; Bill as a whole—pass. Bill No. 53 is passed.

Bill be reported.

Committee rise.

Please call in the Speaker.

### IN SESSION

**MADAM SPEAKER:** The Honourable Member for Burrows.

**MR. C. SANTOS:** Madam Speaker, your committee has considered Bill No. 53 and reports the same without amendments; and considered the Rules Committee as reported.

I move, seconded by the Member for Thompson, that the report of the committee be received.

**MOTION presented and carried.**

**MADAM SPEAKER:** The Honourable Government House Leader.

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

**MOTION presented.**

### MATTER OF GRIEVANCE

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Madam Speaker, I rise on a matter of grievance.

Madam Speaker, I rise because it is the opportunity in which a member has the opportunity to put forward their concerns, the concerns dealing with government operations, dealing with general public matters, and I cannot sit any longer, Madam Speaker, and see what is taking place under this government and the involvement that they have participated in; the establishment of a Crown corporation which, today, the information that we have received up to this date is somewhat damaging, devastating and incriminating as far as the government is concerned. — (Interjection) — That's right, Madam Speaker. My colleague from Minnedosa said they have lost the confidence of the people and that is absolutely true.

Just returning from my riding over the weekend, everyone in the country, and in the city, Madam Speaker, is talking about the way and the manner in which this government is handling the affairs of the province and, particularly, the Manitoba Telephone System and the MTX operations.

I want to first of all compliment my colleague, the Member for Pembina, who has been tracking this item, and my leader, for the last few weeks. They have worked diligently, Madam Speaker, to bring the truth to the people of Manitoba. My leader, who has been the critic of the Premier and has been bringing this to a head, I think has been doing a very responsible job.

The Member for Pembina has been tracking this thing for well over three years and has been compiling information which now is being made public and which has to be, Madam Speaker, aired publicly.

Let's just look at where we're at today. I'm going to make some comments that are going to make some members upset because the question has to be put to the Premier: Who in his Cabinet or who in his caucus is he covering up for? The question is: Who is he covering up for? He signed an Order-in-Council, Madam Speaker, in January of 1982; and one has to ask the question: Who is he covering up for? The second question, Madam Speaker: for what reason is the Premier covering up for that individual? What reason, and who is the Premier covering up for?

If not, Madam Speaker, the third question: If he is not covering up for a member or for some reason, or for a particular reason, for a member, why does he not call a public inquiry into the affairs of the Manitoba Telephone System and MTX? The question has to be: Why is he not giving the public the full, and I say the full opportunity, to look at what has been going on in the affairs of MTX and MTS?

Madam Speaker, I want to, as well, in my grievance today, compliment the Royal Canadian Mounted Police, as the Premier likes to refer to it in question period. Madam Speaker, it takes a little more time to say Royal Canadian Mounted Police than it does RCMP, but he likes to use a lot of time in question period, because he's got a lot of heat on him. Madam Speaker, he cannot take the kind of heat that has been applied to him.

Madam Speaker, let's just look at the history of the Manitoba Telephone System and the mandate that the Manitoba Telephone System has, to provide telephone service and communication service throughout Manitoba, and yes, to be the link for the Trans-Canada

transmission lines to connect with the Bell System in Ontario and the Sask-Tel in Saskatchewan and the Alberta Telephones, B.C. Tel. and all the ones across Canada, to play an intricate part. That's really the mandate, to improve the immediate communications by telephone and by the modern technology. But, Madam Speaker, for the life of me, I cannot find the answer as to why we're in Saudi Arabia with some socialist experience with a Crown corporation where they have absolutely no business, Madam Speaker, to be.

Madam Speaker, my Leader the other day made reference to the fact that the Premier was the father of MTX, yes, and the Deputy Premier is the mother of MTX. What a proud pair of parents they should be today with that kind of a corporation under them.

The question is, Madam Speaker, why do we need MTX? Why do we need ManOil? Why do we need all the Crown corporations that are bleeding the taxpayers of this province at the same time they are rationing health services in Brandon General Hospital for the people of the Westman region? The Minister of Health stands up and he has great tears rolling down his cheeks. He says: tell me where we can get the money? Well, we're telling him where they could have gotten the money, Madam Speaker, from their Crown corps. that are running around with the taxpayers' money, using their money loosely, Madam Speaker. Yes, Madam Speaker, one has to put this down as the "Telegate" of the Manitoba Legislature. It's the telephone boondoggle of this century.

Look at Manitoba Telephone System, Madam Speaker. In Manitoba, the Telephone System has been what, in operation for operation for 70 years?

**A MEMBER:** 70 years.

**MR. J. DOWNEY:** 70 years. The Telephone System has been in operation for 70 years. What was their profit this year? You know, after being in business for 70 years, the plant's paid for; everything should be running smoothly if you're looking after the telephones in Manitoba. You've got a captive market. You're the only ones providing telephone service so, if you need more money, you go to the Utilities Board and you make your case. You need the money to break even or make a profit. But, Madam Speaker, they can't even do that. We lost half a million dollars this year.

As I said earlier in the debate, Madam Speaker, on the energy bill - and I'll talk a little bit about it in my grievance as well - we dealt with the question of why not invest in oil in Saudi Arabia where you may make some money, and telephones in Manitoba? I had agreement from many of the members opposite. They were shaking their head in the affirmative.

Madam Speaker, we're in a position in Manitoba now where we have many questions and, again today in question period, our leader laid them out before this Assembly and the people of Manitoba; questions, Madam Speaker, that have to be answered. The public are not going to back off. The Opposition are not going to back off. The people in Manitoba Telephone System who have a career, who have a career in Manitoba telephone service work do not want to back off. They want the whole issue dealing with MTX and questionable

activities dealing with their past dealt with, Madam Speaker. Yes, and the criminal nature, the RCMP are the ones who should be charged with doing it.

The Member for St. Vital - and I want to compliment him - the other day stood in his place and I would say broke party rank in saying, yes, we need a public inquiry. What was he basing his main argument on, Madam Speaker? He was basing his main argument on the truth to Committee and the Legislature. We are the highest court in the province. We make the laws, Madam Speaker. We are the body that, if we don't have truth told to us as legislators, could make decisions, Madam Speaker, could make decisions based on a very unsolid and a very dangerous foundation. We cannot, as legislators and members of Committee, have anything told to us but the truth, the absolute truth, Madam Speaker, and that hasn't happened.

The Premier keeps coming back saying: the Committee will deal with that matter, the Committee of the Legislature. Yet, Madam Speaker, he will not say that those people have to come forward and swear to the truth and give their testimony under oath. Madam Speaker, why does the Premier not support truth? That's really what we're down to. The Premier of the Province of Manitoba, the New Democratic Premier, does not support the establishment and the basing of the operations of the Legislative Assembly on truth for this assurance that we are being told the truth. If he does believe that this operation should go on truth, the people should be governed on truth, Madam Speaker, then let him call a full public inquiry so that people will come forward under oath and make sure that the truth is told.

The Member for St. Vital pleaded with - didn't plead in a harsh way, but he pleaded with the members of this Assembly to pay attention to his argument, and he had a good argument, Madam Speaker. One would be hard pressed not to support him. I challenge the other backbenchers. Let's face it, Madam Speaker, members of the government, both in Cabinet and backbenchers, are now under question. They are now under question in the public mind because the Premier, obviously, and the Minister of Telephones are covering up for one of them, or why would they not proceed to have a full public inquiry?

Madam Speaker, one can only ask the question: Which one of the members, is it the Member for Dauphin who got himself entangled in this mess of MTX, in the formation of it and the discriminating guidelines which he laid out for the MTX? Madam Speaker, with all respect, is it the current board member who was not doing his homework properly for MTS? Was it the former Minister, the Member for Brandon East? You know, his record dealing with Crown corps., has certainly got a lot of shadows over it. Madam Speaker, he was involved very much as the Minister responsible when the whole A.E. McKenzie issue hit the fan, Madam Speaker. His record is not very clear on that one, Madam Speaker. His record is not very clear on the whole operation of A.E. McKenzie.

**MADAM SPEAKER:** I'd like to remind the honourable member about Beauchesne's Citation 319 and caution him. Section 3 says that a member will not be permitted "to impute to any Member or Members unworthy motives for their action in a particular case."

Monday, 18 August, 1986

**MR. J. DOWNEY:** Well, Madam Speaker, with all respect to that rule, I have not made any direct accusations. However, the public are saying, who in the Premier of Manitoba's Cabinet, in the NDP Government or the backbench or board members is he covering up for and what is he covering up? What is he covering up, Madam Speaker? Why does he not want to get to the bottom of this whole thing? One only has to suspect that he has someone very close to him that he is trying to protect. Yes, Madam Speaker, who is he trying to protect and why? I have no other questions, Madam Speaker. Who is he trying to protect and why? Madam Speaker, the members can treat it lightly, but I can tell you one thing that Manitobans will not stand for and that is corruption, and I can tell you right now that there is no end of corruption being carried on under this administration. He is now the government, with all the disclosure that has come before us, is very, very much on the wrong side of the majority of the people of Manitoba, in fact, has lost his mandate.

Well, if, Madam Speaker, this is not the case - and I make this case - this is the point I'm going to make over and over again, then let the Premier stand in his place and make a ministerial announcement and say we want full and proper disclosure through a public inquiry where the truth will be told by everyone who comes before that public inquiry. But he has not given us that, Madam Speaker, and he has not given us a reason why.

Yes, criminal matters should be dealt with by the RCMP. And, yes, there should be some management consultant look after whether or not somebody can add the proper numbers and they come up with a figure at the bottom that balances with one on the other side. But there is a gap in there, Madam Speaker. As my leader has indicated, discriminatory hiring practices, floggings, Madam Speaker, these aren't matters to be taken lightly and aren't taken lightly by the public of Manitoba. They're taken darned seriously, Madam Speaker, and that's why it's incumbent upon this Premier to come forward and do what is honourable. Have a full-blown public inquiry into the activities of a Crown corporation of which he is the father, of which he established as the Premier of this province.

Why did he do it, Madam Speaker? Let's ask the basic questions. Why did we get into this as taxpayers? Why did he fly off to Saudi Arabia with a Crown corporation to develop telephone systems? Why did he, Madam Speaker?

Madam Speaker, the Premier signed an Order-in-Council in January establishing MTX. He was the Premier; he can't blame anybody else, January of '82.

My constituent at home - and I want to take a minute of my grievance on behalf of my constituent, which was raised during the telephone committee hearing. I want to raise it dealing with the Minister of Telephones who the other day said, if I would provide him with this individual's name, he would take action. Well, the Minister got a letter from this individual on July 21, 1986. His name is Bob Radcliffe from Waskada.

I talked to him earlier this summer, and he was somewhat upset that Manitoba Telephone System could not provide him with a telephone service equal to his neighbours or other people who got a private line. It's my clear understanding that the Telephone System have a policy where a private line can be installed for \$525,

even though in Saskatchewan they provide it for nothing - not really nothing, but there isn't a charge to the user. All Saskatchewan users, if they want a private line, they can get it without additional charges, Madam Speaker. That's the Saskatchewan Telephone System, and you know it's not a bad policy to do your telephone system at home, and not run off all over the world losing money for those people.

But here's my constituent's concern, Madam Speaker, and I'm going to read part of his letter into the record. This is to the Minister who the other day wanted the name of the individual, even though he got a letter on the 21st of July. He gets a lot of mail, I'm sure, dealing with telephones these days, so I guess he could be excused for not picking it out. But it's the second time he was warned about it, because I talked to him about it in committee of Telephones.

I'm just going to read part of this letter. "I'm writing this letter to express my concerns re party line telephones in rural Manitoba. Having recently returned from a trip to Expo 86 and there toured the Telecom Pavilion, in which Manitoba Telephone System is a member, I was impressed with modern technology of communications, such as the new electronic mail service. However, upon my return to Manitoba, my excitement was crushed when I returned to a 1950's party telephone system. At one time, this system might have served the needs of rural Manitobans, but today it is a very outdated, antiquated means of communication." And I have to agree with him. When you're trying to operate a farm and you've got three or four people on the line, you've got many business calls to make, the same as any business that's operating an oil company or any other small business, your business is private.

"I've applied to MTS for a private-line telephone system twice in the last year, only to be recently told to try again in 1988." 1988! You know, that's interesting that he has to reapply in 1988, and that's two years down the road when we can lose \$16 million in Saudi Arabia, we can lose \$300,000 playing around with some fast salesmen from the States who are trying to sell a private telephone number to the Premier. Madam Speaker, these are all things that make each Manitoban angry.

"Living in modern age and expecting the ultimate in communications, this kind of service from MTS would not seem possible. Several of my neighbours over the course of the last two to three years have received private-line service from MTS at a reasonable cost." Why one individual, why is he being restricted or being put on hold as far as the telephone private line is concerned?

"I have communicated," - and this is with the Minister of Telephones - "with you," - and that's who the letter is to - "on a radio talk show recently, expressing my concerns, only to be told that because I reside in rural Manitoba," - listen to this, this is the Minister of Telephones in the Province of Manitoba, here's what he said, and this is a quote from the Minister of Telephones on a radio show - "that I could not expect the same service as people who live in urban centres." That's our Minister of Telephones, the NDP Minister saying that rural people cannot expect the same service as urban residents, second-class citizens, discrimination, Madam Speaker.

The Member for Brandon East concurs with it. He says it's true all over the world, so he too discriminates against rural Manitobans. He's a discriminator against rural Manitobans, too. I want the record to clearly show that the Member for Brandon East agrees that it's true that rural residents are discriminated against. — (Interjection) — He calls it "crap." Well, it won't be crap, Madam Speaker, because he hasn't heard the end of it yet. His record isn't clear as to what involvement he's had with Manitoba Telephone System, and won't be, Madam Speaker, until there's a full commission of inquiry clearing his name and every other member of the Cabinet and the caucus. — (Interjection) — That's right, Madam Speaker.

I could not expect the same service, as I said, from urban centres. Madam Speaker, this is really the concerns of an individual who I wanted to put on the record. I think it's important. I just want the last sentence read in. "No words can truly describe the frustrations of having to drive six miles every time a person wishes to make a business call." And I can certainly appreciate the concerns and the sentiment of that statement.

Madam Speaker, is it a priority of a Crown corporation which, after 70 years, still has a deficit to run all over the world to try and make a quick dollar in Saudi Arabia, or to get involved in some new modern technology by a quick salesman in the United States, \$3.4 million.

You know, this thing was so hot, this was such a hot piece of advice according to the media that it had to pass through the two boards just like that, MTX and MTS, and to go the Priority and Planning Committee or the Financial Board of Cabinet to get \$3.4 million just like that. At the same time, Madam Speaker, he can't find money to keep Brandon Hospital open. At the same time, they've taken the ag rep out of The Pas.

Madam Speaker, the Minister of Agriculture doesn't have enough money to maintain a necessary and essential support service. Is he happy as the Minister of Agriculture that they're using money in Saudi Arabia and taking his ag rep away from him in The Pas? Where does he stand in all this? Why hasn't he spoken out on it, Madam Speaker? Well, we've seen the "Telegate," Madam Speaker, under the NDP just starting to unfold because I'm sure - and this I guess is the other reason the Premier doesn't want the Tories to know or the story told - is there are many very credible and competent people working for the Manitoba Telephone System who I am sure are fed up to the teeth with what's been going on and the way in which this Premier has been handling it. They are scared skinny for their jobs, Madam Speaker, because they have nothing else for their security in the long term.

Madam Speaker, let's just look at those people who may have some information to bring forward. It may be relevant and it may not, but after 70 years of a Crown corporation I'm sure there are many stories that have to be told by individuals who are not at the high management level but who are the middle management or the guys that roll their sleeves up and do the work. When a storm comes and they go out on the roads, they know a few things, Madam Speaker, that they're afraid to tell because that is their livelihood, that is their future.

So what I'm saying, Madam Speaker, in the interests of that Crown corporation, in the interests of those

people and the longevity of their jobs and their security, give them the full opportunity to come forward without fear of retaliation on their jobs or their futures or have them so that they will never be promoted to anything more than what they are today if they are seeking a long-term career.

I challenge the Member for Lac du Bonnet. Why, as a new member, would he not want to press the Premier into disclosing this whole affair? The Minister of Natural Resources, I am sure, after prodding from my colleague, the Member for Emerson, found out that he shouldn't have been quite as confident within his own shop as he should have been and, after the prodding from my colleague, finally had some public airing done and found out a few things that opened his eyes, Madam Speaker. Well, we don't need to speak anymore about the Member for Brandon East because of his dealings and his background with McKenzie Seeds - the Minister who was responsible for how long for McKenzie Seeds? And now look at what the outcome of that full-blown inquiry was.

Yes, Madam Speaker, we've had some very serious things take place. How can we be sure the same thing is not in the Telephone System? How can we be sure? I asked the member, the Deputy Speaker of the House, who has spoken of integrity, who has told us many times that governments have to have the full integrity and the support of the people: Why does he not stand up in his caucus and say, until we have a full public inquiry, we won't get the full story and the truth? Is he not supportive of the truth, honesty in government?

All the members - it's not one of them - because when you're with a group like they're in with this whole Telephone fiasco and MTX fiasco, there is a shadow over each and every one of them, Madam Speaker. Whether they're board members, former board members, any part of this whole operation casts a shadow over each and every one of them; a shadow that would be cleared up if we had a full and public disclosure of the issues that are to this point, not criminal in nature and of those that whatever kind of a consultative management committee he's going to have.

Madam Speaker, I know the Minister of Urban Affairs is a new member and in selecting the party in which he finally selected to run with would want the party to be wholesome and pure. It is now casting a shadow on the decision that he has made as to who he's going to be involved with politically. Yes, Madam Speaker, he has to question his decision to opt for the New Democratic Party. I'm sure that he has many questions dealing with this matter. He can't get at it, Madam Speaker, as a Minister and his colleagues aren't going to tell him anything more than what they're telling this Legislature.

You know, one really has to now know why the Premier hesitated to put the current Minister of Telephones in the position he put him in. It would be interesting to know what he had on the Premier or what kind of pressure came to bear to finally put him in Cabinet.

**MADAM SPEAKER:** May I caution the honourable member again about imputing motives.

**MR. J. DOWNEY:** Madam Speaker, I am not intentionally imputing motives. What I am asking for

Monday, 18 August, 1986

in my grievance - and I'll make it very clear - I'm speaking as I'm sure 99 percent of the people of Manitoba would speak if they were standing in this Assembly. They do not and will not stand for corruption and misuse of their taxpayer's dollar handled by any political stripe.

It so happens, Madam Speaker, the Premier of this province formed a company known as MTX under his signature in Cabinet. Every Cabinet Minister around him supported him, every backbencher supported him, Madam Speaker, and they've been off and running now since 1982.

There have been very, very serious allegations made by a former employee of MTX. There are many other people who are afraid to speak out and wish to, Madam Speaker. And why can't we get to the bottom of it through a full blown public inquiry where people are asked under oath to tell the truth?

I'm not casting aspersions, Madam Speaker. They have cast them upon themselves. The activities of the last two weeks, Madam Speaker, cast the aspersions upon themselves. Not me, Madam Speaker, it is not I or any member of the Opposition. It is their own doing, it is their own activities, it is their own actions to try and cover up someone or something that is close to them.

Madam Speaker, they have not given the public or the Opposition a strong defence of the position that they have taken. Until they give us a strong defence, we aren't going to back off because, as a loyal Opposition, our job is to fully disclose the activities of government because they are using the taxpayers' money to carry out all activities. Particularly, Madam Speaker, one could say we will back off just a little bit if they had provided some service for Manitoba Telephone System users to make sure that more people had a private line, they had a better system. If they just had a little better service, one could back off just a little.

You can't back off on wrongdoing; you can't back off on discrimination. You could back off if, for example - and they've done it - dealing with Highways where the Minister of Highways probably has better highway systems than someone else. The public generally accepts that the Minister is going to make sure he's not going to be without a bad road. Goodness sakes, we've had 15 years of proof of that under the NDP, Madam Speaker, that they're quite prepared to make sure the Minister of Highways has a decent road. In today's politics, that isn't the same kind of concern - it's more accepted.

What isn't accepted is the kind of corruptive actions, the kind of deceiving, the kind of misleading - and I use that word advisedly, Madam Speaker - misleading statements that this Minister has been given.

Now here's another thing. The rule that I always operated by, Madam Speaker, and I'm sure every member does, and as a Cabinet Minister in particular, when you walked into the Legislative Assembly, you swore an oath, and when you opened your lips and uttered a sound, you were pretty much responsible for it. I can't remember of a Cabinet Minister coming in and being able to utter, well, I've been misled and I misled the House or I said something to the press and now I'm coming in to correct the statement, Madam Speaker. We work on the assumption that everything

put on the record is factual and true, and if it isn't and the Minister is honourable, then he will resign. That's really where it's at, Madam Speaker, if he is honourable.

**MADAM SPEAKER:** May I remind the honourable member that all members of the House are honourable members.

**MR. J. DOWNEY:** Yes, Madam Speaker, I take your words very advisedly because that's true. We have to assume that every member is honourable and until now, Madam Speaker, I have, but the current issue that is before us is starting to cast some shadows of doubt - not only starting to; the storm is overhead, Madam Speaker - the lightning is striking, the thunder is crashing and it's right around the Minister of Telephone Services.

Yes, Madam Speaker, and even more, the Premier, I am sure, has some very, very serious doubts as to the advice that he took in the handling of this whole matter.

The Minister of Education should be very thankful - or he shouldn't be thankful - but I think he is somewhat thankful that this issue changed the direction of the attack. Only a week-and-a-half ago, Madam Speaker, he was the full focus of attention because of his incompetent handling of the Brandon University affair, the handling of the million-dollar man affair.

Again, the Member for Brandon East comes into focus and the Premier, because I can remember during the election campaign it was the skuttle-butt - I can't find it in print - but they were determined that the president of the University of Brandon would be dismissed. It took some time, Madam Speaker. It took the appointment of their board. It took the activities of a board that finally caused it to happen and it cost the taxpayers a million dollars, Madam Speaker.

I am going to talk of a couple of other areas. We talk about Manfor currently. Madam Speaker, again that same Minister of Education - he doesn't have the same smile on his face as he did two minutes ago - the Minister who is supposed to be responsible for Manfor is now running around saying - and by the way, I still want the six-month report from the Minister responsible for Manfor - I understand that the saw mill is going to be shut down at Manfor. Madam Speaker, they ran out of wood. You know why they ran out of wood, because in March of this year, they had a big layoff at Moose Lake Loggers. That's why they ran out of wood. They tried to use the feeble excuse that it's wet and raining and they can't get the logs out. I know for a fact that the truckers who bring the logs out are prepared to bring the logs in at less of a cost, to take part of their load train off so they're able to do so. All this weather business and shortage of logs is not a strong argument. I'm going to put some other comments on the record, too.

It's interesting to know, Madam Speaker, the history of Manfor, the hiring of the former executive, the CEO, Mr. Sweeney, and the activities of the Crown Corporation. Maybe we should be pressing for - well, I know what we should be pressing for - is the removal of an incompetent government. That's what the people want. But what Crown Corporation hasn't got itself into a mess under this administration? You know one of the

reasons I think it happens, Madam Speaker? They look at this government and they say, oh, my goodness sakes, there's no leadership; there's no direction; we'll just run away with the thing the way we want. And it takes the Opposition, it takes the general public to come forward.

I can assure you, Madam Speaker, that the stories all haven't been told out of Manfor because I'm working on some right now that I would think will cause some difficulty for the current Minister that's responsible, in some of the recent activities. — (Interjection) — He says he was there Saturday. People aren't going to run up to the Minister when he's there and say Mr. Minister, I think this kind of thing is going wrong. Madam Speaker, the Crown Corporations do some of the other things. They make sure the Minister doesn't find out about it.

While I'm on that subject about finding out, how long did it take the Minister of Telephones to really get a hold of the problem that was disclosed to him? — (Interjection) — That's right, he still hasn't. But he said, "I'll take all these questions as notice." He had a long weekend in which to look into it.

**A MEMBER:** Prove it. Give us information.

**MR. J. DOWNEY:** Yes, prove it. How long, Madam Speaker, do the Opposition have to put up with the incompetence of the present Minister of Telephones? I think we'll get him, Madam Speaker; I think he'll have to resign before this whole fiasco is over with. I'm sure he will have to. I'm sure the Premier will be very sorry he hasn't dismissed him by this time.

In the McKenzie affair, what happened to the current Minister at that time? He shuffled him aside, he put somebody else in.

What happened in Hydro and Energy. He quickly moved the Minister out, Madam Speaker, and put somebody else in. But this time he didn't move the Minister out.

What is this Minister of Telephones - you know, there's something starting to link together - what has this Minister of Telephones got on the Premier? Because first of all, the Minister didn't get to Cabinet until he made a kaffuffle. Now, Madam Speaker, the Premier is leaving him in the position of Telephones Minister and the Minister is covering up. They won't have a public inquiry. There is a major question, Madam Speaker. When the head of Autopac, or Public Insurance Corporation got one little shadow over his head, chop, the Minister of Autopac got rid of him.

But we have an interesting connection. The Minister responsible for Telephones got into Cabinet, not on the first writing of the Cabinet documents but because he made some little noise or something happened that would cause the Premier to reconsider the Minister.

We now have, after how long, three weeks of the biggest mess in a Crown Corporation that this province has seen in its history and hopefully will ever see, Madam Speaker, the Minister is still there. The Minister is still there and the Premier is supporting what the Minister said, which is not what the public wants.

When did this First Minister not yield to public pressure? He finally yielded on the language debate. He finally yielded after he was brought to his senses. But there's some connection between what this Minister

who is now responsible for Telephones, his getting into Cabinet initially, his current continuance in his incompetent handling of the affairs of Telephones, and no defence.

I'm sure that if people start to tie this together, Madam Speaker, one has to look very carefully at the Premier himself and the Minister responsible.

I asked the other members of his Cabinet and his caucus. Why aren't they asking the same questions? Why aren't they asking the questions? What is going on in MTX and MTS between the Premier and the Minister responsible? I ask the question.

**MADAM SPEAKER:** The honourable member's time has expired.

The motion before the House is that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

**QUESTION put; MOTION carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Housing; and the Honourable Member for Kildonan in the Chair for the Department of Natural Resources.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HOUSING

**MR. CHAIRMAN, M. Dolin:** Committee will come to order. We are dealing with the Estimates of the Department of Housing. On page 101, we will be beginning with Item 1., Resolution 98, but prior to that we will have a statement from the Minister.

The Minister of Housing.

**HON. M. HEMPHILL:** Thank you, Mr. Chairman.

I just want to make a short opening statement and talk a little bit about the priorities and some of the accomplishments in the Department of Housing.

I want to make sure that one of our priorities is to make sure that people of low income and special needs have access to suitable and affordable housing. We also want to stimulate and influence the activities of the private housing market for the benefit of all Manitobans and we want to maintain and improve the quality of Manitoba's existing housing stock. We have one of the largest amounts of older housing stock in our province and that has to be one of our top priorities.

We also want to make sure that rent increases are fair and that landlord and tenant disputes are resolved equitably and fairly to both sides.

We're continuing to fund both publicly and privately owned nonprofit housing throughout the province, in cooperation with the Federal Canada Mortgage and Housing Corporation. Since 1982 to '85 we committed about 1,900 nonprofit units, expect to commit another approximately 700 units this year. In urban centres, the Public Non-Profit Program has targeted 100 percent to low income families and senior citizens.

But we also provide affordable housing through our Rural and Northern Program. It serves households of

low to moderate income in communities with populations of less than 2,500. I think the greatest concern about this program is the strict building code that CMHC stipulates. It's suitable to southern housing but not to the North. We raised this as a major issue at the recent conference on housing and I think had a lot of support for Manitoba's position, saying that we have got to start building houses in the North that both suit the climate and the lifestyle. We can't afford to continue wasting the money and building totally inappropriate homes. We've called on the Federal Minister to relax the codes to allow for more suitable and creative housing and will continue, as a province, to make those points.

We're also discussing the possibility of establishing a joint federal-provincial program to provide mortgage insurance in single resource high risk communities. I think we quite agree with the Federal Government policy that they should be providing insurance at reasonable rates throughout the province, but find that the reality is that where they come to either high risk in the northern and remote single resource communities, where the market is high, where they are actually refusing to provide insurance and that's a very serious issue for us and one that we also made at the housing conference. Many of our rural or northern units are administered by our 94 local housing authorities. These boards provide involvement at the local level, better integration of the units into the community and increased commitment to maintaining the units.

We want to take this opportunity to thank the 650 people involved in provincial housing authorities, all who worked without pay.

In addition to providing public housing to some of the needy, we are providing shelter allowances to help others afford private market rental accommodation. Last year, more than 6,000 households received subsidies totalling \$4.8 million to help them afford private market rents.

As well, 7,800 of our pensioner tenants benefited under our School Tax Assistance Program, which is funded by the Department of Finance and administered by housing. The payout totalled \$1.5 million.

Landlord and tenant issues occupy a large amount of staff time. During the last calendar year, rent controls achieved a high level of success with an estimated 91 percent of controlled units receiving increases at or below the guideline. The Landlord and Tenant Review Committee which is reviewing existing legislation expects to have its report completed by December and amendments will be likely during the next Session of the Legislature.

Manitoba Housing also help homeowners through various home repair programs. On our main cost-shared program, concern that Federal Government has toughened up the eligibility guidelines, we've discussed the problem with Stewart McInnes and the Federal Government has promised to review the guidelines.

We're working on a New Home Rehabilitation program which will be strictly provincial. It will be open to existing owners of homes in need of repair and those who want to buy and renovate an older home - important since Winnipeg has some of the oldest housing stock in Western Canada. We will guarantee mortgage interest rates below prevailing market rates. We are currently working on development of this program and hope to have it in place by October.

The Home Repair Programs assist neighbourhood improvement, but we take even more active steps to accomplish this goal in the Core Area. We have recently completed the successful sale of some 40 infill houses. I think the numbers have increased. We have another 35 in the process of being marketed. These are in addition to the 76 sold since 1983.

Subsidies are available to help lower income families with children to afford the mortgage payments. People are clamouring to get into these homes. The response on the first day of the public sale was very very good and since then we have been inundated - the department - with hundreds of telephone calls of people who are interested. The houses are going well; they are being processed well. We already have a waiting list for the infill homes that we'll be building next year. So, people want to stay in the Core, they want to move into the Core Area and want to raise their families there. I think this is a program that is helping them do that.

I'm reminded that in a recent Free Press article, the Associate Dean of the Architectural Department of the University of Manitoba, who indicated that he was not a great lover of government programs suggested that the Infill Program was one of the greatest success stories that he had seen.

Another program bringing permanent residents downtown is our RentalStart Program. It provides low-interest mortgages to assist the private sector in developing residential units, rental units. In downtown Winnipeg alone, we've committed \$64 million for 876 rental units. Proposal calls under that program are now closed in the city but the program is continuing in all areas outside of Winnipeg. Throughout the province, RentalStart projects will account for approximately one-third of all multiple-unit construction this year.

Also active in new home development in several subdivisions, in Meadows West in northwest Winnipeg, we've sold 572 lots to homebuilders since January of 1983, and we propose to market another 56 lots this fall. Between next year and 1991 we expect a further 500 lots will be developed in Meadows West, along with 700 lots in our new John Bruce subdivision, which lies just southeast of the intersection of Bishop Grandin Boulevard and Ste. Anne's Road.

I'm having some competition here, Mr. Chairman, from my colleague.

**MR. CHAIRMAN:** My apologies.

**HON. M. HEMPHILL:** Oh, we'll record that please, Mr. Chairman.

**MR. CHAIRMAN:** Having admitted culpability, we can perhaps continue without the side conversation.  
The Minister.

**HON. M. HEMPHILL:** That's right. The Manitoba Housing subdivisions represent great opportunities for small builders, and I think that's one of the most important things we've done there, is make lots available for small builders, unlike the major developers. This helps no builder subsidies to grab up the best lots. This helps foster a greater competitiveness among builders.

Overall, the housing market's in very good shape. Provincial housing starts this year are expected to reach

the highest level since 1978, indicative I think of an overall healthy economy - some in-migration and declining interest rates - and I think the activities and the programs of our department.

We have 30 housing-related programs, 256 staff members, not all of whom are here today, but a fair number of them, to help provide information. The total budget request for year ending next March 31 is for 46.16 million.

**MR. DEPUTY CHAIRMAN, J. Maloway:** The Member for Assiniboia.

**MR. R. NORDMAN:** Thank you, Mr. Deputy Chairman, and thank you, Madam Minister, for your comments. Really, as far as I personally am concerned, I find that many of the programs that have been instituted over the last number of years are very laudable. One other thing that I think has changed the attitude of builders and purchasers, no doubt, we all have to agree that the interest rates certainly have made an impact on purchasing and building.

I recall when I was on City Council, where we offered houses for infill housing - this is prior to the core area development - we were offering houses at next to nothing, for \$1.00, and we had no takers, absolutely no takers. This goes back about seven or eight years ago, like you said, before the core area development began. I don't begrudgingly give the NDP credit for coming up with some of the programs and the help that they were able to give to RentalStart and so on. I give you credit for doing that. But I think that a lot of the credit, too, along with the help that the government has given, has been the rate of interest, how it has dropped so that it did make it possible that people were able to buy their first house. It has made better housing all the way around.

I think we can call the staff here and I hope to get through this before 5:30, so that we don't have to bring the staff back this evening.

**HON. M. HEMPHILL:** That is cooperation.

**MR. DEPUTY CHAIRMAN:** We're now on 1.(b) Executive Support - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Deputy Chairman, really, I don't have a great deal of contentious issues on the figures here. I believe that in looking them over, sure there have been some increases, some decreases, but I feel relatively assured that these are just normal increases, particularly on the staffing. I don't see that there is anything exorbitant, any exorbitant increases. So I really don't have any reason to want to go through it line-by-line. I have several things that I do want to talk about. One of them, Madam Minister, you did mention, with regard to the alternative housing for the North, I'm interested in knowing how you would change what is going on now. What changes would you make in the construction to make better housing in the North?

**HON. M. HEMPHILL:** I think that we need to make some fairly major changes. Right now we're required to conform to the CMHC building codes which are the same codes that are required for building in the south,

southern homes. So what you will find when you go into the remote area in the north that we're building a three bedroom home, for instance, where the kitchen, bathroom, Corlon floors, drywall. There's nobody up there who can repair drywall, for instance. Exactly the same kind of a home as we're building down south.

It's totally inappropriate for a couple of reasons: it's not the way people live, it's not the kind of space they need, it doesn't suit their lifestyle at all. It's costing us a lot of money and a lot of unnecessary money. We have to fly everybody up there, we have to fly all the materials up, when something goes wrong you have to fly people up to repair it. What we want to do is have much more flexibility.

Now, I don't think we have any perfect solutions; I wish we did. But there have been attempts made already to try a number of different kinds of construction and methods and they've been very successful. They've cost sometimes less than half the amount of money we're spending now. They're much more satisfactory to the clients and that's important.

One of the things we do with these building codes is we don't ask the clients what they want. We simply go in with a plan of a house that we build in the city, build it and hand them the keys and say here's your house; not how do you live, what kind of space do you need. It might be that a trapper and a fisherman earning \$10,000 a year needs a shed on the back of a house to skin or take care of his traps and things, much more than he needs something that we're giving him.

(Mr. Chairman, M. Dolin, in the Chair.)

What we asked when we were out at the housing conference was that we be allowed to deviate from the existing - there's two things we can do. You can bring in a new code, which I think would take a lot of time and cause a lot of problems perhaps in coming to agreement; or allow flexibility in the codes that are there when we're building in the North. Let us try a few different things. Let us try to build some models and some homes with the people that are there.

One of the things the program doesn't do is allow them to participate. Somebody might have a couple of sons and themselves, they might be willing to work and put some labour into it. We don't allow that. So we make them get exactly the kind of a house we want to build.

We had a lot of support, I think, from a number of other provinces, particularly British Columbia I think was supportive on that one - most of the other provinces. What we have now is an agreement from the Federal Government that a certain percentage of the homes, each province will be allowed to deviate from the codes and to build and try other models; however, the numbers aren't high enough. We're still going to continue, over the next five-year period, to build far too many and by far the largest number of houses under the old building codes. So we're continuing to make our points.

I think we have a commitment or an agreement from the President of CMHC to come and tour the North with us. In other words, he said he will come to Manitoba and go with us into these communities, look at the kind of housing we're building that we don't want to build, and look at some of the housing that is working better and that we would like to continue.

Monday, 18 August, 1986

**MR. CHAIRMAN:** Could we have a little order, please? If you want to converse, please do it in the rear.  
The Member for Assiniboia.

**MR. R. NORDMAN:** Yes, Mr. Chairman, are you basically saying that this housing would be for the Natives rather than . . .

**HON. M. HEMPHILL:** It would be largely Native but not necessarily only Native.

**MR. R. NORDMAN:** I think that pretty well covers that, Mr. Chairman, and we'll just go on to another subject here.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNESS:** Mr. Chairman, I don't know in what order you may be covering this, but I'd like to ask one question under Research and Planning and whether you would like to proceed to that point, or however.

**MR. CHAIRMAN:** We'll pass 1.(a) if the member is finished.

**HON. M. HEMPHILL:** Okay.

**MR. CHAIRMAN:** 1.(b)(1) - the Member for Morris.

**MR. C. MANNESS:** I have before me, Mr. Chairman, the Supplementary Information, and I refer to Page 17, Research and Planning, reference No. 3. The second item talks about the department's strategic planning function.

I'm wondering if the Minister can tell me what this function is. Is it put to paper and can she share that with us?

**HON. M. HEMPHILL:** Mr. Chairman, this is basically an internal government document that we developed to give us an overview of planning and issues that we'll be dealing with for a period of three to five years. It deals with such things as the market, environmental issues. Mr. Chairman, I'm advised also that it's part of our budget planning process.

**MR. C. MANNESS:** Mr. Chairman, I'd ask the Minister, because it's in capitalized letters, whether or not a document exists that captures the essence of this planning function and, if so, whether she can share that with us.

**HON. M. HEMPHILL:** Mr. Chairman, the document that we produced is the same document that all departments are producing. The information is provided to the Minister of Finance, the Department of Finance.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. D. BLAKE:** I assume, Mr. Chairman, we're having some general questions on Housing.

**HON. M. HEMPHILL:** Yes.

**MR. D. BLAKE:** I wanted to ask the Minister some questions on Native Housing. It's a responsibility of this department, Native Housing.

**HON. M. HEMPHILL:** It's a shared responsibility between ourselves and CMHC.

**MR. D. BLAKE:** I wonder if the Minister could tell me the situation with the Native Housing at National Mills and at Baden. How many units are there and how many are presently vacant?

**HON. M. HEMPHILL:** We believe that might be a CMHC responsibility if you can just hold for a minute. We might go on to another question and we'll let staff find that.

**MR. D. BLAKE:** Do we have some responsibility with the housing projects at Wabowden?

**HON. M. HEMPHILL:** Yes, we have units that we administer at Wabowden.

**MR. D. BLAKE:** What is the situation there? Are there any vacant? What is the situation with the rental payments or the mortgage payments on them?

**HON. M. HEMPHILL:** Mr. Chairman, I believe that the family units at Wabowden, there are no vacancies and there is a waiting list. The elderly is newer, and there might be some vacancies there or some vacancies in the elderly.

**MR. D. BLAKE:** How are the mortgage payments or rental payments on those units?

**HON. M. HEMPHILL:** How are they, how much?

**MR. D. BLAKE:** Are they up-to-date? What are the arrears?

**HON. M. HEMPHILL:** Mr. Chairman, just a general comment about the arrears. In general, we're improving the situation all over the province in terms of the numbers and the amount of arrears. In this particular case, we don't have the information with us, but we can get it for you and provide it.

**MR. D. BLAKE:** I wonder if the Minister could give us an up-to-date list of the units, number of units in arrears and the amount of the arrears that would be broken down, one year arrears, two years, six months, one year, two years, something of that nature that we could get some handle on the situation.

**HON. M. HEMPHILL:** In this community or overall?

**MR. D. BLAKE:** Overall.

**HON. M. HEMPHILL:** Mr. Chairman, we thought we had the detail on a regional basis, but we find that we don't have that with us. We can . . .

**MR. D. BLAKE:** You can get it and provide it to me later, Mr. Chairman.

**MR. CHAIRMAN:** Is it possible to provide it at a later date?

Monday, 18 August, 1986

**HON. M. HEMPHILL:** Yes, later today?

**MR. CHAIRMAN:** Or at a later date.

**HON. M. HEMPHILL:** At a later date, yes.

**MR. D. BLAKE:** The situation at Gillam where there was a problem with the contractor moving out with basements half-finished, unfinished, how did we finally resolve that problem?

**HON. M. HEMPHILL:** Mr. Chairman, the problem is Hydro's responsibility.

**MR. D. BLAKE:** Strictly - housing is not involved there at all.

How about the other areas in the North where there was faulty construction. There were tremendous problems a year or two ago with basements heaving and cracking and houses going into a state of disrepair. What's the situation there now?

**HON. M. HEMPHILL:** Mr. Chairman, we have a program with the Federal Government which is a retrofit program where we go into these communities. We've been into Wabowden, God's Lake, Brochet. CMHC goes in sometimes on their own and does an examination, and makes corrections that are necessary.

**MR. D. BLAKE:** Is this working out satisfactorily? Are the houses being put back into first-class condition? What is it costing?

**HON. M. HEMPHILL:** Mr. Chairman, it's my understanding that they are brought up to a good standard. The range of the costs would be \$15,000 to \$20,000.00. I think we were just indicating that I think the original problems are often design problems, and that's where we have to start dealing with the issue, not correcting them at this cost later on down the road.

**MR. D. BLAKE:** I find it difficult to comprehend, Mr. Chairman, that there's a design problem in the North. They've been building houses in the North for years and years. Surely by now, with all the experimentation with permafrost and other problems that they have in the North, surely with the engineering and technical abilities that we have in this country, we could have devised a construction that would be suitable to the North that wouldn't create these problems. There have been dollars and dollars and dollars pumped into this over the years.

Are we involved in Churchill at all, with the housing there? They've been using an adjustable, stilt-type of pier there, that when there was some change they could adjust it. I haven't been in there for two or three years. I just wonder if they've worked out satisfactorily? I'm not too sure if the members have been in there any more often than I have.

**HON. M. HEMPHILL:** Mr. Chairman, I'll just give a general comment. I think the member came in just a little after we talked about this issue.

We quite agree with him and would be quite happy to have his voice heard, along with ours, to make the

point with CMHC. We don't think it's so much that there aren't better ways of building and that we don't have that information and don't know it; we're not allowed to use it because we have to follow the CMHC building codes, which require us to build the same as we build down south. We're asking and have agreement from the Federal Government to change that so we can do exactly the kind of thing he suggested.

**MR. D. BLAKE:** The Federal Government is to blame again?

**HON. M. HEMPHILL:** I wish I didn't have to do that. I really do.

**MR. D. BLAKE:** I'll certainly speak to my federal member and if he's had some hand in this, I'll tell him to get the show on the road. We can't afford to keep pouring money down a rat hole; we've got to get a house that'll stand up in the North, inside and out.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I have a couple of questions dealing with Housing. Would this be the appropriate place to question dealing with the Housing Inspectors? Could we do that?

**HON. M. HEMPHILL:** We're going generally, whatever your questions are.

**MR. CHAIRMAN:** We're not going line-by-line at this point.

**MR. J. DOWNEY:** Oh, we're not? We're breaking from tradition?

**MR. CHAIRMAN:** Go for it. The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I just want to check out, in the last provincial election in the riding of Arthur, an individual who works for the Housing Department ran against me. Did that individual take leave of absence during the last provincial election or was he on full pay?

**HON. M. HEMPHILL:** How did he do, by the way?

**MR. J. DOWNEY:** Seeing as we're breaking tradition, I'll answer the Minister. He actually ran third, I believe, behind the COR Party.

The question is, was he using the taxpayers' money when he was campaigning against all of the other ones?

**HON. M. HEMPHILL:** Mr. Chairman, we believe that he was either on leave, but he may have taken vacation. Staff will check that out and confirm it.

**A MEMBER:** He couldn't get 35 days vacation.

**MR. CHAIRMAN:** The Member for Arthur still has the floor.

**MR. J. DOWNEY:** Mr. Chairman, I would be interested to know the details as to whether he had vacation with pay, or whether he took a leave of absence, or what

Monday, 18 August, 1986

the situation was. I'd like to have a report on that period of time for that employee.

As well, what stage is the Critical Home Repair Program at? Is it up-to-date or are there a lot of people on the waiting list? I'd like to know, as well, what some of the criteria are to get support under the Critical Home Repair?

**HON. M. HEMPHILL:** Mr. Chairman, the Critical Home Repair Program is set up to help preserve the housing stock by providing low-interest loans and grants to seniors and low-income families whose homes are 10 years old and require repairs of a critical nature like plumbing, electrical, and heating.

The maximum partially-forgivable loan for families is \$3,000.00. The grant for pensioners is \$1,500.00. In 1985-86, there were 1,517 recipients and the value of the program, or the cheques issued, was \$2 million. And we're just checking on the second part of your question.

**MR. J. DOWNEY:** Part of the question being the number on the waiting list; the number of approvals opposed to those that have been applied for. That's the question. The number of approvals compared to those that have been applied for; like the applications versus approvals.

**HON. M. HEMPHILL:** Mr. Chairman, it's my understanding that we're just about up-to-date on the take-up of the program but we don't have the information here that tells us how many people applied and how many approvals were given. We'll have to get that for you.

**MR. J. DOWNEY:** I'd appreciate that information being provided. I'd just like to have an idea. Does the Minister have a job description, or the criteria as to what qualifications these inspectors have to have to get the job, and the kind of work activity they perform in a month; how many houses, what area they cover, and the reporting system as to their activities? Is that available?

**HON. M. HEMPHILL:** Mr. Chairman, I'm informed that we could provide you with a report with that information in it.

**MR. J. DOWNEY:** I would like that, what the criteria is, the job description as well as the work activities of the same individual that I carried out the question dealing with the election period of time, just to get an idea of the workload the individuals who are inspecting have, the average housing inspections, those types of answers. A report would be helpful. In fact, there must be a report on all the housing inspections within the department for the past year, is that available? And the areas, and the regions they've inspected?

**MR. CHAIRMAN:** Affirmative.

**MR. J. DOWNEY:** Hansard can't pick up a nod of the head.

**HON. M. HEMPHILL:** Yes, Mr. Chairman.

**MR. J. DOWNEY:** I thank the Minister for being prepared to provide that information.

**MR. CHAIRMAN:** The Member for Thompson.

**MR. S. ASHTON:** Thank you, Mr. Chairperson. I'd like to raise an item I raised last year in Estimates and I'd like to report to members of the committee, there's been a fair amount of progress in regard to that item, that's the proposal to establish a seniors' housing complex in Thompson. Since I raised this matter last year there's been some significant developments, including an indication by the local Rotary Club that they would sponsor such a development.

**A MEMBER:** Three cheers for the Rotary Club.

**MR. S. ASHTON:** A good group, the Rotary Club. In fact, land has been obtained from the City of Thompson, so that there's been some pretty significant movement toward obtaining such a facility.

There actually has been quite good cooperation with the Department of Housing. I certainly give them credit for working with both the local seniors and the local Rotary Club. What I wanted to do was again flag the sense in Thompson that we do need a seniors' facility. In fact, I don't think it's an understatement to say, Mr. Chairperson, that seniors' housing is the top priority of the Community of Thompson at the present time and I think I'm speaking for everyone in our community in saying that we're appreciative of the efforts of the Department of Housing and hopeful those efforts, combined with our own efforts in getting the proposal together, will lead to the development of the seniors' housing facility in Thompson fairly soon.

I think if you look at the situation we're in now, as a community, we're beginning to need facilities for our seniors. We've got a population that is growing older demographically and I'm very hopeful that we will be able to develop such a facility. I would certainly recommend it to the Minister and her department.

**HON. M. HEMPHILL:** Mr. Chairman, just to say that we agree with the need that's been communicated by the Member for Thompson, I have a very good working relationship with the Rotary Club and my department; and I think that he can expect to hear something, if not immediately down the road, successfully about this program.

**MR. CHAIRMAN:** The Member for Assiniboia.

**MR. R. NORDMAN:** While we're on Northern housing, I was in communication some time back with the people in The Pas and it appears that on the reservation they have a policy whereby if you are not officially married, they will not rent you a house. So what is happening is that the Natives are coming across the river and moving into the housing that we are providing for them. Could the Minister comment on this situation? Are you aware of it?

**HON. M. HEMPHILL:** Not until this moment. I'll have to wait a moment and see if my staff is aware of it.

**A MEMBER:** Aware of the problem or aware of them being married?

**HON. M. HEMPHILL:** Neither. Mr. Chairman, I'm informed that my staff is aware of it, but feel that it

isn't causing us a problem, that it isn't taxing our stock at the moment, no.

**MR. R. NORDMAN:** Well going back to the question that the Member for Minnedosa asked was with regard to the delinquent rentals that prevailed here about two years ago. Has the situation improved over the last couple of years and have the - well, we'll just leave it at that. Has it improved? Have you been able to catch up on some of these people who were in arrears?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, there is a considerable improvement overall in dealing with the problem of arrears. I think it results from the major policy change by the board that came in in 1984 where they approved a comprehensive, compassionate eviction foreclosure arrears policy - if there is such a thing - but it requires that each tenant-mortgager be visited and arrangements made for the gradual repayment of arrears and that it takes into consideration the financial situation of each tenant; but it does spell out a stricter control, I think, and that has been put in place. What it has done, it has stopped the increase. We were facing a considerable increase in mortgage arrears each year and, with the implementation of this policy, that increase has not happened.

I'm just going to give a little bit of additional information. We've got 14 accounts that have recently been turned over for eviction and foreclosure. Those will, I think, be the first and I think the feeling is that once we have actually foreclosed, that the message will get around and we expect that it will help encourage people to pay up.

**MR. R. NORDMAN:** Well then, this will be the first evictions that will be imposed?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, this is just in the R. and N. Program; it doesn't deal with any programs outside, but this will be the first actual evictions.

**MR. R. NORDMAN:** Well have they considered a debt review panel for the arrears, or is that basically what you have now?

**HON. M. HEMPHILL:** Mr. Chairman, I'm informed that we do review it, that we have staff go up and visit them. In the meeting, they go into quite considerable detail about their financial situation and any problems they're having and they have reviewed or sent on to the debt review panel in the past.

**MR. R. NORDMAN:** Going back through the history of the Housing Department, in The Pas at one time they had a mobile home park. Is it still there and has it ever shown a profit, or what is the situation with the mobile home park?

**HON. M. HEMPHILL:** Mr. Chairman, it is still there and the role that we play is to simply provide a guarantee on the mortgages to the banks.

**MR. R. NORDMAN:** Then there was the Bell Avenue subdivision and where do we stand with that? I gather

there was quite a number of lots there that - the Bell Avenue subdivision - and have we been able to unload any those lots or the units that were - I'm just going back from questions from previous years that were asked and researching it.

**HON. M. HEMPHILL:** Could you repeat the question please?

**MR. R. NORDMAN:** The Bell Avenue subdivision, where are we with it? I understand there were a number of lots and units. Have we been able to sell any of the lots off or the units?

**HON. M. HEMPHILL:** There are one or two lots presently unsold, and I believe we're just bringing on another 43.

**MR. R. NORDMAN:** Just curious, Mr. Chairman, as to the number of lots that we have in the rural areas. I noticed an ad in the paper here recently with regard to a sale of zoned residential land at Steinbach. I'll pass that on to you and let you have a look at that. Do we have a lot of land, say, at the Steinbach area? What do we have at Portage la Prairie or Brandon? We must have done some land banking somewhere along the line. It would be interesting to know what we have.

**HON. M. HEMPHILL:** Mr. Chairman, we presently have about 1,000 acres outside of Winnipeg, 1,000 in the rural area; and are presently in the process of looking at a strategy for disposal of that property which we don't need.

**MR. R. NORDMAN:** Could we have a - we don't need it today; I don't expect you to have this at your fingertips - could we have at a later date the number of lots that have been sold in the last five years, for instance, and how many lots have been developed on and are under subsidized rental.

**HON. M. HEMPHILL:** Just a question for clarification, Mr. Chairman. Is this the total land holdings or in the country that you're asking about?

**MR. R. NORDMAN:** In the country, particularly in the rural area.

**MR. CHAIRMAN:** The Minister of Housing affirmative. The Member for Elmwood.

**MR. J. MALOWAY:** Thank you, Mr. Chairperson. I wanted to inquire as to the status of the seniors' home at Stadacona and Watt as to what the situation is with regard to that building at the present moment.

**HON. M. HEMPHILL:** Mr. Chairman, the existing project that's under construction is about two-thirds completed.

**MR. J. MALOWAY:** Does the existing project include the second phase; the building over the brewery lot?

**HON. M. HEMPHILL:** Mr. Chairman, it isn't included in the first phase but the second phase should

Monday, 18 August, 1986

commence - I'm informed that the second phase will proceed sometime in 1987.

**MR. J. MALOWAY:** When will these phases be ready for occupancy; phase one and then phase two?

**HON. M. HEMPHILL:** Late spring for phase one and about a year later for phase two.

**MR. J. MALOWAY:** I see. A final question: are there any other developments on the drawing boards right now for the Elmwood constituency?

**HON. M. HEMPHILL:** Not that we can recall immediately.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNESS:** Mr. Chairman, I'd like to ask the Minister if she could tell me, under all the programs of this Department of Housing, what the total indebtedness is of all the people who are renting now or owning homes under various programs; indebtedness to the Province of Manitoba.

**HON. M. HEMPHILL:** Approximately \$250 million.

**MR. C. MANNESS:** Could the Minister tell me how much money in accumulated or combined payments were made by people under these programs in the past fiscal year or indeed forecasted to make again cumulative in this present year?

**HON. M. HEMPHILL:** Mr. Chairman, I'm informed that we have that information presently but in quite a number of pieces and we can compile it and put it together.

**MR. C. MANNESS:** Mr. Chairman, the reason I posed the question, first of all, I find it somewhat strange that global information, if you will, isn't very close to the front of the mind of the Minister of Housing. She's running a major department here and from time to time reminds us as to the activities of the department and the government and how well it's doing.

Yet, Mr. Chairman, I find where the Minister really doesn't have an understanding of the large, large figures that are needed to support a very worthwhile department. I look for instance, under Loan Act No. 2, and I see another significant request for funds to be borrowed in support of ongoing programs within this department; it seems to me the number is 70 million. Yet the Minister stands up, at least once every three weeks in the House, and reminds us how fortunate we are that we have another program within her department, the latest example of that being the Infill Housing. Yet, Mr. Chairman, I don't detect, at least, an understanding by the Minister that there are tremendously large borrowings in support of that type of endeavour.

That's why I wanted to pose some very general questions to her, asking to see whether she had any understanding of the specific global numbers related to her department. She's shown me that she doesn't.

I guess I could go further and say that it would be interesting to know how much money does flow in, in

the form of payments, which of course then can be used by the department to go back and provide additional housing. I guess I would ask the Minister whether she's expecting that answer to be given to her shortly or not . . .

**HON. M. HEMPHILL:** Mr. Chairman, I can appreciate the member asking the question and I simply have to reiterate that the form in which he put the question that we have a number of pieces that don't fit and give the answer in the way he posed it and we'll have to compile that.

**MR. C. MANNESS:** Mr. Chairman, the Minister very quickly, in one of the few answers she was able to answer on her own today, has indicated that under some certain program, there are only 14 arrears. That would indicate that there is an arrear total and I'm just trying to compare that, and maybe the Minister will provide the total value of arrears under the various programs. I'm just trying to relate that to the total payments forecasted and expected by all those people who are now the owners of homes which have been mortgaged, who have been given money in a subsidy form through the Government of Manitoba. So I'm trying to relate some understanding of the arrears to the amount of money that has been paid off and, thirdly, to the amount of bad arrears that may have been written off by the auditor. These are just very general questions and hopefully the Minister can provide the answers to them.

**MR. CHAIRMAN:** For clarification perhaps, the member is requesting arrears as a percentage of total payments for a given time period, or at a point in time?

**MR. C. MANNESS:** No, I don't need a percent. I'll do my own calculation. Just if we could have some understanding what the total arrears are in dollar value.

**MR. CHAIRMAN:** Total payments and total arrears.

**HON. M. HEMPHILL:** Mr. Chairman, the information I have is that the total arrears, which is all related to the rural and northern - most of it is coming from the new rural and northern, outside of there, we have very, very minor problems - is in the range of \$1 million, which is about 3 percent, less than 3 percent and we have 36 million in revenues.

**MR. DEPUTY CHAIRMAN, J. Maloway:** The Member for Morris.

**MR. C. MANNESS:** Mr. Deputy Chairman, the Minister in her final few comments there removed any question that may have flown, so the Minister is saying then that total global payments by people who have these homes are under various programs, it's roughly 36 million and roughly 3 percent of that is in the arrear state at this point in time.

I would ask the Minister one final question and it deals with capital. I haven't sat through Housing Estimates before, but doesn't the Minister lay before the committee a list of all the capital projects that are to be taken, particularly within the senior citizen housing

Monday, 18 August, 1986

programs? Is that tradition? Is that done? And if so, when will that be done?

**HON. M. HEMPHILL:** Mr. Deputy Chairman, does the Member for Morris want me to read quickly a list of the communities? We'll provide him with the information then.

**MR. DEPUTY CHAIRMAN:** The Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Deputy Chairman. I have some questions on the Shelter Allowance for Elderly Renters. Has that been discussed before? I'm wondering from the Minister, what is the criteria for the program? What is considered besides income?

**HON. M. HEMPHILL:** Mr. Deputy Chairman, the Shelter Allowance, the SAFER Program provides direct monthly cash maintenance to pensioners on fixed income, age 55 and over, who rent private accommodation and whose rent exceeds 25 percent of household income.

The program allows pensioners to afford private rental housing of their choice. It can cover 90 percent of eligible rent, over 25 percent of income, to a maximum of \$140 per month with a maximum claimable rent of \$325 for one person, \$350 for a couple, and the benefits have stayed the same since 1982-83. In 1985-86, there were 4,090 recipients and the value of the cheques issued was \$3.2 million.

**MR. CHAIRMAN, M. Dolin:** The Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Chairman.

I had a call from an elderly person the other day who was questioning how it could happen that her SAFER allowance cheque could decrease when she got an increase in her pension. I'll just give you a picture of it so it will be easier to understand.

She's on pension and supplement. She was getting \$483.04 a month and she's now getting \$489.96 as of the 1st of July. Now in June her SAFER allowance was \$43.73, but in July it was \$34.73 - a decrease of \$9.00. So, in order to get about \$6 or \$7 more in pension, she loses almost \$3 in her SAFER allowance. I wonder, could the Minister explain that?

**HON. M. HEMPHILL:** Mr. Chairman, I think with a particular case like this, there could be a number of factors that are affecting that and it's hard to determine what they are. Perhaps the best thing to do would be to take the particular case and instead of guessing at what the issue might be, we could tell her exactly.

**MRS. C. OLESON:** From what I could gather, it's her only income.

**HON. M. HEMPHILL:** That's what we were wondering, if she had any other income.

**MRS. C. OLESON:** So, if the increase in pension caused her to be put into another category as far as the SAFER allowance. I'm wondering, if this has affected one person, perhaps the Minister could take a look at it and see how it has affected other people because it would be just a trifle ridiculous if you get a small increase which causes you a large decrease in a SAFER payment.

**HON. M. HEMPHILL:** First of all, Mr. Chairman, we'll be glad to look into the particular case and also to look at the general issue she's raised.

**MRS. C. OLESON:** Thank you.

**MR. CHAIRMAN:** The Member for Assiniboia.

**MR. R. NORDMAN:** Now, I'd like to jump a little bit into the subsidized housing part of it, Mr. Chairman. Inkster Garden Drive, I had a look at that the other day and it's a pretty good-looking piece of property. Can the Minister give us any information as to the cost per unit?

**HON. M. HEMPHILL:** Mr. Chairman, if that is in the Meadow West subdivision, we didn't build any of those units. We just made the lots available to builders. Most of them were made available to small builders.

**MR. R. NORDMAN:** 18 to 20, and 24 to 26, I believe, are subsidized housing.

**HON. M. HEMPHILL:** Mr. Chairman, we do have one project in Meadows West that is subsidized. It's 40 units and it's operated on a rent geared to income basis.

**MR. R. NORDMAN:** I believe it's the same one that we're speaking of. What is the rent? How do they arrive at a rental charge for that, for a unit? Do you do it in the same manner in which the private enterpriser does? It has to be a certain return on his investment. How does the subsidized housing - Manitoba Housing builds the house, or builds the apartment, the units, and then rents them out and then subsidizes them to a degree. How do you establish your rental figure?

**HON. M. HEMPHILL:** Mr. Chairman, it's based on the economic cost of the operation, minus the rent, which is based on 25 percent of income.

**MR. R. NORDMAN:** The development such as this one in particular, Flora Place, and Winnipeg Avenue, and McDermot, are they tendered out or do you just pick a contractor that has been associated with Manitoba Housing and he just goes ahead and builds it, or are they all tendered?

**HON. M. HEMPHILL:** They're tendered, Mr. Chairman.

**MR. R. NORDMAN:** Property Management, Mr. Chairman - I'm just curious - under the Appeals Branch, under a standard residential tenancy agreement, what is the significance, up in the corner of it, where it states this building is registered as a condominium, yet the people are just renting there?

**HON. M. HEMPHILL:** Mr. Chairman, I'm informed that buildings can be registered as a condominium and can still be rented as long as they are not sold.

**MR. R. NORDMAN:** If he chooses to create a condominium out of it, those people who are renting now have the privilege of maintaining that for the period

Monday, 18 August, 1986

of time they have already been there; is that not right? If they've been there 10 years under the basis of renting, they can rent it for another 10 years, during the conversion?

**HON. M. HEMPHILL:** Mr. Chairman, if they were in before it was registered, it's a minimum of two years, up to two years. If they came in after it was registered, they're supposed to have been advised that it has been registered for a condominium.

**MR. R. NORDMAN:** Where a landlord has been taking advantage of the annual increases as prescribed by The Rent Regulation Act, how can he come before the board and increase his rent by 8.5 percent instead of the regular 3 percent that is dictated by the Rent Regulation Board? What does he have to do to justify that?

**HON. M. HEMPHILL:** He has to be able to demonstrate that his costs are justified, that he has very specific costs that justify over a 3 percent increase, and he has to indicate what those costs are and have the board agree that the costs are accepted under the criteria.

**MR. R. NORDMAN:** I'm curious. There's this one case, in fact, where this gentleman has been living in this apartment since 1975. He originally paid \$190 a month rent for a one-bedroom apartment. He is now, under Rent Regulations, paying \$524 for the same thing. In that period of time, the 11 years that he's been there, the landlord decorated his apartment when he moved in; he has decorated it once since then. This is an apartment that is mainly occupied by senior citizens with fixed incomes and, in many instances widows, yet the first inclination was that their rent was going to be increased to \$512 and then it went before the Rent Review Board and they brought it up to \$524.00.

**HON. M. HEMPHILL:** Mr. Chairman, in this case, we'd probably have to get the history of the block. There may have been a number of reasons. They may have come out of the rent control through a period of time. So I think, if you give us the history, we'll be able to give you the exact . . .

**MR. R. NORDMAN:** I'll give it to the department with it, fine.

The Riverside Lions Manor was another place. I imagine you're all aware of it, that they were allowed an increase in instances from .025 percent to as high as 218 percent increase in one year. That's really . . .

**HON. M. HEMPHILL:** Mr. Chairman, this is a project that is CMHC non-profit, and so does not come under the rent controls. However, we have been working with the people at Lions Manor and CMHC to try and get a resolution to this. One of the major reasons for the very large increases was cost overruns in building the project and some concerns about all of those being passed on to the residents.

**MR. R. NORDMAN:** On the Infill housing, I'm just wondering if the private builder is getting a fair shake from a competitive standpoint in building and selling

in competition to the Manitoba Housing. What I'm referring to is one instance that's in St. James, I believe, where he has built a 775-square foot bilevel, selling privately for 68,000.00. Just down the street from him, there's a 1,000-square foot bungalow a half-a-block away by MHRC selling for 40,000.00. Is that a fair shake? Is there a fair comparison between the two houses, or are we subsidizing it that much?

**HON. M. HEMPHILL:** Mr. Chairman, the prices that we set for the Infill houses are based on appraised values, and they're appraised values for the community in which the homes reside. So it does vary from community to community if the market is higher in some communities and lower in others.

**MR. R. NORDMAN:** Yet, these two houses are just half-a-block apart, so they're still within the communities. Could I jump into Aspen Lodge here at Gimli? How did MHRC get involved in Aspen Lodge and when?

**HON. M. HEMPHILL:** Pardon? I didn't hear the question.

**MR. R. NORDMAN:** Aspen Lodge, when did we get involved in Aspen Lodge and why?

**HON. M. HEMPHILL:** Mr. Chairman, there were a number of reasons why we became involved. One is that we owned it. Another is that the properties were in very bad condition. A third one is that the residents, the people in the community, requested our involvement.

**MR. R. NORDMAN:** How much do you expect to spend per unit in the renovation?

**HON. M. HEMPHILL:** Approximately 25,000 a unit. It ranges depending on the size and the numbers of bedrooms, but the average would be around 25,000.00.

**MR. R. NORDMAN:** Does that include the cost of the services that are being put in, you know, the water services and sewage and the amenities such as the swimming pool? Is that all inclusive in that cost?

**HON. M. HEMPHILL:** Yes, Mr. Chairman.

**MR. R. NORDMAN:** To what degree is Manitoba Housing financing that whole setup?

**HON. M. HEMPHILL:** We're financing the entire project, Mr. Chairman.

**MR. R. NORDMAN:** I believe that there was a complaint. Now maybe there's only the one that I'm aware of, but with regard to some of the renters who felt that they were not given sufficient notice to vacate, has that problem been overcome?

**HON. M. HEMPHILL:** Mr. Chairman, we feel that they were given sufficient notice. We met with them in March of 1985.

**MR. R. NORDMAN:** Has there been any change in policy as to the number of units that are going to be

available for rental? The reason for my question is, I understand that there is such a demand for these units from a sales standpoint, that you might have had to change your policy with regard to the number of rentals.

**HON. M. HEMPHILL:** Mr. Chairman, the policy decision on that was that we would retain 60 of the units for rental as long as the demand was there.

**MR. R. NORDMAN:** I think that pretty well takes care of my questions. I think . . .

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, just one question basically dealing with the — (Interjection) — I put my name on the list a long time ago.

Mr. Chairman, the question is, we have a struggling lumber industry in Manitoba, a mill at The Pas that is going to be shut down tomorrow. What does the Department of Housing do to encourage the use of Manitoba lumber products in their activities, or are there any special efforts put forward by her department to encourage the use of Manitoba products?

**HON. M. HEMPHILL:** Mr. Chairman, it's handled through public tender, and we don't have any particular promotion.

Mr. Chairman, I'm informed that we're not sure that they produce the right kind of lumber.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. M. HEMPHILL:** I was hoping he wasn't here when I said that.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

I'll hold my questions for a further opportunity to ask that question. My colleague from Virden wants to get on before the committee rises.

**MR. CHAIRMAN:** Well, I've got the Member for Niakwa before . . .

**MR. A. KOVNATS:** I shan't be long. First of all, just a couple of minutes ago, the Minister justified an increase of, I think it was 200 percent increase in rent, because it was a non-profit organization. I think that that was the remark. So I think just a remark where a non-profit organization, because it meets with the criteria, becomes a profit organization with one increase.

But I would just like to ask one question and that question is concerning, because of the problems that the government is having with the Department of Natural Resources, Manitoba Public Insurance Corporation, Workers Compensation, MTS and MTX, can the Honourable Minister advise whether there is any investigation going on in this department and whether there's been any indiscretions, discrepancies that are being looked into and are there any staff under suspension at this point?

**HON. M. HEMPHILL:** No.

**MR. A. KOVNATS:** Thank you.

**MR. CHAIRMAN:** Also, just to clarify, the Minister before, in the 218 percent, pointed out that non-profit is not covered under rent control.

**HON. M. HEMPHILL:** The costs were not as a result of being a non-profit project, but a non-profit project that was not under rent control that had significant cost overruns in the building.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

I have a constituent who has a bit of a problem with a new house that was built. There's been some defective workmanship and the contractor agrees that he didn't do things quite right, but since the people have already paid him all his money, they don't have any leverage in terms of getting him to do the job right. Is there any inspector or any method within Housing to be sure that somebody does the job properly?

**HON. M. HEMPHILL:** Mr. Chairman, I think the first effort should be made to see if it's covered under The Homebuilders Warranty Program.

**MR. G. FINDLAY:** I can't hear the Minister's answer . . .

**HON. M. HEMPHILL:** Homebuilders Warranty Program.

**MR. G. FINDLAY:** That's all I want, as long as I find the vehicle.

**MR. CHAIRMAN:** 1.(b)(1) to 2.(b)(2) were each read and passed.

Resolution No. 99: Resolved that there be granted to Her Majesty a sum not exceeding \$3,176,600 for Housing, Property Management and Landlord and Tenant Affairs, for the fiscal year ending March 31, 1987—pass.

3.(a)(1)—pass; 3.(a)(2)—pass; 3.(b)—pass.

Resolution 100: Resolved that there be granted to Her Majesty a sum not exceeding \$12,094,800 for Housing, Program Delivery, for the fiscal year ending March 31, 1987—pass.

4. Resolution 101: Resolved that there be granted to Her Majesty a sum not exceeding \$25,272,400 for Housing, Transfer Payments to the Manitoba Housing and Renewal Corporation, for the fiscal year ending March 31, 1987—pass.

Resolution 102: Resolved that there be granted to Her Majesty a sum not exceeding \$2 million for Housing, Expenditures Related to Capital, for the fiscal year ending March 31, 1987—pass.

1.(a) Minister's Salary—pass.

Resolution 98: Resolved that there be granted to Her Majesty a sum not exceeding \$3,618,200 for Housing, General Administration, for the fiscal year ending March 31, 1987—pass.

Thank you. We adjourn till 8:00 p.m.

Monday, 18 August, 1986

## SUPPLY - NATURAL RESOURCES

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. This Committee of Supply has been considering the Estimates of the Department of Natural Resources.

We are now on Item 4.(a)(1) Water Resources, Administration: Salaries; 4.(a)(2) Other Expenditures - the Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, we've covered a good portion of some of the concerns, I suppose, but some of my colleagues have some questions they want to raise.

I just want to repeat to the Minister, I had raised with him the question of the Roseau Drain the other day. I wondered if his staff maybe had a chance to look into it. The Reeve from the R.M. of Franklin had phoned again today and wondered whether I had any reply from the Minister on that.

**MR. CHAIRMAN:** The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, we may have to have some further elaboration. There was some discussion as the Member for Emerson indicated the previous night. I do have Mr. Tom Weber, who is the director of Water Services, with us today, but he indicated to me that there has been a request from the municipality and there has been communication with the municipality for the regional director. If there is a specific question, could the member put that specific question to us again in this case?

**MR. A. DRIEDGER:** Well, in talking with the reeve, I should of maybe got more specifics, but he gave the impression that the department would know what it was about. Basically it is with the design of the Roseau Drain where I think water control - there is a design in place. I think it needs final approval or a stamp of approval so they can proceed with the certain works that they are undertaking there on the Roseau Drain. If the Minister, as I indicated last time, I was hoping that possibly there would be some information within the department about this because they are concerned. They are ready to do certain works; I think they have a dragline ready to go and stuff like that. But the design of the Roseau Drain I think needs the approval or a plan of approval from Water Resources. I believe a Mr. Pinkos has been involved, one of the engineers, knows what it's about. Somewhere there's a snag with getting the final approval on that thing and I don't know what the problem is.

**HON. L. HARAPIAK:** Mr. Chairman, we are not aware of any reason for a snag in this, but I indicated to staff that they would check this out and we would get back to the Member for Emerson as quickly as that information is made available.

**MR. A. DRIEDGER:** That's fair enough. Possibly if, you know, staff can look into it and find out. The engineers in the field obviously know all about it. Maybe if the Minister could clarify that as soon as he has that information either later today or tomorrow, as long as there isn't too long a delay on that.

One other area that I wanted to just raise a question on, under the Estimates it says Canada-Manitoba Water Development Agreement, and there were funds in there. Would that be the finalization of the Agro Value-Added Crops Agreement that was in place where certain drains were undertaken or there was an expenditure last year? There is no expenditure this year. Would that come under that - I think the name of it was Value-Added Crops Agreement?

**HON. L. HARAPIAK:** The Member for Emerson is correct. The Value-Added Crops Agreement terminated; it is a terminated agreement.

**MR. A. DRIEDGER:** Can the Minister indicate, Mr. Chairman, whether there is a new agreement in place now to take over from that? I believe it's under a different name, but I know that in my particular area the SPADA group is involved again. I believe it's not a continuation, but it's a new program. I wonder, if that is the case, whether that comes under this category and whether that would also include further drainage works jointly with the Federal Government.

**HON. L. HARAPIAK:** I would just like to indicate, Mr. Chairman, that the Agri-Food Agreement replaces part of what was known as the Agro-Man Value-Added Crops Agreement.

**MR. A. DRIEDGER:** Mr. Chairman, could the Minister indicate if under that agreement whether there is provision for drainage works to be undertaken as it was under the previous agreement?

**HON. L. HARAPIAK:** Yes, Mr. Chairman, there is provision for some limited capital works under that agreement.

**MR. A. DRIEDGER:** Mr. Chairman, could the Minister indicate where that would show in the Estimates, the amount of money that would be involved in these kind of programs? Would that be under the capital end of it? Is that part of the capital program that the Minister forwarded to me the other day regarding the projects for this year?

**HON. L. HARAPIAK:** Yes, Mr. Chairman, there is approximately 1.5 million included in the capital projects under that item. The three projects are the Pasquia project for approximately 900,000; Washow Bay for 500,000; and the North Duck River for 100,000.

**MR. A. DRIEDGER:** Could the Minister indicate, Mr. Chairman, under the new agreement, the Agri-Food Agreement, why some of the projects that were not completed under the previous agreement would not be completed under this? For example, the Cooks Creek one, and there was some work that was still left on the Marsh River portion of that agreement as well.

**HON. L. HARAPIAK:** Mr. Chairman, the new agreement was based on a soil and water conservation strategy as opposed to strictly a drainage approach. So the Cooks Creek was more of a drainage project where the projects that have been identified here are looking more at the soil and water conservation strategy.

**MR. A. DRIEDGER:** Mr. Chairman, I don't want to get into the capital at this stage of the game. I'm just wondering. Is that where we get all the final information on the Agri-Food Agreement that the Minister is talking about? If we wanted to pursue that further, the guidelines of the agreement, etc., the period of time, would I do that under capital or would I do that under this area here?

**HON. L. HARAPIAK:** Mr. Chairman, I'm advised that the Department of Agriculture has put out a document giving some further detail on these particular projects, but I really have no preference as to the time in which we would discuss these. If the member wanted to discuss them further at this stage, I would be prepared to do so; or if he wanted to leave it until we were dealing with capital, then we could deal with it then.

**MR. A. DRIEDGER:** Well, because the Minister has indicated there are three specific projects that are covered in his department under this federal-provincial Agri-Food Agreement. I'm wondering then if I could suggest to the Minister that, together with the Minister of Agriculture, if he could maybe forward to us - not the agreement itself - but exactly the time of the agreement, maybe some of the pertinent information on that.

How do we differentiate, Mr. Chairman, because the Minister of Agriculture is here as well, because this is combined between the Department of Agriculture and the Department of Natural Resources; and we have I think over a million dollars that is involved in the Department of Natural Resources in this agreement. I'm just trying to clarify that so that we know exactly how it's being handled and what's being done with it.

**HON. L. HARAPIAK:** Mr. Chairman, those capital projects were part of the material and capital that we tabled, I believe, last Thursday when we were talking about capital projects. So within that package of materials, those three projects are included, so the material is there, but if the Member for Emerson is wanting some more detailed information on the agreement, I see the Minister of Agriculture indicating that it was tabled during his Estimates. But I'm sure that we could get copies of that again and make it available for the member.

**MR. A. DRIEDGER:** Mr. Chairman, I'll indicate to the Minister I'll leave that area for the time being and when we get to the capital, then I'll try and see what information we have on that and possibly pursue the matter a little further at that time.

I believe also, Mr. Chairman, that some of my colleagues have some questions on the lake levels and I'll turn it over to him.

**MR. CHAIRMAN:** The Member for Portage.

**MR. E. CONNERY:** Mr. Chairman, I have a concern that the Fairford Dam - is the Fairford Dam running full, or did I gather from your remarks to the Member for Gladstone that they're putting some stop logs back in?

**HON. L. HARAPIAK:** The Member for Portage is correct. The information I gave to the Member for

Gladstone on Thursday evening, they were to start replacing the stop logs on the 15th of this month.

**MR. E. CONNERY:** At what level between the minimum and maximum ideals is the lake at now?

**HON. L. HARAPIAK:** Mr. Chairman, I had the table with me on Thursday evening, I don't have the table with me now. But I'm told that the level is now at 811.3. Maybe I can just get from my staff here, the range, and indicate to you where that is in the range.

The range of levels, the minimum is 811, the maximum is 813, that's in feet; and the level as I indicated earlier, is now at 811.3.

**MR. E. CONNERY:** Did I hear the answer right, that the minimum is 811 and the maximum 813?

**HON. L. HARAPIAK:** That is the desirable range of levels. That is the minimum desirable, minimum level, and 813 is the desirable maximum level.

**MR. E. CONNERY:** Mr. Chairman, with the amount of drains, the Whitemud, the Assiniboine River diversion and all the other conservation districts that are putting water faster into Lake Manitoba, has there been any study done to assure us that under severe conditions, the Fairford channel will allow the water to get out of Lake Manitoba?

**HON. L. HARAPIAK:** Mr. Chairman, I'm advised that the Lake Winnipeg and Lake Manitoba board looked at this issue in the 1950's and judged that the presently designed channel is adequate.

**MR. E. CONNERY:** But, Mr. Chairman, the Minister is saying that the study was done in the 1950's, but I think there's been a lot of work done to improve drainage into Lake Manitoba since the 1950's. Is the Minister saying now that staff is absolutely satisfied that even under severe conditions the lake could be drawn down through the existing Fairford channel?

**HON. L. HARAPIAK:** Mr. Chairman, the Manitoba Water Commission was conducting a study into Lake Manitoba this summer.

The study has for the most part been completed and there is a report forthcoming. If there is a problem in that respect, I'm sure that the Water Commission would address that; but as soon as that report is available, certainly I'll make it available.

**MR. E. CONNERY:** Did I understand that you said it would be made available to us, the report?

**HON. L. HARAPIAK:** When it is tabled. I have not yet received it, but when I do receive that report it will be made available to others.

**MR. E. CONNERY:** When would be the appropriate place, here or under Fisheries, to discuss the fish ladder? It's part of the run-through of water, but . . .

**HON. L. HARAPIAK:** I would suggest, Mr. Chairman, that we deal with it at the time of Fisheries because

Monday, 18 August, 1986

we'll have some of our Fisheries personnel here at that time. I think the member will be wanting to question the efficiency of the fish ladder, so I think the question would be more appropriate at that time.

**MR. E. CONNERY:** Has there been any other studies done on the lakeshore preservation as there were some studies done some time ago? Has the Minister got any studies going and is there any concern as to what we're going to do about preserving the lakeshore? Some areas are building up, but others are being badly eroded.

**HON. L. HARAPIAK:** I wonder if the Member for Portage could clarify whether he is asking specifically about Lake Manitoba or speaking of lakes of Manitoba more generally.

**MR. E. CONNERY:** Lake Manitoba, Mr. Chairman.

**HON. L. HARAPIAK:** Mr. Chairman, there was a study done by the Engineering Branch - I believe the date is 1978 - where they were looking at the concerns that different people had on possible effects of erosion and there was a report prepared and shared with the lakeshore residents, indicating how they might address issues in their particular case.

**MR. E. CONNERY:** Thank you.

**MR. CHAIRMAN:** 4.(a)(1) to 4.(g)(2) were each read and passed.

Resolution No. 122: Resolved that there be granted to Her Majesty a sum not exceeding \$8,854,300 for Natural Resources, Water Resources, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 5.(a)(1) Parks, Administration: Salaries; 5.(a)(2) Other Expenditures - the Member for Emerson.

**MR. A. DRIEDGER:** Yes, Mr. Chairman, we'll be having a series of questions on this section here.

I'd like to start off by asking the Minister whether the Whiteshell Cottage Owners Agreement, or the new regulations, whether they have been approved already?

**HON. L. HARAPIAK:** Those regulations, Mr. Chairman, have been approved by Cabinet, but I am not certain that they've yet been gazetted. They could be, but I'm not sure of the exact date on that. But they have been approved by Cabinet.

**MR. A. DRIEDGER:** It is my understanding, Mr. Chairman, under the new regulations which are quite substantive - and I have a colleague who wants to raise some questions on that - but I understand that there's a grandfather clause in there which sort of gives protection for people in the Whiteshell who have certain cottages now that might not be complying under the new regulations, but that the grandfather clause sort of puts protection in there. Could the Minister confirm that?

**HON. L. HARAPIAK:** Mr. Chairman, I want to spend a few minutes on clarifying that because, though there

is an element of grandfathering, it should not be taken to mean by some that anything that happened prior to these new regulations will in fact be acceptable.

Let me point out that prior to 1974 there were no regulations governing certain kinds of structures, and regulations were put in, in 1974, and those regulations were in place until - this particular group of regulations came through in 1986 - so that those structures that were perhaps in excess of the provisions that were in place from 1974 until the new regulations were put in, but were within the provisions of the new regulations, they would be taken to be acceptable. But if they were in excess of the new regulations, they would not be grandfathered in that sense.

The item that complicates this a little bit for some people in looking at it, those, let's say, structures that were put in place prior to 1974 when there were few regulations covering that, we could implement the regulations on a retroactive basis. So some of those structures which were in place prior to 1974 and may, in fact, be outside of the expanded regulations for 1986, because those structures were there in advance of the regulations, those may in fact be grandfathered.

But during that period from 1974 to 1986, if somebody knowingly went in excess of the regulations, and is in excess of the provisions that we brought in, in 1986, that would not be grandfathered.

**MR. A. DRIEDGER:** Mr. Chairman, could the Minister indicate how many cases would be affected by the not grandfathering clause in there?

**HON. L. HARAPIAK:** I have indication here, Mr. Chairman, that - I think this is for Falcon Lake specifically - that seven or eight cottages out of a total of 787, perhaps 1 percent would not be grandfathered.

**MR. A. DRIEDGER:** Mr. Chairman, can the Minister indicate in those seven or eight cases, is it the intention of the Department to make the people tear down, renovate and run to extreme costs in terms of complying?

**HON. L. HARAPIAK:** Mr. Chairman, I would want everybody to understand clearly that the regulations make provisions for a variance procedure, wherein somebody is outside of the regulations they have an opportunity to present their case to a Variance Committee which will consist of representation from the Parks Branch and representation from the cottagers; and that Variance Committee, having heard the case, would make recommendation to the Director of Parks.

So certainly we don't want to leave the impression that because somebody is outside of the regulations, that there would be any kind of a heavy-handed approach. By the same token, we accept that where somebody knowingly chose to be in excess of the provisions of the regulations, I think we have a responsibility and certainly I think the cottagers of the area would want us to uphold that responsibility, to ensure that their people were now knowingly and willingly going in excess of the provisions of the regulations.

**MR. A. DRIEDGER:** Just so that I understand, Mr. Chairman, what the Minister is saying, that in the seven

or eight cases that are there, that the option that these individuals have, is to apply for a variance to a board, or a committee or whatever, to ask for a variance, and that board would then make a decision and recommend it to the Director of Parks.

Would that recommendation be binding or would that just be a recommendation that the director could still move on it as he wanted to?

**HON. L. HARAPIAK:** Mr. Chairman, the Variance Committee would make the recommendation to the Director of Parks. It would not be issuing an order to the Director of Parks. It would be in the form of a recommendation.

**MR. A. DRIEDGER:** So what the Minister is saying, Mr. Chairman, is that the Director of Parks would still be making the ultimate decision on that; that it's sort of just a hedge, I suppose, for the director to have this committee make a recommendation but he still has the final authority, which sort of makes it not very effective. It's just a matter of maybe saving the butt of the director if he makes a decision where he orders somebody to start tearing down or make renovations, I suppose.

Further to that, okay, I'll let the Minister reply first.

**HON. L. HARAPIAK:** Mr. Chairman, I wouldn't want people to have the impression that this committee was just put up as a show piece. I think just the development of the regulations indicated that there was a very good working relationship with the cottagers, and that the cottagers did make a valuable contribution to the development of the regulations.

So certainly in this case we would hope that there would still be that kind of a cooperative effort and that the recommendations would be certainly dealt with in a very serious way.

**MR. A. DRIEDGER:** I have some concern about these seven or eight individuals who will not be grandfathered. I'm just wondering, because it isolates specifically seven or eight, my concern is that why would the Minister not have grandfathered all the situations. I can foresee certain problems by having seven or eight that you're going to be disciplining now.

I am sure the Minister is aware of a certain Mr. Wood who has raised a major concern, who indicates that his particular circumstance will not be grandfathered, and he indicates that he has a commitment from the Deputy Minister in terms of that he was able to extend his two-storey houseboat or something like that, and he claims he has it on tape. Unfortunately, the Deputy Minister is not here to defend his position. But it is this kind of a problem that I can foresee coming, and I am just wondering if the Minister would probably reconsider his position under those kinds of circumstances.

**HON. L. HARAPIAK:** Mr. Chairman, even with that specific instance I want to again make reference to the process for variance, and (k)(6) indicates that the Director of Parks will be required to reply to the application within 60 days, indicating acceptance of the request for variance, or refusal, outlining the reasons. So certainly there is a responsibility upon the Director of Parks to indicate what the reasons were.

The specific case that the Member for Emerson refers to is certainly one that I am aware of. I have met personally in my office with Mr. Clyde Wood to discuss that issue. I have had several telephone conversations with Mr. Clyde Wood as well. As recently as this morning, I spoke to Mr. Clyde Wood.

The problem that arises, and I'm sure the Member for Emerson can appreciate this, that in fact we say that we will grandfather every particular item that exists out there, that you in fact indicate that you are not prepared to do any regulating at all. If you do it at this time, then people read that signal that you're not prepared to enforce, people will look ahead and say, well, I can really have a great deal of latitude here because when they bring in some regulations at a future date they will grandfather again.

It is a difficult situation, and I accept that it caused difficulty for not only the one individual involved but the others that are cited. But I want to indicate for the record that we are not saying here and now that those particular cases, those people will have to tear down their structures. The option that is available to those will be to appear before the committee and submit their case.

What I would invite the individual to do, and specifically Mr. Wood, if he has the evidence noted by the Member for Emerson, to make that as part of the presentation to the variance committee and a decision would be rendered on that basis. But I think that the harsh reality of a situation is that whenever you have regulations, if you are going to do any element of regulation, and I know the Member for Emerson has a particular concern with respect to enforcement in terms of wildlife - he indicated that the other night - there, too, the harsh reality is that at some point you are going to have to take someone to task.

In terms of cottaging experience, the same exists. If people choose to pursue their own cottaging experiences and disregard the interests of others in the area, we then have a responsibility at some point to address that.

**MR. CHAIRMAN:** The Member for Charleswood.

**MR. J. ERNST:** Thank you, Mr. Chairman.

When I entered the Chamber a few minutes ago I heard the Minister talking about a committee of cottage owners and Parks Branch officials, that they worked very well together. I must say, as a member of that committee, one of the two cottage owners on that group as a matter of fact, they did work very well together up to a point.

Mr. Chairman, it started off as a matter of trust, as a matter of equals, as a matter of sitting down and coming to a reasonable solution, a solution that was based on common sense and not necessarily on any preconceived ideas or any expectations or biases on either side either from the Parks Branch side or from the cottage owners side.

Mr. Chairman, that process went on for about two years, that myself and another member of that cottage owners association met with Parks Branch officials and saw attitudes change. We met also with Crown land officials and saw their attitudes change somewhat, I think, after a better understanding - one that had never

Monday, 18 August, 1986

really existed, I don't think, up to that point. Nobody had really ever taken the time to sit down and go through it in any great detail.

There had been, Mr. Chairman, over a long period of time a great deal of confrontation between the Parks Branch, Natural Resources officials and cottagers, but that seemed to be overcome somewhat. I think we had a common-sense approach from both sides that cottage owners were prepared to give in certain areas, and I think Parks Branch officials were prepared to give in certain areas based on a common understanding of the problems and a common understanding of the kinds of concerns that were present. Mr. Chairman, it was based on trust and over that two-year period I think we developed a reasonable trust between those Parks Branch officials and the cottagers.

However, Mr. Chairman, that trust, once it left the Parks Branch, all of a sudden became something totally different. Mr. Chairman, I am sorry to say that the common agreement that came out of the Parks Branch, the common agreement between those two groups of people who had spent two years understanding the problems, reviewing the problems, going and seeing them first hand, coming to a common conclusion, Mr. Chairman, were all of a sudden dashed on the rocks by what I refer to as slipping in a ringer at the last minute by senior management officials in the Department of Natural Resources.

All of a sudden there was this question of - I know it's a motherhood question, Mr. Chairman; there are no two ways about that, the fact that we have to be concerned about our environment. There isn't one cottage owner, Mr. Chairman, that isn't concerned with the environment, not one. We have a very great concern. We all have an investment there, a significant investment, an investment that grows with inflation, with hard work, with sweat and with the kind of toil that's put into it by cottage owners. Mr. Chairman, we have a significant investment in that area, so we're not prepared to pollute the environment and destroy our own investment; that would be foolhardy.

But, Mr. Chairman, we were being all of a sudden blackmailed by those Parks Branch officials. We were being held up a little bit for ransom, I think, Mr. Chairman, in the sense that all of a sudden now if we were to get the kind of things that we had worked toward, spent two years working toward, the kind of things that our members had come to expect now because of that long process of negotiations and our consultation with them over that period of time, now we are being held up in order to put in certain environmental protections that, quite frankly, in other jurisdictions have not worked.

So it's not the concern so much, Mr. Chairman, of the kind of environmental protection or the fact that there is environmental protection, but rather the kind that was proposed by the Department of Natural Resources at the last minute. It was held up, Mr. Chairman, to say accept these environmental protections and you can have what you want.

Mr. Chairman, I think that was wrong and that destroyed any trust that had been built up over that long period of time and it's a most unfortunate situation. If that's the kind of thing that's going to happen with this proposed new committee, it's going to be worthless, it's going to be a sham and ought not even to be thought

about any further because without that kind of trust, without that kind of cooperation and without that kind of understanding, Mr. Chairman, we are not going to have any kind of reasonable action out of that committee at all.

Mr. Chairman, getting back to the environmental protections, I want to just close with that particular situation again. Here is a situation where the Department of Natural Resources, and I gather the Department of Environment officials, have come along and said holding tanks are the answer. Every cottage owner within a certain time span, over a period of 10 years, will have to put in a new holding tank and have that pumped out and delivered to a proper sewage treatment plant.

Now, Mr. Chairman, that, on the surface, sounds great. Nothing the matter with it. The problem is, the Province of Ontario, who had the same regulation, for some considerable period of time, took it out because it didn't work.

Mr. Chairman, you tell me that the Province of Manitoba people, with no experience in that situation, or limited experience in that situation, totally ignore the kind of situation that occurred virtually a mile across the border. Mr. Chairman, that doesn't make sense to me at all.

In addition to that, they want to of course, lay the cost of additional sewage treatment facilities, again at the doorstep of the cottage owner. That's fine. I don't think anybody is going to object significantly. There will be whines and cries, there always are, but I think by and large, most people understand that, if that was the answer. But Mr. Chairman, I don't think that's the answer. We've seen them go out of it in Ontario, we've seen the situation occur not more than a couple of miles north in the constituency of the Member for Springfield, in the Bird's Hill area, where they actually have cut out again, holding tanks, because of the problems associated with that, the fact people won't pay to have them cleaned out. Many of them will pump the stuff back into the bush or into a ditch, or poke a hole in the bottom and have it drain out into the soil. Those kind of conditions, Mr. Chairman, are far worse than a proper field situation or other kinds of mechanisms that are available.

Mr. Chairman, I'm concerned that if we're going to have this kind of a committee struck and held up to be some kind of an answer to some of the problems that have occurred, then there's got to be cooperation; there's got to be consultation; and there's got to be no sandbagging when it comes down to the nuts and bolts of the issue.

**HON. L. HARAPIAK:** Mr. Chairman, I want to say at the outset that there has been a very clear indication to us from the cottagers that they did have a concern about the environment and they did have a vested interest and they wanted to see that particular environment well protected, and there was a concern, and I'm sure the member would indicate there was indication from the cottagers themselves, that given the concentration of cottagers in that area, that it was starting to have some impact on the environment. And that had to be addressed.

Certainly there is a difference of opinion on the effectiveness of the proposed solution, but what I want

Monday, 18 August, 1986

to indicate to the member - and I think he knows - that for existing cottages, cottages that are not increasing their occupancy, that particular field system will not be altered for a period of ten years. Where cottages change hands, we're indicating that it should be within a three-year time frame and that for cottages that are altered, in the sense that the occupancy would be increased, because you will recall the provision went from I believe 1,500 square feet of occupancy to 2,250, if that did increase, then the system would have to be adapted to accommodate the increased useage. There are over 600 cottages already using holding tanks.

I disagree with the member when he indicates that people will not tend to these facilities and they will punch holes them and allow the effluent to simply flow out. I think that flies in the face of his earlier statement which states that the people genuinely have a concern about the environment that they are going to occupy. I believe that they do have that concern, and I can't think that responsible people, such as these cottagers are, would then resort to punching a hole in the bottom of a holding tank to save themselves a certain number of dollars during the course of the year at the risk of destroying the very environment that they are wanting to enjoy.

Though there may be some exceptional cases - some may resort to that - as a general rule, I don't think that will be happening. I think the cottagers are far more responsible than that.

It should also be pointed out that this provision applies only to road-accessible cottages. It does not apply to cottages that are not road-accessible, and certainly there is indication that the cottagers will have to share in the cost of the disposal facility, that we don't sense any objection. The cottagers are quite prepared; they want that service; they are quite prepared, we feel, to pay for it; they want a certain level of service.

I don't think that it is a negative picture of the sort that is painted. We know that there are differences of opinion with respect to the holding tanks, but we've also made provision for alternatives. If people have an alternative that they want to suggest and they can gain approval for that alternative system, then they can put that forward.

**MR. J. ERNST:** Mr. Chairman, I think the Minister maybe missed the point somewhat when he said, and he referred in his response to "some" cottagers, or "those" cottagers, or "the" cottagers. If I may, through you, Mr. Chairman, point out to the Minister, there were two negotiators for the cottagers - me, yours truly, and one other fellow from the Whiteshell Cottagers Association. So that, let us not confuse the issue of the question or whether it's "those" cottagers being some nebulous body, Mr. Chairman. I was there. I did negotiating on behalf of the cottagers, so you can't play games with that.

With respect to the type of systems, we see in the requirements listed by the Minister, although they say, if some alternative is there, quite frankly the alternative was forced in at the last second. Before that there was going to be no alternatives considered. It was going to be only holding tanks, the situation that was cut out in Ontario because of the problems that exist. It's not a question of knowingly polluting the lake by poking

a hole in the bottom of a holding tank, Mr. Chairman. The question is, people who do that, that are some distance from the water, feel - perhaps mistakenly - but nonetheless feel that they are not polluting, that that is going into the bush somewhere. It's good for the strawberries, if nothing else. But it's not going to pollute the lake. Whether they're right or whether they're wrong, they are under that impression. So they're not knowingly doing it.

But the fact of the matter is, it did happen in Ontario situations. It's happening in Bird's Hill, just north of the City of Winnipeg, where the holding tank situations occurred, and the fact that people could - or felt - they should not pay the kind of costs associated with pumping out those tanks, so there's a concern.

It seems foolhardy to me to tell somebody, because they buy a place, that they should remove a perfectly good functioning septic system in favor of putting in a holding tank that isn't going to create any greater protection for the environment. I don't understand that that kind of a situation could occur.

But in any event, I think the Minister also missed the point somewhat in saying that it's a question, not so much of the specifics, but of the kind of trust, the kind of attitude, the kind of understanding, the kind of joint effort that was put into that committee was destroyed at the last minute by an attempt to force one additional issue that was going to be very controversial, by forcing an association into accepting that in order to gain what they had negotiated for two years for.

Mr. Chairman, that is wrong, and that's the kind of thing, I think, that's going to come back to haunt them.

**HON. L. HARAPIAK:** Mr. Chairman, I accept that there are going to be differences of opinion on this matter and we have a particular perspective and the cottagers will have a particular perspective, but I think there was tremendous cooperation and progress.

Though there may be a few outstanding issues, I don't accept that the relationship of trust was destroyed. I think we still have a good working relationship. At least that is what I would want to convey to the cottagers, through this forum and through the member opposite, that we still look for that kind of a working relationship, that we do not see that working relationship is broken down, and that we do, in fact, have a common interest to ensure that healthy cottaging experience is available to people in the years ahead.

I want to indicate that we have here a letter dated March 13th to the former Minister from the Whiteshell Cottagers Association indicating basically that their concern was with the grandfathering clause.

**MR. A. DRIEDGER:** Mr. Chairman, I alluded or made reference to the billing procedure for this year earlier to the Minister. I have here a carbon copy of an invoice that was mailed out this year where it says that the payment is due and payable May 30th, and at the bottom it says that 1 percent is charged as of the 1st of May. I wonder if that was done in error or if that was done intentionally, because if it's due and payable May 30th, I would assume that everybody would gear toward paying it hopefully by that time, but then to be charged interest as of the 1st of May seems a little ludicrous. I don't know. Can the Minister indicate

whether this was an isolated error or whether everybody was billed on the same basis?

**HON. L. HARAPIAK:** Mr. Chairman, that matter was touched on I believe it was Thursday evening when we were addressing these issues. We indicated at that time that that was an administrative problem that arose out of an outdated regulation and, certainly, we indicated for our part that that was corrected. In fact now, I believe it was at 60 or 90 days that we have - it was to the end of July - so the interest free period is to the end of July so it's 60 days. There's a 60-day interest free period. That has been corrected; I don't think it is a major concern.

**MR. A. DRIEDGER:** Mr. Chairman, I note that there was a 60 percent increase in this particular billing. I think that is general across all cottage owners. That is for this year. Is there another increase pending again next year to the same extent?

**HON. L. HARAPIAK:** Mr. Chairman, I just want to indicate that not all cottagers would have had that kind of an increase. In fact, some cottagers would not have had any increase at all. As they were working toward their targeted fee, some of them would have had a \$60 increase, but those who were at the targeted level would not, I am told, have any increase at all.

**MR. A. DRIEDGER:** Mr. Chairman, I understand, in talking to my colleague, like this has been the objective to reach a certain target which is 2 percent of market value or something like that. Where are we at now? Some of the cottage owners, have they reached that objective or can they anticipate further increases next year?

**HON. L. HARAPIAK:** Mr. Chairman, I'm advised that 90 percent of the cottagers are at that level already, so that the remaining 10 percent would be still experiencing one more year. Within the next year, they would achieve that level.

**MR. A. DRIEDGER:** Mr. Chairman, I'm just wondering. I met with the Moose Lake Cottage Association when I was out there one weekend, and some concerns they had were the increases that have taken place in reaching towards this objective. What kind of service are they getting out of this when you have these kinds of increases?

Their complaint was that the service is going down and the rates keep going up in terms of cutting the grass along the parks, on the side of the roads, various things. They're saying they're paying more money and getting less service for it.

Was that the objective in raising this? Are the cottage owners raising money for the general revenues of government that has trouble handling its finances or would it not seem reasonable to ask that at least the services be maintained, not cut back?

**HON. L. HARAPIAK:** Mr. Chairman, just so that the Member for Emerson can clearly feel comfortable that we are not subsidizing other branches of government by way of parks' fees, I think we recover something

between 30 and 40 percent of parks' costs through the fees; so, clearly, we do not transfer funds elsewhere. In fact, there is an input from general revenue into maintaining the park system.

**MR. J. ERNST:** Mr. Chairman, while we're on the topic of park fees and so on, as Craig has indicated, the fee structure was based on 2 percent of the appraised value of raw land. There was a \$60 maximum increase per any one year and of course some cottages have reached the limits, some have not.

Mr. Chairman, I want to ask the Minister: While 2 percent was set as the figure three or four years ago, is there a target as a percentage of expenditure, for instance, that revenue from cottage lot leases is expected to generate over a yearly period?

**HON. L. HARAPIAK:** Mr. Chairman, I want to indicate to the Member for Charleswood that there is no target to go beyond that. We simply are trying to allocate as fairly as we can the cost of providing services to cottagers, to day users, reasonable users so we do not have to get a target.

I personally feel the system provides a very reasonable rental fee to the users. I think we have to be conscious of delivering the cost. We have to be conscious of the needs of the parks' users. We would have to make our future decisions accordingly, but there is not a commitment at this time to target to some higher percentage. I leave my comment there.

**MR. J. ERNST:** Mr. Chairman, my concern would be that if, for instance, fee structures would be expected to recover a percentage, 40, 50, whatever percent of the expenditures, maybe a 100 percent of the expenditures of the Parks Branch in that area, and then given that kind of a situation exists, what control would there be at the other end in terms of the kind of expenditures that take place if, in fact, cottagers, day users, trailer people, backpackers, you name it, anybody who is utilizing those facilities on a regular basis that would generate reasonable income to the province, what say they would have in terms of the kind of new programs, new facilities, or whatever else is expended over that period of time. Perhaps the Minister could comment on that.

**HON. L. HARAPIAK:** I'm just trying to break the cost down for the different users, Mr. Chairman. I want to indicate that the information that I've had handed to me indicates that the cottagers pay approximately 60 percent of direct cost. So there will be variation amongst the different user groups, depending on the particular group.

Our concern would be to continue to provide good park's experience whether it be for the cottagers, whether it be for the day use or the seasonal camp use. I can indicate to the Member for Charleswood that there are demands being made on our department to increase the level of service in different parts of the province.

So we will be guided by various factors. We'll be guided by the demands of the public, we'll be guided by our financial limitations as well, and we will have to balance that. Given the kind of contribution the

Monday, 18 August, 1986

province can make, if there are still demands that the cottagers or the campers would want to have delivered, I think there would have to be some consideration to the fee structure for these services.

**MR. J. ERNST:** Mr. Chairman, I'm pleased now to see that we have a little more accurate information in terms of the percentage being paid by cottagers. It's now up to 60 percent and maybe if we spend a few more minutes I can get it up a little higher. But, Mr. Chairman, I think the concern is that - I wanted to ask one question before that. Is it 60 percent of the total park costs, that is the whole system now, as opposed to any one individual?

**HON. L. HARAPIAK:** Mr. Chairman, the figure that I referred to is 60 percent of the direct costs covered by cottagers, and this part would not include the indirect costs of providing those services. There are some that contribute at a higher level. The campers, for example, pay 80 percent of direct costs.

**MR. J. ERNST:** Mr. Chairman, can the Minister then describe what they refer to as direct costs and how do they break that down?

**HON. L. HARAPIAK:** Perhaps it would be easier for me to indicate what was not included in those services in terms of indirect costs. The planning services, some of the park policing, I believe, would not be included in that. Perhaps I could have some further indication from the staff. The direct costs would be the roads, the garbage pickup, the maintenance. In some of the areas if they were for sewage, for sewage disposal, if there was that service, would that be? -(Interjection)- Just the garbage disposal is included in that. Well, maintenance as well.

**MR. J. ERNST:** Mr. Chairman, I appreciate maybe it's a little difficult at this point for the Minister to provide any kind of a detailed explanation. Perhaps, if he wouldn't mind, he could provide members of the committee with one in due course so that we would have that information available to us.

Mr. Chairman, the other question I had related strictly again to the question of who is paying for what and what percentage? Of the total parks system, you know, there's a breakdown. Campers pay 80 percent of their direct costs, the cottagers pay 60 percent of their direct costs and so on. But on a part-by-part basis, I wonder if that's the case.

For instance, when you have in the Whiteshell Provincial Park 3,300 cottagers and you have, Mr. Chairman, in some other parks a very limited number of cottagers, yet a same general area to police, a same general area to forest manage and so on, whether that's the situation, it would be interesting, Mr. Chairman, if the Minister could provide us with a breakdown of the revenue and expenses associated with the Whiteshell Provincial Park.

**HON. L. HARAPIAK:** For the Whiteshell campground, Mr. Chairman, the cottagers, to look at that component, they recover 60 percent of the direct costs; but when you take the entire Whiteshell area, without segregating

the cottagers from the other users, the recovery is 70 percent of direct costs.

**A MEMBER:** It's getting better all the time.

**HON. L. HARAPIAK:** That's right, so the other users are apparently carrying a larger share than the cottagers.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Yes, Mr. Chairman, my question I'd like to ask the Minister about is you indicated there were 787 total at Falcon Lake. Is that correct? The number of cottage holders at Falcon Lake, 787?

**HON. L. HARAPIAK:** Yes, that's correct, Mr. Chairman.

**MR. H. PANKRATZ:** Mr. Chairman, the question I'd like to follow it up with is in regards to this septic tank holding, or whatever would be the right terminology to use, would that pertain also to those cottages that possibly are 300, 400 or 500 feet off the water, or is this only waterfront that this is referring to?

**HON. L. HARAPIAK:** That would be applicable to all cottages that are road accessible.

I'm just going to add some additional information, Mr. Chairman. When we're talking about cost recovery from the parks, the extent of the recovery varies somewhat depending on the investment in a particular facility. I can indicate to you here that, for example, if we look at the annual report for the previous year, it ranges from a low of 8 percent to a high of 208 percent of recovery, the low of 8 percent being in the Turtle Mountain Provincial Park, the high of 208 percent being at Beaudry Provincial Park. So there is quite a range.

I've got the figure here for Clearwater, for example, 30 percent; Duck Mountain Provincial Park, 49 percent; Grass River, 70 percent; the Whiteshell, the overall cost, it's from that particular year, 77 percent. Some additional information that we can follow this up with, a written submission if the Member for Charleswood would like, in terms of delineating direct and indirect costs. But, as I said, in the indirect costs, the ranger costs, the forest fire suppression cost and the enforcement of the building code are considered indirect costs as well, but we can follow up with a written statement as to the makeup of the direct and the indirect costs.

**MR. J. ERNST:** Mr. Chairman, I thank the Minister for that and I'll look forward to receiving that information. Perhaps along with that, or shortly thereafter, he could provide the breakdown as well as it applies to the Whiteshell Provincial Park, the breakdown in costs between costs and expense.

**HON. L. HARAPIAK:** I understood, Mr. Chairman, that it was in respect to Whiteshell only that you were interested, or were you interested in it on a broader scale? Just the Whiteshell? Yes, we'll provide that.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Yes, Mr. Chairman, my question to the Minister would be how many people does Natural

Monday, 18 August, 1986

Resources employ at Falcon Lake at the present time? How many employees are there at the Falcon Lake Resort Area at the present time?

**HON. L. HARAPIAK:** Mr. Chairman, that would vary on a seasonal basis. We don't have that information here right at the moment, but we will get it and when the committee next sits we can provide that. But it is not a fixed figure year-round. I'm sure the member would appreciate that there would be seasonal variations in the staff complement.

**MR. H. PANKRATZ:** My next question is also in regard to the ski slide at Falcon Lake. What is the Minister's intention for the 1986-87 season on that?

**HON. L. HARAPIAK:** Mr. Chairman, we want to indicate again as I had in a question earlier in this Chamber, that it is our intention to have the Falcon Lake Ski Resort remain open in the coming year.

We are experiencing some difficulty in terms of limited usage, but we're looking for some cooperation from some local groups. Perhaps with a cooperative effort, we may be able to expand the kind of service that is available to the people of the area. But it is certainly intended to be operational in the coming year.

**MR. H. PANKRATZ:** I am particularly interested in it because it is within my riding, Mr. Minister, so I would like to see if I would be able to get the figures on the number of people that you do employ and basically also at what length of time, because you did indicate we had approximately 787 cottages, I believe, and if I use the rate that we're calculating, it should be able to carry itself plus in the amount of revenue that it's getting.

Just a few comments you made earlier, our water maintenance, that's extra, so is the garbage - those are extra charges. They are not part of the park's fee so I mean, these are additional. It's not that you're not recovering it; you're recovering all of it through extra billing.

So I would be particularly interested then to see what your long-range plan of this established facility is, which in my opinion, is giving you money, giving you a lot of revenue, as well as the rest of the Whiteshell area. Possibly it's being filtered to different park areas which are not as productive, or possibly to increase park facilities in those areas.

**HON. L. HARAPIAK:** Mr. Chairman, the indications we have is that there is not an increased demand for the services of the facility of Falcon Lake so that it is pretty much a maintenance approach to maintaining the particular level of service that is being given in that area. We don't foresee an expansion of the services. I'm not sure if that is what the member was suggesting; that there would be an expansion. Or was he concerned just that we maintain it?

**MR. H. PANKRATZ:** The response that I've had from cottage owners in the vicinity is that the maintenance of the park, as such, has definitely deteriorated. I would just like to possibly be able to check that up with the number of employees that possibly have - let's say

1986 versus possibly six years ago or seven years ago, or something of that nature.

I also believe there hasn't been much upgrading done with regard to possibly electrical hook-ups or with the ski slope. It's very difficult to keep a facility going if there's basically not any degree of improvement made to the facility. I would sure like to see, Mr. Minister, what your long-range plan basically of the park and maybe also of the ski facility, would be in total?

**HON. L. HARAPIAK:** I just want to indicate, in terms of usage of the area by campers from 1982 where we had 14,781, that has been on a steady downward trend to the last year of 1985 where we had 12,866. Now certainly as I indicated to the member earlier, we are looking to maintain the level of services.

I have some information here on the capital projects for the coming year. There is \$168,000 budgeted for Falcon Lake for improving the campground office, upgrade the buildings, some golf course improvements, and repair the sewer line. Also there is some money allocated for dust abatement.

**MR. H. PANKRATZ:** Yes, Mr. Chairman, one more question. Is there any money allocated to improve the ski slope and update it as well?

**HON. L. HARAPIAK:** Mr. Chairman, there is no money allocated for upgrading. Our concern at this time, in terms of usage, is that it is quite limited. If there was a dramatic turnaround and there was indication that there was a higher level of usage, perhaps some funding could be justified. But on the basis of existing demand and usage, it is difficult to justify further capital expenditure in that area.

**MR. H. PANKRATZ:** I'm sure the Minister must agree with me, if you have no capital expenditures on the golf course, eventually nobody would come to golf and I think that's about what we're seeing with the ski slope. The golf course is a beautiful course and I think it's one of the best ones in the province, or at least rated as one of the better ones and for that I think he has to be complimented.

But in regards to the ski slope, I don't think there's been any investment made to update it or improve it for the past 10 or 15 years. A ski rope to pull you up the hill is outdated. There's nobody that's going to use his \$20, \$30, \$40 gloves and ruin them in one Sunday afternoon with a ski rope — (Interjection) — very hard, you're right.

So, Mr. Minister, I would like to ask, because the facility is utilized an awful lot, actually also for the winter sport, but I think due to the lack of equipment that is available at the slope, that's the reason why basically it's not being utilized. So I would ask the Minister whether he could maybe look into that matter and maybe improve the facility.

**HON. L. HARAPIAK:** Mr. Chairman, I want again to indicate to the Member for La Verendrye, having given him the projections of capital for this year, in the previous year there was \$180,000 spent at Falcon Lake to upgrade the trailer park. I'm not sure if the member is suggesting, we're given our limited resources, that

Monday, 18 August, 1986

we would spend perhaps \$150,000 for a used chair lift for the Falcon Lake ski slope and do less in some of these other areas, if that is an indication. I appreciate what the member is saying; that perhaps with some improvement to the facility, that usage would go up.

But given the resources that we have and given the demand we see for that facility at this time, given the resources that we have, this is our decision on allocation. But if the advice is to allocate in a different way, I would take that as his advice.

**MR. H. PANKRATZ:** In that respect, Mr. Minister, are you suggesting that possibly the Falcon Lake Committee would be able to have some input as to what their priorities would be in the Falcon Lake district, and possibly repriorize some of the direction that the department is going?

**HON. L. HARAPIAK:** Mr. Chairman, the staff is just getting some information here for me with respect to user surveys but certainly in every one of the parks, we survey the users to determine what their views are on the services, what their direction is, so it is not as though we are not conscious of or we do not make an effort to incorporate user information. If there is a desire on the part of the group that he referenced to have some input, certainly we indicated our willingness to work with the group that might be interested in expanding the services available for Falcon Lake ski hill. My office is always open.

**MR. CHAIRMAN:** The Member for Portage.

**MR. E. CONNERY:** Thank you, Mr. Chairman.

On Hecla Island Provincial Park, does that include the hotel part of the park also?

**HON. L. HARAPIAK:** Mr. Chairman, I'm assuming the Member for Portage is asking whether that particular operation is covered in this budget, in the Parks Budget. No, it is not. It is covered under Crown Investments.

**MR. E. CONNERY:** So under this one, in the cost revenue, Hecla Island Park, what is included in that, then, where we only have a 28 percent cost recovery?

**HON. L. HARAPIAK:** Included in that would be gate entry fees, parking fees, and the golf course, as three examples. I'm not sure that covers all of them but that would give you some idea.

**MR. E. CONNERY:** Looking at the size of the Hecla Provincial Park and comparing it with some of the others, where they have an expense cost of almost \$1 million, how can the cost be that high in relation? Does that include the golf course and everything except the facility itself, the hotel at Hecla?

**HON. L. HARAPIAK:** Just going back to the previous question that the member raised, there is also some revenue from some cabin rentals that would be included in that. The member is right; that is the extent of the recovery, exclusive of the hotel resort operation.

**MR. E. CONNERY:** Then we'll have to go into the Crown corporations to find out about the hotel facility. How

long ago was that transferred through or was it always a Crown corporation, the hotel portion?

**HON. L. HARAPIAK:** I'm advised, Mr. Chairman, that it was always a Crown corporation. It was built under a federal-provincial agreement and it was a Crown corporation since its inception.

**MR. E. CONNERY:** On the Parks, some people have complained about the regulations of the park, and correct me if I'm wrong, but I'm told you can't have year-round bookings at a provincial park; you can't have bookings in advance; also that they don't have bookings for seniors to have discounts and whatever. While some of the private camps are full, the provincial camps aren't because some of these regulations prohibit the advance bookings and so forth. Is this right?

**HON. L. HARAPIAK:** Mr. Chairman, I may not have understood the question clearly from the Member for Portage. He was indicating that there wasn't year-round camping available. The camping season, I think, runs from the long-weekend in May, perhaps, until late September. We do have in place some provisions for reservations. You can dial-a-site in some locations but this is not available through the entire system.

There is indication here that there are privileges for seniors. Canadian seniors with suitable proof of age and operating motor vehicles may enter provincial parks without payment of the daily vehicle entry permit fee and Canadian seniors who provide suitable proof of age may camp without payment of camping fees from Monday noon until Friday noon of each week during the season. This privilege is extended only to those senior citizens who register for a site.

That information is available in this brochure entitled, "Manitoba Provincial Park Camper's Guide for 1986." We could make a copy of that available.

**MR. E. CONNERY:** I think I'll refer to the Norquay Beach one that is close to Portage, and I'm sure the Minister is familiar because he drives by there. There's another public campground closeby that shows a full occupancy and yet Norquay doesn't. Inquiring as to why maybe some of these things wouldn't be the same, was that people couldn't book in advance, had to just arrive there and take their chance whether there was a spot available. For a lot of people they don't want to take this chance. Why wouldn't the department - or am I wrong in those assumptions - but why wouldn't the department allow people to phone ahead and have a site reserved for a full-year booking? Why can't they have that, if that's not true? And what about seniors for group bookings?

**HON. L. HARAPIAK:** As the Member for Portage has indicated, there is a private operation nearby and we do not see ourselves as being in competition with that operation and recognizing that service is available. If what the member is suggesting is that we should increase the level of occupancy there, I think what we would have to weigh is the cost of getting that increased occupancy, given that there is already an alternate facility available to, really, the Trans-Canada motoring public.

Monday, 18 August, 1986

**MR. E. CONNERY:** Mr. Chairman, I don't think there's really much of a cost in allowing advance bookings. We're not putting in any other facilities. We're just saying that people can phone ahead, get a reserved booking, and be assured that when they arrive there, there is a spot open. I think a lot of the traveling public now don't want to travel and not have someplace secure when they're going to stop.

I know there's going to be some cancellations and we have to recognize that, but also seniors, and maybe for year-round bookings. There's a lot of people that enjoy, at the private ones, a year-round booking where they go, put their trailer there, and they're there for the summer. A lot of people don't want to travel horrendous distances to go camping but they like the thought of being away from home and it doesn't necessarily have to mean you have to travel 200-300 miles to just enjoy getting away from your home atmosphere.

**HON. L. HARAPIAK:** The information I have from staff is that one of the early entrepreneurs in the site adjacent to Norway asked us not, in fact, to go into a dial-a-site project. They would provide that service and ours would be available to those who were coming through and just taking a chance. There wouldn't be the duplication.

**MR. E. CONNERY:** I think one last question, it's just more for information. Looking through the TIAM resolutions, if I remember back where they were asking that new park facilities be privatized, is that true? Have you looked at that resolution from TIAM?

**HON. L. HARAPIAK:** Mr. Chairman, before I go to answering the question from the Tourism Association of Manitoba, I want to indicate to the member that with respect to Norquay Beach, there has been a relatively low rate of occupancy. I'm getting back to the question that he raised. I'm not sure if his concern was to raise the level of occupancy or that, given that there were many disappointed travellers, they couldn't find space because the occupancy rate for the previous year from May to September ranged from 15 percent to a high of 41 percent in July with an average of 24.7 percent. So it appears as though there is most often space available at Norquay. I'm not sure what his suggestion was, that we should try to increase the occupancy rate. Perhaps, he could respond to that before I respond to the question of the resolution.

**MR. E. CONNERY:** I'm sure not interested in government taking unfair advantage and, as I'll be getting into in Hecla, with private competition. But if the private ones are being filled up - and that's the information that I get, that the private is being filled - should we then not give other people the opportunity to stay when they're travelling through and not force them on somewhere else? It does create jobs in the Portage area, so without jeopardizing the profitability of the private one, maybe we could also still increase the use of the one at Norquay and help with the jobs in the area, because a lot of the people who work there come from the St. Ambrose area and they sure need the summer work, because a lot of them are fishermen in the winter.

**HON. L. HARAPIAK:** I thank the Member for Portage for his comment. That gives me a better understanding of what it was he was trying to address.

Going back to the question on the resolution from the TIAM, Tourism Association of Manitoba, where they have put forward that resolution, we do have, I think, some 100 different projects throughout the province where there is private-sector involvement in the parks in one form or another. So we appear to have a good working relationship, and I think with Grand Valley which was used as an example where the private sector became involved in the delivery of that.

But I would hesitate to suggest that the parks be turned over completely to the private sector. I think there's room for a good working relationship. There's a role for the private sector to play in the delivery of recreational opportunities for the public. But if you are asking me to subscribe to the resolution that the parks be turned over to the private sector, I would not move to do so.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Chairman.

I wonder if the Minister might tell us what the Parks Branch policy is with regard to roadside parks. On a recent trip up North, there's a roadside park on the south side, on the west side of No. 10 at Overflowing River with a camp shelter, toilet facilities there and a nice drive-off to the side of the road that is gone. The barbecues have been torn out. There's another roadside stop with the cook-out shelter and whatnot at Steep Rock. It seems to be, all the way down that line, those rest stops have been taken out and torn down. I wonder if the Minister might give us the policy on that. We know the one at Mafeking was torn out and bulldozed down. It seems ridiculous, with the tourist traffic that we attract on No. 10 going up North, that we would be taking those roadside parks out. I just wonder what the policy was on it, and how many have been taken out.

**MR. A. DRIEDGER:** Mackling started that. Do you remember, Dave, the smashing of barbecues?

**MR. D. BLAKE:** Right, he's been a disaster in every portfolio he's had.

**HON. L. HARAPIAK:** Mr. Chairman, in the case of the wayside park at Overflow, this is another example, not unlike the Norquay Park, where there were adjacent facilities. There was the publicly-owned facility and the privately-owned facility. It seemed that the services could be provided in that case, at Overflow by the operators of the - so it would be just as you cross the river. I think the Member for Minnedosa's quite familiar with that site. So the decision was to allow that service to be provided by that individual.

In a number of the other cases, these wayside parks are contracted out for operation by local interest groups or individuals and, where there is sufficient traffic to warrant their maintenance, we will maintain them on that basis. But in instances where the use is so low, we have made some decisions to close some of the wayside parks.

**MR. D. BLAKE:** I just don't know how the Minister could say that the usage was so low. I don't know whether someone stands there and counts the number of people who stop there.

Going north, we noticed that stop had been closed, and we always stop there on the way back. But before we got there, we drove into the campsite, because I know there is a campsite in there. It's half-a-mile or more off the road. I had to really encourage the driver to press on. He said, I'm not going in there; we're in a hurry to get down south. We just wanted to stop and have a quick sandwich and get on our way. We had to drive in there a half-a-mile or more. It's around two or three bends. You don't know whether you're going to come to a campsite or whether you aren't. It's quite nice in there, I must admit, when you get there with the river and all, but these spots were just a pull-off spot where you could stop for 15 minutes.

If you want to go off the road too far, if you don't want to stop at a restaurant and take the time to be served, you have a quick sandwich in your lunch bucket and a cup of coffee and stretch your legs for a minute and you're back in and boring your way north or south. They have been very, very useful, and I can't see that

the upkeep of them or the cost of maintenance would be very, very high at all when we consider some of the other escapades that this government has got into and the cost involved, although we won't get into that here. But I'm just amazed that they're taking campsites out, wayside stops, when I think we should be adding them.

**HON. L. HARAPIAK:** I would like to bring to the attention of the Member for Minnedosa that when he's taking that trip next time, there's an excellent wayside park with very good, clean water at Cowan. There is one as well at Pine River with the springwater site. There is one as well at Birch River. So there are sites along the way.

I appreciate, as the member has pointed out, that some of them have been closed. We have to make some of those decisions. But there are certainly a good number of very well-maintained sites for the travelling public along that particular stretch of highway, No. 10 Highway, that I'm quite familiar with.

**MR. CHAIRMAN:** The hour being 5:30 p.m., I am now leaving the Chair. The committee shall return at 8:00 p.m.