



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

**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

40 Elizabeth II

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

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

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 21, 1991

The House met at 8 p.m.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY—URBAN AFFAIRS

**Mr. Deputy Chairman (Marcel Laurendeau):** Will the Committee of Supply please come to order. This evening this section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Urban Affairs. Does the honourable Minister of Urban Affairs have an opening statement?

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Deputy Chairman, I just have a few brief remarks. I am pleased to be here this evening as my first opportunity as the Minister of Urban Affairs to introduce the 1991-92 Estimates for the department.

As a new minister and as a former city councillor, I am pretty much aware that the City of Winnipeg plays a unique role in the Province of Manitoba. Both levels of government share a common interest in improving the quality of life for the city of Winnipeg and in promoting our capital city as a major focal point for economic, cultural and social activities in the province. Many departments of the provincial government interact with the city and its citizens through grants, regulatory responsibilities or direct delivery of services to citizens.

However, the focal point for intergovernmental relations between the city and the province is the Department of Urban Affairs. The primary responsibility for this department is the administration of The City of Winnipeg Act and the co-ordination and implementation of the provincial urban policies and programs in the city of Winnipeg.

The mandate that I have been given as the minister is to ensure the maintenance of the legislative, financial and planning framework that will effectively meet the needs of the citizens of Winnipeg.

The City of Winnipeg Act is in the process of a complete review by the department. In 1990, provisions were made to provide the city with greater flexibility to establish its own administrative structure and procedures. In addition, we have

seen the abolition on the additional zone. All municipalities in the Winnipeg region are now treated as equals.

Legislation proposed for 1991 will include substantive amendments to The City of Winnipeg Act. Amendments to be introduced in the Legislature will cover the city's authority to regulate and enforce construction, maintenance and occupancy standards for buildings, consolidation of the city's authority over waterways and Part 20 of the act which defines the authority of the City of Winnipeg to plan and develop land. Other proposed legislation to be introduced includes amendments to the size of City Council.

The financial relationship between the city and the province has always been very important. The province recognizes the important role that governments at the municipal level play in delivering essential services to the public.

With respect to provincial grants, I am able to report an increase in support over the actual level provided to the City of Winnipeg in 1990. This will enable the city to continue providing services which are essential to the citizens of Winnipeg.

A portion of the provincial grant commitment is for capital projects which were previously funded under a six-year urban capital project delegation. This initiative was very successful and allowed the city to plan its capital expenditures with prior knowledge of the level of provincial grant commitment. My department is currently finalizing a proposal for a renewed urban capital projects allocation.

The department is also responsible for the implementation of the renewed Core Area Initiative Agreement. I have negotiated with my federal and city colleagues an extension to this agreement for one year. This will allow additional time for the implementation of important projects such as the Portage Y and the Assiniboine River Walk and for an orderly wind-down of the present initiative. Discussions have also been initiated on directions to follow from Core II and how best to focus limited resources from all three levels of government to meet the priority needs of the inner city.

\* (2005)

I recently initiated discussions as well with my federal and city counterparts with regard to the amalgamation of the North Portage Development Corporation and The Forks Renewal Corporation.

Manitoba Urban Affairs continues to support the Manitoba-Winnipeg Community Revitalization Program. This program is designed to improve living conditions, municipal services and community facilities in the city's aging residential neighbourhoods. We are currently working with the city to revise the guidelines to improve this popular program.

The Winnipeg Region Committee, which was established by my department, continues to meet on a regular basis. Members have strongly endorsed the committee's mandate to address land use and planning issues in a regional context. The regional committee provides Winnipeg and its neighbours with an opportunity to address issues and develop policy in a much better way than they have in the past.

Careful planning and budgeting have ensured that Manitoba Urban Affairs will continue to achieve its mandate in an efficient and effective manner. Emphasis will continue to be placed on key program areas with over 98 percent of the budget spent on program delivery. Direct grants to the City of Winnipeg account for 87 percent of departmental expenditures.

That, Mr. Deputy Chairman, concludes my opening remarks. I look forward to the discussions of the Estimates.

**Mr. Deputy Chairman:** We thank the honourable Minister of Urban Affairs for those comments.

Does the critic from the official opposition party, the honourable member for Wolseley, have any opening comments?

**Ms. Jean Friesen (Wolseley):** Yes, Mr. Deputy Chairman, thank you. I would like to thank the minister for his opening statements, the majority of which dealt, it seemed to me, with administrative issues and with specific civic administrative forums that the government is proposing at this time.

I think from our side of the House one of the things that we would like to emphasize is that we see a real crisis in the city of Winnipeg and that it is one of poverty and it is one that is growing. The minister represents a constituency that is suburban rather than urban. I represent an inner-city community. The kinds of questions I am being faced with every

day are essentially questions which are dealing with hunger, with homelessness, with inability to access even the basic human needs.

I think we are seeing that growing in the city of Winnipeg. I do not have the long experience perhaps that other members have had, but certainly I have been shocked by the kinds of cases I have had to face over the last several months and by the growing realization how very broadly spread these are through the inner city of Winnipeg.

\* (2010)

I was disappointed to hear nothing in the minister's statement which dealt with this growing crisis in the city. It is obviously a crisis which faces all Manitobans as well, but it is certainly because the city of Winnipeg is such an important part of the province of Manitoba, it is one where we see the growing inequality of wealth and poverty most clearly expressed, and one that is growing.

It does not matter whose statistics you take, whether it is any of the statistics provided by the food banks, those provided by the Social Planning Council, those provided by labour unions or by national programs across the country. Essentially what you are seeing is more and more people becoming dependent upon food banks, becoming sicker, infant mortality rates growing, homelessness increasing in the city of Winnipeg. That to me, Mr. Deputy Chairman, is the crisis that we are facing. It is one where the most vulnerable people in society are finding it more and more difficult every day to meet even their basic needs.

I look at the responses of this government, and what I see is cuts. I see cuts in the welfare rates. I see cuts to seniors, increases in taxation to people who are on fixed incomes, particularly to seniors. We see a basic offloading of the responsibilities of the provincial government onto the tax base of the City of Winnipeg, a city which is facing growing unemployment, massive unemployment in fact, in terms of the history of the last 10 or 15 years, and which is going to see its welfare rates and its welfare rolls increase enormously over the next few years and certainly over the next 18 months.

The offloading response, it seems to me of this government, is particularly unwise. It is a very harsh policy, and it is going to offload the costs of the unemployment policies of the federal government and of the provincial government onto those who are least able to bear it and to ask those who are, in

many cases, least able to pay for it, to pay for it. I do not see anything in the urban policy of this government that is addressing that essential crisis in the city of Winnipeg.

The Core Area Initiative, which is one program that did offer some hope—I do not necessarily say that it offered support or that it offered all the benefits that were necessary, but it offered the minimum of hope to many of Winnipeg's citizens. What we see there again is the absence of hope. We have not yet seen any new initiatives of a Core Area agreement. That is something we will be wanting to discuss with the minister over the time that we have for Urban Estimates. We know that some discussions are occurring. We would like to know more about the content of those and the way in which the minister sees those new programs, if there are any, addressing the kinds of crisis which we see in the city of Winnipeg.

I think the city particularly faces some difficult problems over the next two or three years with service cuts, cuts to its labour force, cuts to the kind of social services which many Winnipeggers have taken for granted and which have formed the basis for the very high appreciation that Winnipeggers have for their city.

One of the things that perhaps bemuses me a little about this 100 Reasons to Love Winnipeg program is that, in fact, all the tests, all the market research which has been done on Winnipeggers indicates that they have a very high appreciation. You do not need to convince Winnipeggers of the 100 great reasons to live here, so I am a little puzzled by that particular campaign.

The very reasons they do have for living here, the libraries, the recreational services, the ease of access to many of these services and their wide distribution in the past, I think, are ones that we are seeing City Council having to re-evaluate and to cut, particularly cuts to inner city areas, things like wading pools, which may not seem like much if you have a back yard swimming pool or if you have walking distance to a local park, but when you live in downtown Winnipeg and when it is \$1 or more to catch the bus to get to the next wading pool, that becomes a very crucial decision in your weekly budgeting process.

\* (2015)

I would like to draw those kinds of decisions to the minister's attention and ask him to remember those

when we are looking at the kinds of cuts that are required by the City of Winnipeg as they face the continual offloading of the Province of Manitoba.

For many of the middle class in Winnipeg it is easy. It is possible to buy books, to pay for recreational courses, to join private clubs. For the majority of people I represent, that is not even within the realm of consciousness, let alone the possibility. So again, as we look at the cuts to recreation services, to the cuts to libraries in Winnipeg, I would ask the minister to remember those kinds of decisions that thousands of people have to make in Winnipeg every day.

I think poverty is one of the main crises that we are facing in the city. A second area, I think, is the opportunities that are opened by the growing increase in the aboriginal population of Winnipeg. This is something that I stressed in the last Estimates process, which was not very long ago. I think the opportunity that exists here for a centre for aboriginal people across the country is one that is very important. We have an opportunity for an expansion of our labour force, an opportunity in creativity, an opportunity in energy that has not been allowed to participate in Canadian society for—well, in fact until really the 1960s. At the moment some, but not all, of these people are disadvantaged in terms of education and job opportunities, and I would have expected that an urban policy would have addressed some of this.

We have heard now for two throne speeches about an aboriginal strategy for the city of Winnipeg. I have yet to see it. In fact, it gets bounced around like a ping-pong ball every time I ask it in the Legislature. We have had the Minister of Urban Affairs passing it off to the Minister of Native Affairs (Mr. Downey). Sometimes it is passed to the Premier (Mr. Filmon). I do not even know who to ask that question of anymore, and yet two throne speeches ago it was mentioned as one of the prime policies that this government was going to bring down. I do not see anything about an urban aboriginal strategy in the annual report, and I do not hear anything in the minister's statement about this either. So I am very disturbed about this, and I am disturbed particularly at the opportunity which Winnipeg is missing in this area.

What we do see, of course, is educational cuts to aboriginal people, cuts to language programs, cuts to the Winnipeg Education Centre, cuts to ACCESS programs, all of which are affecting the opportunities

of aboriginal people in the city, and, in consequence, affecting the role that Winnipeg can play in the nation and the role that aboriginal people have to offer to all other Manitobans and Winnipeggers. So, I find that a very disappointing aspect of these particular Estimates and generally of government policy.

In terms of new proposals and new programs in this department, what we have seen, as I suggested at the beginning, was some administrative changes. I think the most important one that we will be looking at, perhaps not just in the Estimates but particularly in the House, is the reduction of City Council, and it is one where our party is very strongly on the record as opposing the reduction in City Council and particularly opposing the pie-shaped wards as well. We believe it is a backward step. We do not see this as a progressive move in any way. It reduces democracy, and it reduces it at a time when Canadians generally and Manitobans, if you have listened to the presentations to the Constitutional Task Force, are asking for, time after time, more participation in government policies, not just consultation after the fact or consultation en route to making some government decision but broader participation and a much closer contact with elected officials. Yet what we see in the one major initiative the government has in Urban Affairs is, in fact, a reduction of these types of policies.

So I am opposed to that particular change, and I would be interested in listening to the minister discuss some of his reasons for this and some of the support that I assume he believes he has for this particular policy.

**Mr. Deputy Chairman:** We thank the honourable member for Wolseley (Ms. Friesen) for those comments. Does the critic from the second opposition, the honourable member for Crescentwood (Mr. Carr), have any opening comments?

**Mr. James Carr (Crescentwood):** Maybe just a few words, Mr. Deputy Chairman.

We live in interesting times. This apparently comes from an ancient Chinese proverb which was really not a blessing but a curse. As we look at the relationship that is developing between the federal government and the provinces, and between Canadians from every region, we also have to turn our minds, as we will over the next number of months, to the relationship between provinces and municipalities. Governments of different stripes

and different political philosophies have many different answers to what that relationship ought to be.

Traditionally, the NDP has wanted a very strong provincial presence in the affairs of the city. Traditionally, Conservative governments have thought that an arm's-length approach is a better one in the interests of the people who live in the city and the province. There is going to be a debate in Canada about whether or not municipalities ought to have some constitutional validity, constitutional role. Should the Constitution of Canada give powers to the cities to legislate for themselves, to legislate over matters of strictly local importance, but to do that with a degree of autonomy from the provincial legislatures?

\* (2020)

If this government, for example, or if any provincial government wanted to, by the stroke of a pen, abolish the City of Winnipeg as an entity, that could be done. That could be done within the next couple of weeks. The province has the power to say that Winnipeg City Council will have one councillor, five or 100. The province also gives to the municipalities the power to tax, a very limited power right now. It is the property tax base which funds most municipal services, and people are starting to ask the question: Well, why do the municipalities not, why do the major cities not and smaller centres across Canada have more of a say in what they are able and not able to do without having to go cap in hand to the provinces?

This is an area that is going to be more fully developed over the next little while. I hope that the minister will actually allow some debate to be engaged, even during these Estimates, as to what the approach of his government will be. I think we have some clues. We have some clues as we look at the legislation that is proposed and which is about to be proposed. That, I think, is, perhaps as much as any other relationship, one that is going to undergo great change in Canada over the next few years.

We will want to debate during the next number of hours specific programs that have been initiated by three levels of government in this community. I suppose if I were to stand up, Mr. Deputy Chairman, and look out the window, I would see the walkway to The Forks. I hear that there were 50,000 people at The Forks this weekend. There were so many people jostling for position that you could not even

find a place in the walkway. The people have finally discovered that Winnipeg has rivers and that you are able to access these rivers. It has been returned to the people, thanks to co-operation among three levels of government.

If you look at the Core Area Initiative program, you see a set of results which is the envy of major metropolitan areas right across North America, and I am told even offshore. When they are looking for a model of co-operation between governments and how that kind of co-operation can be translated into service for people in a core area of the city, they use the Core Area Initiative as an example.

So we will want to explore with the minister why it is that this program is coming to an end or whether or not his government is actually pushing for some kind of renewal of the Core. If so, what will it look like?

I have to agree with my colleague for Wolsey (Ms. Friesen) that there has been absolutely not one centimetre of movement on an urban Native policy. We have heard from the Minister of Native Affairs (Mr. Downey) and from the Premier (Mr. Filmon) and from other Ministers of Urban Affairs in this one. Well, where is it? If you look at the demographic realities of Winnipeg, you will know that between 1981 and 1986, the Native population of this city grew by more than 70 percent, most of whom live in the Core Area of the city, many of whom are disadvantaged, do not have proper skills training, do not have equal access to employment opportunity.

Now the Core Area Initiative among other things, offered opportunity to Native people in the Core, along with financial institutions such as banks, to learn various trades and skills. More than a hundred of them found jobs in financial institutions in Winnipeg. What a fabulous record of achievement that that particular program of the Core has had. Why would we want to stop when we are doing so well?

I am interested in the minister's comments about amalgamation with North Portage and The Forks. We think it is a good idea. We have been pressing for that idea for quite some time now, not only because one can streamline and find economies and efficiencies by amalgamating, but because there ought not to be competing mandates. There ought to be one direction that urban revitalization takes.

There has been a great deal of talk between all levels of government about offloading. It is one of the buzz words, I guess, of the '90s. In addition to a buzz word, it also happens to be a reality. The reality is, through decisions taken by the government of Canada, the provinces are more and more having to fund post-secondary education, health care, welfare, because the federal government is pulling back.

If you follow the trend line, in 20 or in 25 years the provinces will be left alone to fund probably 30 percent, 35 percent, 40 percent of our total provincial budget which is now funded by the government of Canada. What has been the response of the government of Manitoba? Well, in a very large measure its response has been to offload responsibility onto the municipalities.

\* (2025)

So, ultimately, after all of the offloading filters down, where does it rest? It rests with the property taxpayer. Maybe we can engage in a debate, if not here, in another forum about whether or not an income tax or property tax is more regressive or more progressive. What is in the best interests of our society and our community? That more and more responsibility be placed on the property taxpayer, I do not think so. You can be a senior who lives in a home that was paid for a while ago that has quite a bit of current value but you are on a fixed income. You have very little income with which to pay your property tax bill. There are all kinds of examples that one can use.

The government of Manitoba's response—the minister says that his grants to the City of Winnipeg are more this year than last. We will get into that. I think if you dissect them line by line, you will see that if there are any increases they are minuscule at best, and some operating and capital grants are down, so what is the expectation? Is the expectation that the Province of Manitoba is going to watch property taxes rise in the city of Winnipeg, or does the Province of Manitoba want the city to cut services, to cut recreational opportunities, to cut libraries, to cut cultural grants?

We are not spending enough on infrastructure already. There is about a \$15 billion bill that we are going to have to pay across Canada for infrastructure. It is not coming from the Government of Canada. It is not coming in large measure from the provinces, so where is it going to come from, Mr. Deputy Chairman? It is going to come from the

municipalities. The municipalities are increasingly being asked to fund services and infrastructure, yet they are not given the authority to raise funds and the off loading is beginning to hurt.

I do not know about others in the room. I got my property tax bill just a week ago. It is up and it is up substantially. It is up a lot more than my salary as a member of the Legislature.

We will want to talk to the minister about the Ward Boundaries Commission. I cannot resist this, Mr. Deputy Chairman. I do not want to go on at great length, and I do not want to refer to the fact that it was our policy, but it was. When we made our announcement that this is the thing that ought to be done, and the camera was turned on, and the microphones were switched on, and the reporters were there with their pens, what did the Minister of Urban Affairs say? He said, the member for Crescentwood (Mr. Carr) is only doing this to get his mug on television. That is what he said. He is not going to deny that. He said that we were posturing, that we did not understand The City of Winnipeg Act. It was all a public relations stunt.

What did the Minister of Urban Affairs do? By golly, he agreed with us. Did we accuse him of posturing in front of the cameras? No. Did we accuse him of playing to the pens of the reporters? No, we said he did the right thing.

**An Honourable Member:** We are too humble to do that.

**Mr. Carr:** Yes, you said that, Mr. Minister. No, it is not a time for gloating. The fact is that this Minister of Urban Affairs wanted to take away the authority of the Wards Boundaries Commission and give it to a bunch of politically appointed people, and he changed his mind. He changed his mind because he knew that he had done the wrong thing, and we congratulate him for that.

Mr. Deputy Chairman, there are lots of other issues. They will come out during the course of the Estimates debate, so let us get on with it.

**Mr. Deputy Chairman:** We thank the honourable member for those remarks.

As is common practice, the Minister's Salary will be left as the last item to be considered during the Estimates.

At this time I would like to invite the minister's staff to come forward. If the minister would please introduce the staff. We will be starting on page 152 of the Estimates book. It will be 1.(b) Executive

Support: (1) Salaries, \$225,000. We are going to be going line by line.

**Mr. Ernst:** The deputy minister has just stepped out for a moment to get some material. He will be back directly. While we are waiting, perhaps I can introduce Mrs. Marilyn Walder, who is the staff resource person related to the Core Area Initiative, and Mr. Vernon DePape, who is our administrative officer in the department.

**Ms. Frlesen:** Mr. Deputy Chairman, we are looking at Executive Support?

**Mr. Deputy Chairman:** That is correct.

\* (2030)

**Ms. Frlesen:** Okay. One of the objectives of this section of the department is strategic planning functions. One of the things that struck me, and that I asked you several questions on and your predecessor in the House, was about research and planning that you had done in preparation for the Eldon Ross Review Committee. It seemed to me that there was a total absence of any kind of planning or research on that particular committee structure, format and goals.

I wonder if you could tell me, if this particular area does not do that kind of research, what kind of planning function and research function does it do?

**Mr. Ernst:** Mr. Deputy Chairman, the Executive Support function in the department deals firstly with the office of the deputy minister himself and his direct support. It also deals with my office, including professional and technical support staff for me as well as others in that we do have some other opportunities or expenditures in that department but they are predominantly related to the operation of both the deputy's office and my office.

The Urban Policy functions, things like the issues that the member refers to, generally would come under Urban Policy Management sometime later in the Estimates. These are the support functions directly for the department for the deputy minister and the minister's office.

**Ms. Frlesen:** So you would not expect the deputy minister then to have any research function?

**Mr. Ernst:** Mr. Deputy Chairman, not within that section of the budget. This deals with the items as I have outlined earlier, including the operating expenses related to those offices. The deputy minister's support and the minister's support, in terms of research and things of that nature, come under other direct staff opportunities or staff



functions within the department and/or outside help as required.

**Ms. Frlesen:** Mr. Deputy Chairman, I notice the Executive Support branch does also provide the liaison between the city and the province and provides the support for the regular meetings of the Urban Affairs Committee. Could you indicate over the past few months, since the last Estimates procedures, how many meetings there have been of the Urban Affairs Committee of Cabinet?

**Mr. Ernst:** Can I ask for clarification, the committee itself or the committee in conjunction with the City of Winnipeg?

**Ms. Frlesen:** The Urban Affairs—I am going to ask both of them actually but separately.

**Mr. Ernst:** The meetings directly with the Official Delegation of the City of Winnipeg are generally on a prescribed schedule, bimonthly approximately. Since I have been minister, I think we have had two. I am going by memory now so—I can provide the exact numbers if you wish. Of the committee, again, since I have been minister, we have had three or four, in total, perhaps, six. Again, those are pretty off-the-cuff numbers, and if you want the exact number we will, in fact, determine that.

**Ms. Frlesen:** Mr. Deputy Chairman, so essentially about five or six meetings all together?

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

**Ms. Frlesen:** At the Urban Affairs committee of cabinet, the kinds of issues that I was indicating earlier, the issues of urban poverty, the impact of education policies, of social welfare policies, is that the level of cabinet discussions? Are you co-ordinating, are you simply informing each other of areas of municipal interest?

**Mr. Ernst:** First of all, Mr. Deputy Chairman, let me say that cabinet meetings and committees of cabinet are confidential and I, as a minister, am not about to divulge those before the committee.

I might say that in general terms, yes, we have concerns with regard to a number of the issues that are raised by the member for Wolseley. In general terms, again, the direction of a variety of departments are concerned about those issues. In fact, we have allocated resources, scarce resources I might add, to a number of those departments that other departments, including this one, did not get. The allocation of resources, of course, takes place in Treasury Board by and large, so we know that we have very limited abilities to provide for the

significant demands, significant needs of the people of Manitoba. We would not for a minute suggest that there is not a demand, there is not a need, because we know that there is.

How best to prioritize those, how best to focus our limited resources to get the best possible effect from those expenditures is something that is ongoing, and I guess will be a matter for discussion as we go on.

**Ms. Frlesen:** Mr. Deputy Chairman, I was not asking for confidential information. What I was trying to get at here was the range of the agenda. If this is one of the primary activities of this particular group, the co-ordinating activities of the committee, then I think we might need to know what range of agendas there are there.

I wanted to follow up by looking at the long-term future of this particular department and to ask the minister if the strategic planning element of the deputy minister's role has looked at the long-term prospects of this department. It is a small department. It is superintending, or it is in the process of devolving certain types of responsibilities to the city. That is one of the focuses of your policy.

You are looking at amalgamating some of the larger corporate enterprises, essentially of consolidating, amalgamating, offloading, minimizing provincial role, it seems to me, in Urban Affairs, so I am looking for some long-term policy aspects. Are you doing that on a piecemeal basis? Am I reading too much into these policy changes, or is there a long-term implication for the department in the kinds of limitations you are placing on provincial role?

**Mr. Ernst:** Mr. Deputy Chairman, the member has all of the camp rhetoric associated with the 1990s, as the member for Crescentwood (Mr. Carr) indicated earlier. I think you are reading far too much into what is happening. Certainly, with regard to the general capital region, we are working with the Winnipeg Region Committee, the other municipalities surrounding Winnipeg, because there is an interrelationship. We have a commuter shed. We have, if you want to look at it on the basis of urban sprawl, that is real urban sprawl is what is happening in the Winnipeg region, not what is happening in the city of Winnipeg. What is happening outside of the city of Winnipeg is a significant problem—problems that relate to commuter transportation and a host of other issues that are related with that.

We are attempting, through the Winnipeg Region Committee started by the previous minister, to try and pull together some general strategy that will not say to the existing municipalities surrounding Winnipeg, you have no role to play, but to say, yes, you do have a role and let us get involved with it. Let us look at it on a regional basis as opposed to just simply my municipality and what can happen as far as my assessment base is concerned.

\* (2040)

We have other issues dealing inside the city of Winnipeg with current problems, problems like Headingley, for instance, which is a very good example of the alienation that the people there feel from the city of Winnipeg. They were sort of dragged in kicking and screaming in 1971 when the great urban experiment started and have really had little in the way of benefit. We have the whole question of the rivers and what happens with them, related to not just, again, the city of Winnipeg, but the region. The rivers obviously do not stop at the border of the city of Winnipeg or they do not start at the border of the city of Winnipeg. They flow, obviously, through the length and breadth of the province, so there are a number of issues that are related to ongoing development.

As far as the deputy minister is concerned, his job is to carry out the government policy and not to make it. Ultimately the government will decide on its strategies, its policies, and the staff will do what they do best; that is carry out those strategies for whomever government happens to be in power. I might say that most of the staff, if not all of them I guess, were there under the previous administration and are very professional. I have every confidence in them.

**Ms. Friesen:** Mr. Deputy Chairman, I certainly agree with the minister on the problems that we are facing, I think, quite rapidly coming to a head in the regional growth. I am glad to see the department is looking at that in a policy and planning perspective, and I would want to discuss that later. I think it does come up under co-ordination with the Winnipeg Region Committee.

Is there anything in this particular section of the department which is liaising with Winnipeg 2000? Where should we be discussing that?

**Mr. Ernst:** Winnipeg 2000, which is an initiative of the City of Winnipeg for economic development, deals predominantly with the Department of

Industry, Trade and Tourism, not with the Department of Urban Affairs. That function is an economic development function as is the Department of Industry, Trade and Tourism, and those two departments mesh very well in terms of their relationships, in terms of economic development promotion. So, rather than through the Department of Urban Affairs it would be best dealt with under the Department of Industry, Trade and Tourism when their Estimates arrive.

**Mr. Carr:** Mr. Deputy Chairman, I am getting the impression from the minister's answers that he would prefer to discuss some of the substantial issues elsewhere, that this particular line in the budget does not deal with policy or with the implementation of government programs. This is rather just a line item that is executive support to the minister. So, that being the case, there is not much point in holding this line up. We might as well move on and get into the substantial thing.

**Mr. Deputy Chairman:** Item 1.(b) Executive Support: (1) Salaries, \$225,000—pass; (2) Other Expenditures, \$38,500.

**Mr. Carr:** I am just curious whenever I see a budget item which is less this year than it was the previous year. How did the department go about making its decisions on what to cut? What was the logic that the department used to determine what was not required this year but was funded last? I know this is a small item—we are only talking about \$12,000 or \$13,000—but I am interested in the principle and the process that was used by the department to determine where it could cut.

**Mr. Ernst:** Mr. Deputy Chairman, the government was faced in dealing with its budget preparations with a significant shortfall of revenue. That is well known to the member for Crescentwood and members of the committee, and I will not go into all the great detail of that, but suffice it to say that there were significant shortfalls in revenue and, as a result, expenditures within government departments needed to be reduced.

Everybody had to take a piece of the action, so to speak. Everybody was -(interjection)- it was rather arbitrary, as a matter of fact, and simply said that we will in fact reduce our expenditures by reprioritizing our own operations within the department to the tune of about \$12,000. Our expenses or operating expenditures—we will as we go along not do some of the things that we have done in the past. We did not always expend all of the money either in those

individual expenditures, and we will look at one less telephone and one less operation of various kinds within the department.

**Mr. Carr:** I am interested in the minister's use of the word arbitrary. That says to me that there was not a plan, there was not a logical way in which the least important things were cut first and the most important things were cut last but, rather, that it was arbitrary, willy-nilly. Am I misinterpreting the minister? If so, maybe he can more fully answer the question of how the government went about the business of cutting.

**Mr. Ernst:** I do not mean to say that there was no, that we simply said, we will cut here, cut there, whatever. That was not my intention to say, other than to say the fact that everybody had to take a voluntary cut in expenditures. Within our Administrative Support, Other Expenditures that is exactly what we did. We took a \$12,000 reduction, and we will find that from a host of areas. We would hope that ultimately no serious program or no serious function dislocation will take place. We will mark our expenditures very carefully and ensure that ultimately the program and the function of the department will be delivered accordingly.

**Mr. Deputy Chairman:** Item 1.(b)(2) Other Expenditures, \$38,500—pass.

Item 1.(c) Administrative and Financial Services: (1) Salaries, \$169,000.

**Ms. Frlesen:** I just wanted some explanation on the reorganization. There seems to be—it is a reclassification—is that simply a reclassification of Civil Service procedures in Administration and Financial Services?

**Mr. Ernst:** There is no change.

**Ms. Frlesen:** The senior urban finance co-ordinator became responsible for urban government and finance policy, and I wondered what is meant by that change?

**Mr. Ernst:** Could you tell us where you are referring to that?

**Ms. Frlesen:** 1989-90 Annual Report.

**Mr. Ernst:** That occurred two years ago. Mr. Deputy Chairman, I am having a little difficulty trying to respond to the member's question. The re-organization or the two director levels were, I am advised, taken out of the department last year, '89-90. I am sorry, could the member rephrase her question again?

**Ms. Frlesen:** No. We will let it pass. What I was asking for, really, was what implications does this have for the department? There were some financial reclassification changes. It looked to me as though they had implications for policy and for the way in which the department operated. I am asking for some conclusions on that or a report.

**Mr. Ernst:** Having only been the minister now since February, it is—I do not know exactly all things that took place in the department prior to that. I am advised, if you look at the Organization Chart in the Annual Report and look at the Organization Chart in the Supplementary Estimates—showed the same, by and large. The functions that the department carried over previous years are still being carried out predominantly by the same people. There is the odd program function that shifts from time to time but by and large they are being carried out the same way.

**Mr. Deputy Chairman:** Item 1.(c) Administrative and Financial Services: (1) Salaries, \$169,000—pass; (2) Other Expenditures, \$28,900—pass.

Item 2. Financial Assistance to the City of Winnipeg (a) Unconditional Current Programs Grant, \$20,500,000.

\* (2050)

**Mr. Carr:** I do have questions on this area. The first relates to the minister's opening statement where he says that grants to the City of Winnipeg are higher this year than they were last. I look at these figures and it says the opposite. It says that this year's figures are \$161,700 less this year than they were last, so where did the minister get his opening statement assertion from?

**Mr. Ernst:** We got it from the actual grants paid. While the unconditional grant is flat, same as last year, and that amount is totally paid out, the Transit Operating Grant—if you will consider in 19—the Transit Operating Grants that show in the printed Estimates were, in fact, taken from the city's budget.

What happened in 1988, in 1989 and in 1990, those actual printed Estimates for Transit Operating Grant were, in fact, considerably higher than their actual expenditures, what they actually spent. So that in 1988, for instance, they over budgeted, if you will, or we over estimated in our Estimates, a half a million dollars. In 1989 it was \$1.4 million approximately and in 1990 it was \$1.1 million approximately.

In a time of significant restraint, tight budgets, limited cash and so on, it did not seem appropriate to us to continue to budget for money we would not spend, that if the city over budgeted their transit operations then, we said, we will go based upon their projected actual as opposed to their budget amount. In fact, if you go based on their projected actual amount, which is some considerable amount less than the amount budgeted for, there was, in fact, an increase. Their actual budget, 1990 actual, was \$16.2 million plus the brokerage grant for Handi-Transit for a total of \$16.6 million, actual projected expenditures as opposed to the budgeted amount of \$17.3 million.

**Mr. Carr:** Those are a lot of numbers, Mr. Deputy Chairman. All we have from which to formulate our questions are those figures which are published in the Estimates book, and the Estimates book shows that the Urban Transit Operating Grant is substantially less this year than last, but I will accept the minister's explanation at face value.

**Mr. Ernst:** I can say that the numbers are readily available from the City of Winnipeg. They do not dispute the fact that those are their numbers. We take them from their books, Mr. Deputy Chairman. The fact of the matter is, we got into this problem a couple of years ago of their overestimating their transit operating deficit, and because we are paying 50 percent of their operating deficit, it was money that was budgeted that should not have been budgeted because it was not going to be needed, based on their actual operating results.

**Mr. Carr:** Let us move to the line that we are actually considering and that is the Unconditional Current Programs Grant, which is flat this year over last. With inflation running anywhere between 4 percent and 5 percent, is it fair then to conclude that the grant to the City of Winnipeg, the unconditional grant, has actually dropped by 4 percent or 5 percent this year over last?

**Mr. Ernst:** Mr. Deputy Chairman, I do not concur with the member's suggestion. The fact of the matter is, the grant is the same as it was last year.

**Mr. Carr:** I do not know if Hansard records laughter or not, Mr. Deputy Chairman. I am interested in knowing the process that the minister engages in which leads to a decision that the grant will be flat. Does he, for example, discuss this possibility with the official delegation from the city? Does he tell the official delegation from the city that the grant will be frozen before it is frozen? Does he ask the

question, what impact will a frozen grant have on the city's operations, on the property tax base? Since the minister has sat on both sides of this fence and perhaps even this issue, maybe he would just enlighten us a wee bit.

**Mr. Ernst:** The member full well knows what the answer is. I mean, if you are going to ask somebody how much money do you want, they are going to say more. It is fairly obvious. The City of Winnipeg budgets a certain amount of money and they send their budget over to us and we recognize that they—and their expectations are what they are. If they are 7 percent or 15 percent or 100 percent more than it was last year, they are free to make those judgments.

However, if they make those judgments, they full well know also that we were facing significant revenue shortfalls in the province and significant budgetary pressures of our own. The fact that the Minister of Finance (Mr. Manness) made the statements that he did, took all members of the Legislature into his confidence in telling us collectively what the problems were going to be, appeared to have fallen on deaf ears when it came to the City of Winnipeg, or they did not comprehend the gravity of the situation.

The fact of the matter is that historically, and historically through certainly governments of the New Democratic Party as well as our own, the amount of grant provided by the province to the city is not generally subject to negotiation. The province provides what it can and what it wishes to the City of Winnipeg. The city has certain expectations, certain desires, and, in fact, can from time to time sell its problems and its needs to the province, generally speaking, not so much in terms of negotiations directly on the grant but in other areas of need.

**Mr. Carr:** Mr. Deputy Chairman, the minister says that his colleague the Minister of Finance (Mr. Manness) confided in the members of the Legislature about the financial status of the province. He confided with us, with the television cameras and the microphones. It was not a confidential session.

I am interested in knowing how the government of Manitoba's grant to the City of Winnipeg compares with grants from other provinces to other major cities across the country. We have heard many complaints from City of Winnipeg councillors, including I suppose at the time when the minister

was a councillor, that we historically do quite badly, as a matter of fact, probably millions worse than cities like Calgary, Edmonton and others. I think it would be useful for the committee to know just where we do stack up nation wide, and if the minister has any figures that would be very helpful.

**Mr. Ernst:** Comparisons, Mr. Deputy Chairman, are not all that easy to make because there are a host of different kinds of relationships between municipalities and provinces in other jurisdictions. The city generally does not do it. I will give an example, for instance, that in Saskatchewan there are no transit grants for any of the municipalities in Saskatchewan. So to simply take a lump-sum number of transfers from the province to the city and say, that is the grant structure, is not entirely accurate.

At the same time, you know, we have contributed significant amounts of money provincially to programs like the Core and The Forks and a variety of other kinds of programs that we deal with. They are not part, generally, of these particular sort of general grant categories, but the calculation that we show for '91-92 total, direct and indirect assistance to the City of Winnipeg is \$124.6 million. Now that is obviously not reflected directly in these grants, but that is a host of other programs and other contributions the province makes to the city. Urban Affairs is approximately \$60 million.

**Mr. Carr:** How is that expressed as a percentage of the city's budget, and how does that compare with other major cities across the country is what I am getting at.

**Mr. Ernst:** If you deal in—we do not have all of the calculations made that would reflect all of the contributions that the province makes to the City of Winnipeg, but I think it is based on our contributions through Urban Affairs. It is about 17 percent of the current budget and 9 percent of the capital budget.

\* (2100)

**Mr. Carr:** How does that compare with other cities across the country?

**Mr. Ernst:** We have not done a detailed analysis of the relationship between other provinces and other cities because it is a relatively difficult thing to do. You virtually have to go there and examine every single expenditure that takes place and determine whether there is an analogous situation in Winnipeg or not. The City of Edmonton, for instance, runs its own telephone system, something that does not

occur in the city of Winnipeg. City of Winnipeg, inner city, runs its own hydro system, but yet it buys power from Manitoba Hydro in order to resell for its own account as well as the power that it generates internally.

There is a host, and, quite frankly, we do not have the resources nor, generally speaking, the inclination to spend a lot of effort trying to determine what other provinces do with their cities as opposed to what we have here. We have our own significant problems to try to deal with.

**Mr. Carr:** When the government determines that the Unconditional Current Programs Grant is flat one year over the next with a real reduction, in spite of the minister's protestations to the contrary of reduction, of four or five percent, does the government take into account what the consequences might be that this decision will have on city government and city taxpayers? Are those consequences factored into the decision?

**Mr. Ernst:** Certainly.

**Ms. Friesen:** I assume we are just talking the unconditional grant at the moment and then we will move to transit. I have a couple of questions on the unconditional grant. My colleague from Transcona (Mr. Reid) wants to ask on the transit grant.

I wanted to pick up on what the member for Crescentwood (Mr. Carr) was saying and to look at the lack of increase in the Unconditional Current Programs Grant and to ask, not so much whether it has taken into account the GST, because obviously it has not, but to ask whether the minister looked at some of the interpretations which were offered surrounding the GST in that it is going to and, in fact, has fallen very hard upon small businesses. The larger corporations, for example, are much more able to withstand the impact of the GST. They have many more subsidiaries; there are ways in which they can deal with it. Small businesses have very few opportunities to avoid it, and they are not necessarily benefitting from the cuts in the manufacturers tax that presumably also came with it.

City governments across the country have to depend upon small business taxation, and we are seeing that as a major issue in the city of Winnipeg right now. So, when you looked at this flat grant, did you also take that into account, that the alternatives for the city were, in fact, to turn to small business

which across Canada we recognize as being hurt much more substantially by the GST?

**Mr. Ernst:** One of the alternatives for the City of Winnipeg was to cut its expenditures the same as the province did. The city chose a combination, if you will, of some expenditure reductions and some increases in taxation in order to balance its budget. Certainly, all of the financial arrangements, matters and effects on a variety of city sources of income were considered.

The fact of the matter is the province had limited resources available to it and, as a result, limited its unconditional grant the same way that the New Democratic Party government did in 1986-87 over '85-86 when it, in fact, froze the same grant again to the City of Winnipeg at a time when we were not faced with quite the same kind of situation as we are at the present time where we have very tight, restricted revenue sources.

Revenue sources were growing significantly higher at that time, even though the grant was, in fact, frozen. I am not disputing whether they should or should not have done it at that time, I am simply saying that our ability to provide an increase was very limited. We chose to provide it in the area of transit and the area of the General Support Grant as opposed to this particular grant. The fact of the matter is that we just did not have the money to do it, and so everybody had to participate in this expenditure reduction exercise.

**Ms. Frlesen:** Mr. Deputy Chairman, my second question was to look at the priorities of the City of Winnipeg in this area. I realize that it is the city's own choice of priorities, but I wondered if you could give us an idea of what the City of Winnipeg indicates to you are its priorities for this particular type of funding, or its overall priorities for Winnipeg.

**Mr. Ernst:** It is an unconditional grant. It applies to whatever the city wishes it to apply to. It is difficult to say that you are going to take \$20,000,000 out of its \$600,000,000 budget and say it is going to go for that. It is an unconditional grant. It applies to the general operating revenues of the city.

**Ms. Frlesen:** So, Mr. Deputy Chairman, in your meetings then with the City of Winnipeg on the regular basis, there is no discussion of the kinds of overall priorities that the city has for Winnipeg, not for this money, but for Winnipeg?

**Mr. Deputy Chairman:** I would like to remind the honourable member that we are dealing with the

Unconditional Current Programs Grant. The question she is asking now would fall more under policy and that type of questioning with regard to where you are coming from.

**Mr. Ernst:** I will try and answer the question, but certainly you should not take from my earlier statement that we do not have general discussions about policy directions and a variety of issues of urban problems facing the City of Winnipeg; we do on a regular basis.

**Ms. Frlesen:** Could the minister tell us, from those discussions, what understanding he has of the overall priorities of the City of Winnipeg at the moment? I mean, is it, for example, that his priorities are regional development? He is looking at Headingley; he is interested in transit issues. What is he getting back from the City of Winnipeg that their priorities are?

**Mr. Ernst:** One of the biggest single problems that the City of Winnipeg is facing, I think, is control of its debt. That is a very significant issue because the reflection—and it was pretty evident, the effects of debt and the effects of interest cost on its current year's budget and its taxation levels, the fact that it was a 5 percent increase, if I am not mistaken, was the number that came forward, was simply to cover the interest costs on its debt. So it has to recognize its capital programs have to be somewhat curtailed and its debt managed in a better way than it has up to this point before it can continue on with the variety of other kinds of initiatives. Maintenance of its existing levels of service, urban revitalization, core area problems, problems of infrastructure renewal, all of those things are concerns, and we discuss them on a regular basis and try and seek out ways and means of helping them address those issues.

**Mr. Deputy Chairman:** I would like to remind the honourable minister and the honourable members present that we are dealing with line 2.(a) Unconditional Current Programs Grant, \$20,500,000. When we get under Urban Policy and Agreement Management, we can discuss some of the policy issues.

**Mr. Carr:** The minister has me just a trifle confused now, because he said that the budget of the City of Winnipeg was \$600 million in one of his last statements and the transfers from the province are \$60 million. I get 10 percent out of that, not 17. Can we clarify that?

\* (2110)

**Mr. Ernst:** I think, Mr. Deputy Chairman, part of the city's budget deals with utilities, which are self-generating revenues, as it were. It is part of their budget process, but that also includes the \$600 million. I can refer him to the city's 1990 current estimates adopted by council. The chart contained on page 28 of that document shows provincial government grants to the City of Winnipeg at 17 percent. This is its current estimates, but I think we refer earlier to the fact that the city has under its budget budgeted for its utility costs, and its utility costs, I believe, are all self-supporting, water and sewer and things of that nature, which are, while included in the overall budget, separate and apart from the actual stuff that it is taxed for, if that gives you a little better explanation.

**Mr. Deputy Chairman:** Item 2.(a) Unconditional Current Program Grant, \$20,500,000—pass; (b) Urban Transit Operating Grant.

**Mr. Daryl Reid (Transcona):** Mr. Deputy Chairperson, the minister talked about some figures earlier, and he went over them fairly quickly, and I did not have a chance to catch them in detail. Maybe he could refresh my memory here a bit about them. He mentioned the figure \$16,200,000, I believe, as the change in the grant, the Urban Transit Operating Grant. I believe that is what he was referring to. Is there a breakdown in that figure, a portion would go to the general transit and a portion go to the Handi-Transit and could he give me specifics on those, please?

**Mr. Ernst:** What was committed to in 1990 was \$17.3 million for 50 percent of the transit deficit, operating deficit, and a grant for Handi-Transit Brokerage for \$425,000 for a total of \$17.7 million. In 1990, actual expenditures—that was what was budgeted, but they actually spent \$16.2 million, being 50 percent of the transit operating deficit and the \$425,000 for the Handi-Transit Brokerage program. So those were the numbers for 1990.

**Mr. Reid:** Is the province still contributing the monies to operate the Handi-Transit?

**Mr. Ernst:** Yes.

**Mr. Reid:** Would the minister give me that figure, please?

**Mr. Ernst:** \$425,000.

**Mr. Reid:** So the 1991-92 figure is \$425,000 which is the same figure as it was for 1990-91.

**Mr. Ernst:** I should also point out that, like the rest of the transit grant, it is subject to the 2.8 percent

increase, so it is 425 plus 2.8 percent, whatever that amount comes to.

**Mr. Reid:** Does the minister have figures that would give him an indication, since the Handi-Transit has had fare increases just recently, whether or not this 2.8 percent will meet the needs of maintaining the system to provide the services for the people who utilize it, so that they will not suffer any hardship?

**Mr. Ernst:** I am advised that if the call is booked within 48 hours of the time for requirement, that they meet 100 percent of their requirements.

**Mr. Reid:** So there will be no actual fee increase for the people utilizing that service then?

**Mr. Ernst:** They pay \$1.15, I believe, for utilization of the service. That is similar, if not a little less—it is the same as the regular transit service, so that the fee charged is not a premium fee at all, even though it is a premium service.

**Mr. Reid:** The City of Winnipeg has been embarking upon some changes. One of the recent ones that has been in the media of late is the Charleswood bridge. Of course, before the City of Winnipeg would undertake a project like that, a major capital project, they would have to, in most cases, receive some funding assistance from the province. I would like to know the minister's position on, first off, the Charleswood bridge—

**Mr. Deputy Chairman:** Order, please. I would like to remind the honourable member that we are dealing with Urban Transit Operating Grant right now which is directly related to the buses and not to the transportation corridors within the city of Winnipeg. Those are under Capital Grants.

**Mr. Reid:** That may be, Mr. Deputy Chairperson, but nevertheless the bridges will utilize that service, that the buses will go over that bridge—

**Mr. Deputy Chairman:** I am afraid, I am ruling it out of order. It is nowhere near where—we are dealing with the transit service.

**Mr. Reid:** In that case, then I am not allowed to ask the question on the minister's position on an inner beltway for the City of Winnipeg either—

**Mr. Deputy Chairman:** Not under this category, but you can under a different category, I am sure.

**Mr. Reid:** I will save that for a different time. Thank you.

**Mr. Deputy Chairman:** The honourable member for Crescentwood.

**Mr. Reid:** I am not finished yet, Mr. Deputy Chairperson.

Thank you for the opportunity to continue my questioning of the minister. The ridership, of course, back to the city transit system, has been shown to have decreased substantially over the last few years. Of course, this puts additional strain on the revenues that are generated. Have any efforts been undertaken by the province and the minister's department to determine ways that ridership can be increased?

**Mr. Deputy Chairman:** Your past question will be dealt with under item 4, Expenditures Related to Capital.

**Mr. Ernst:** I am advised, Mr. Deputy Chairman, that while there is a nominal drop of 2.4 percent in transit ridership between 1989 and 1990, there is a new method of calculation as well on the ridership situation, so I am not sure whether that is going to help or hinder the situation. The fact of the matter is the City of Winnipeg operates the transit system. The City of Winnipeg markets the transit system. They spend a lot of money promoting the use of the transit system amongst its members of the public. It rationalizes its routes to try and meet consumer demand for purposes of attracting more ridership to the transit system. It is not, generally speaking, the function of the Department of Urban Affairs to run the City of Winnipeg. The City of Winnipeg, members of council, and its administration run the City of Winnipeg as well as the transit system.

**Mr. Reid:** I think the minister will agree that the province has a vested interest here, considering that we fund 50 percent of the costs of deficit for this urban transit system. It would be in our best interests to undertake studies to determine ways of increasing the ridership to cut down on the deficit.

**Mr. Ernst:** The City of Winnipeg regularly looks at its marketing and promotional programs to encourage people to ride the transit system. We are dealing with some larger initiatives, things like the southwest rapid Transit Corridor and things of that nature. In the ongoing, regular operating of the transit system, we do not, generally speaking, become directly involved.

We also support innovative transit grants to the City of Winnipeg to look at ways of increasing its efficiency, for instance. We have done, specifically, refurbishing of existing buses and things of that nature from time to time, as well, to try and get some extended life out of these types of vehicles, by

saying that in the general promotion and marketing of the budget the City of Winnipeg has done, in our view, a reasonably good job in terms of its running of the transit system.

**Mr. Reid:** The minister has mentioned a couple of other items that I am interested in. The first one will be the refurbishing of buses, which incurs a certain expense for the city and for the province, I would imagine. I would like to know the minister's position, though, on the purchase of new vehicles. The province of Manitoba has manufacturers in this province that are quite capable of producing products to meet our needs here. I would like to know the minister's thoughts on purchasing locally here the equipment in the province of Manitoba.

\* (2120)

**Mr. Ernst:** I have gone publicly on record of having the City of Winnipeg purchase the lowest bid bus from whatever location it comes, and I did that as the Minister of Industry, Trade and Tourism.

The city of Winnipeg has one transit bus manufacturer, New Flyer Industries Limited. New Flyer Industries sells about 30—if the City of Winnipeg buys about 30 to 35 buses a year—New Flyer Industries produces anywhere from 400 to 600 buses a year. If New Flyer Industries was to receive preferential treatment, they would certainly be out of business in no time if they had to exist on preferential treatment here.

Now, that is not to say that other provinces do not do it, because they do. The Province of Quebec is the worst offender. The Province of Quebec, they are very sly in their activity, in what they do. The Province of Quebec says to its municipalities, we will not force you, you can buy your buses anywhere you wish, but if you want to receive 50 percent of their capital cost, they will have to be purchased in Quebec—a grant from the province.

We have a number of issues yet to deal with in terms of interprovincial trade barriers. The Premier (Mr. Filmon) has been very strong in terms of attempting to reduce those interprovincial trade barriers, and I in my previous incarnation, as it were, also was very involved in trying to reduce those kinds of barriers. We have a way to go yet before that concludes.

I certainly do not think, and I do not think in their heart of hearts, that the New Flyer Industries people recognize either that—if we provided preferential treatment here in Manitoba, they are going to start



to face it in their other markets, and they do not want to see that. They know that they have a good product, an excellent product, as a matter of fact. They know that their ability to compete in the North American transit market is growing with every new order that they take. In fact, we have through other means within the Department of Industry, Trade and Tourism and the Manitoba Development Corporation still as the leftover from its earlier sale or disposition, were able to deal with support for that industry, and they recognize that.

**Mr. Reid:** New Flyer, I am sure, wants to be very competitive in the marketplace, and I have not heard of them asking for any kind of handout or assistance. They are a good industry and, of course, they are in the community of Transcona. They provide many jobs to the people of Transcona and the surrounding community. Of course, they are a good industry for the province of Manitoba, but if I see other jurisdictions in the country receiving preferential treatment for the products that they produce within the confines of their own borders, it has to leave me wondering why we would leave our industries at risk and the jobs that it provides for the citizens of this province.

**Mr. Deputy Chairman:** Order, please. We have allowed a little bit of leeway here, but we are dealing with Urban Transit Operating Grants. The key word, I think, is "operating," so I would ask the honourable members if they could please relate to the general subject, I would appreciate it.

**Mr. Ernst:** Mr. Deputy Chairman, all I can say to the member for Transcona is two wrongs do not make a right. It is not a question of us implementing trade barriers. It is a question of others reducing them and we are working towards that end.

**Mr. Reid:** The minister has talked about the southwest corridor, of course, that I believe is in conjunction—the minister can correct me on this—a cost-shared program between the province and the City of Winnipeg. Could he give me some indication on the dollar value for this proposed rapid transit system?

**Mr. Deputy Chairman:** It falls under Capital.

**Mr. Ernst:** It falls under Capital, as the Deputy Chairman has indicated. We have some leeway and we are going to—the current estimate, I think, is \$63 million and counting.

**Mr. Deputy Chairman:** I would appreciate it if you related any other questions towards the corridor,

towards item 4. under Expenditures Related to Capital.

**Mr. Reid:** Thank you for that, Mr. Deputy Chairperson. Yes, I promise I will try to stick to the agenda.

I think that is all the questions I have for this time, Mr. Deputy Chairman.

**Mr. Carr:** I just have a couple of questions, Mr. Deputy Chairman. One is, I am interested in the history and maybe even the logic of the province paying 50 cents on every deficit dollar incurred by the City of Winnipeg Transit. The City of Winnipeg also operates swimming pools, recreation centres—operates a lot of things. The province does not pick up 50 percent of the deficit. Why transit? What is the logic behind that one line taken out for special treatment?

**Mr. Ernst:** Mr. Deputy Chairman, I guess historically, and this goes back to the time when I was still a member of the City Council, but the rationale I do not think has changed particularly. I think it reinforces the containment option for the City of Winnipeg to keep its urban areas as reasonably tight as possible. It reinforces, I guess, their limits, capital expenditures for the City of Winnipeg to some degree in the sense that you do not have to have the major transportation infrastructure requirements, as you would have if you did not have a very significant transit system in the city of Winnipeg.

As a result, the commitment by both the previous government and by this government is to control the growth of the use of the automobile in urban Winnipeg. Whether that has been successful or not remains to be seen, but that is the basic rationale.

**Mr. Carr:** Mr. Deputy Chairman, you would think that if that was the objective, then the provincial government, with or without the City of Winnipeg, would encourage the use of fewer vehicles, would encourage car pooling. I do not think I have ever seen a sign encouraging car pooling in the city of Winnipeg. You would think that if that was one of the policy objectives, the government would use other instruments available to it to advertise the legitimacy of that policy. I do not want to belabour the point. I just thought it would be interesting to learn historically why transit was split out this way.

The member for Transcona (Mr. Reid) said, because it is an essential service. Well, so is water an essential service. I do not believe the province

picks up 50 percent of any deficits incurred in getting Winnipeg's water supply into Winnipeg from Shoal Lake, et cetera, or the sewer system for that matter.

I am interested in one follow-up question on the Transit Corridor in the southwestern part of the city. The minister says \$63 million and counting. By the time we finally get around to building it, it will be \$128 billion and counting, if we ever do.

What is the province's position on the Southwest Transit Corridor? Is it opposed or is it in favour of the project? Does it bring any money to the table?

**Mr. Deputy Chairman:** I am going to allow one last question on it seeing as you did not get an opportunity, and that is the last one.

**Mr. Ernst:** Mr. Deputy Chairman, I think, by and large, the urban transit needs of the city of Winnipeg are a reasonable priority for this provincial government.

During the 1990 election campaign, we indicated that we wanted to address the needs, the urban transportation needs, in general terms now, not just on a specific project, but in general terms, with the City of Winnipeg over the next couple of years to try and come to some grips for an urban transportation strategy for the City of Winnipeg. We do not want to do it in isolation. We said we wanted to do it with the City of Winnipeg, and we will hopefully, later this year, be embarking on that project with the city to try and determine what the needs for the 1990s are going to be for the city of Winnipeg.

\* (2130)

Now the question of the southwest rapid Transit Corridor has been around a long time. It has been around probably as long as I have in terms of political involvement, but it seems to me it was talked about early on. It may well have been talked about in 1968 in the WATS report, if I am not mistaken, but the fact of the matter is the rationale I think, by and large, is still valid, whether the mechanism, whether the cost benefit is still valid or not. I cannot comment at the moment, but the principle I think is still valid. The fact that high density transportation between two nodes of relatively significant populations moving back and forth is still a very valid principle, and I think ultimately will be addressed in the question of the needs for the city of Winnipeg and its priorities over the next period of time.

**Mr. Carr:** I am not going to risk the wrath of the Chair, and pursue this. I will wait until the Chair tells me it is okay.

**Mr. Deputy Chairman:** Thank you.

**Mr. Carr:** One last question on the Urban Transit Operating Grant. The minister may or may not be aware of the Senior's Transport Service offered by a group of very industrious and hardworking Winnipeggers in the southern part of the city. Certain election commitments and promises were made by the Progressive Conservative Party in 1988, which I do not believe were ever delivered in funding the Senior's Transport Service. Can the minister tell us if he intends to provide any grant assistance to this very worthwhile transport service, and if not, why not?

**Mr. Ernst:** Mr. Deputy Chairman, it is my understanding that presently the City of Winnipeg provides a service to the entire city. That particular service, I think, applied to a specific area of the city, whereas the choice, I guess, of the City of Winnipeg was to go with a fully blown service to cover the entire city, perhaps not quite to the level of service that had been enjoyed under that particular project. The funding that the province provided, the \$425,000 towards the brokerage service, was, in fact, to assist the city in putting in that service for the entire city.

**Mr. Carr:** Mr. Deputy Chairman, I wonder if I could ask the minister to review decisions that were taken in regard to the Senior's Transport Service and perhaps sit down with June and Bud Renton, who are the individuals who have spent countless hours organizing and providing transportation for seniors throughout south Winnipeg, a service that is badly needed and greatly appreciated by those who use it.

Would the minister—I know he is busy—but just take a few moments to review that case to see if maybe there is not a city, indeed a provincial interest, in expanding the kind of seniors' transport service offered by the Rentons and if he and his officials would just have a look at it one more time to see maybe if it merits and is worthy of a second look.

**Mr. Ernst:** Mr. Deputy Chairman, I do not have a problem in looking at the history of this matter and what levels of service and those kinds of things that have been provided in the past. I must remind my honourable friend that at a time when we are faced with significantly restricted resources, the fact that we have almost zero percent increase in our revenues and a significant call upon our resources for a wide variety of very valuable and desirable

programs—health care, family services—I mean it is daily in House in the Question Period as to why are we doing this or why are we not doing that. I do not want to hold out any false hope that we have significant new resources to put into these matters because we simply do not. While I say I do not mind reviewing the history of the matter and looking at the value of the project to see if there may be a fit somewhere along the line, I do not want to hold out any expectations that there are new resources available because there are not.

**Mr. Deputy Chairman:** Item 2.(b) Urban Transit Operating Grant, \$17,100,000—pass.

Item (c) General Support Grant \$8,100,000.

**Mr. Carr:** Mr. Deputy Chairman, I am interested again in knowing how this money is used in the General Support Grant and to ask the minister if the figure that is printed in the Estimates book is the accurate figure or, like the Urban Transit Operating Grant, is this not the actuals?

**Mr. Ernst:** It is a best estimate, based upon the expectation that the City of Winnipeg will pay that amount of money to the provincial government for its payroll tax. That is the tradeoff.

**Mr. Carr:** So this is a grant from the province to the city to compensate for the payroll tax.

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

**Mr. Carr:** Then that is the beginning and the end of the significance of this line?

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

**Mr. Carr:** Then I guess it would be prudent for me to stop questioning on it.

**Mr. Deputy Chairman:** Item 2.(c) General Support Grant, \$8,100,000—pass.

Resolution 134: RESOLVED that there be granted to Her Majesty a sum not exceeding \$45,700,000 for Urban Affairs for the fiscal year ending the 31st day of March, 1992—pass.

We will now move onto item 3. Urban Policy and Agreement Management (a) Salaries, \$430,000.

**Ms. Frlesen:** The minister indicated earlier in his statement the importance he attaches to the Winnipeg Region Committee, so I assume that this is the place where we can talk about that. I wonder if the minister could give us an update on that, on the boundaries of the committee and a sense of the goals, the purposes, the kind of documents you expect to produce, the kind of actions or activities which you might see in the future resulting from that

committee. My impression is at the moment that it is generally consultation and that you do not seem to have any intention of going any further than consultation. Is that right?

**Mr. Ernst:** Mr. Deputy Chairman, I have not yet had the opportunity of meeting with the Winnipeg Region Committee. They do meet twice yearly, I believe, and we have two or three times a year. We do have a meeting coming up within the next two or three weeks, so I am quite looking forward to that, as a matter of fact.

It is my understanding that the committee has kind of focused on an issue related to the Winnipeg region and kind of honed in on that aspect of it, apart from some general discussions on interrelationships between the city and its surrounding municipalities, but I would not for a minute say it is simply a social occasion to hear the beefs of the surrounding municipalities at all.

I think they are very much committed in general terms to dealing with some of the major issues that are facing the Winnipeg region area and trying to address those as much as possible. I think one of the major issues that was dealt with was a number of vacant building lots in the Winnipeg region and how the potential for new building lots in sort of infill areas, if you will, surrounding the area and ultimately meeting some of those concerns by dealing with that.

Also the question of agricultural land. As soon as you take agricultural land out of production, even though today it costs maybe more to leave it in production because of support programs that have gone on, but it is still a concern overall for the long term that agricultural land not be taken out of production if at all possible.

The question, I guess, of dealing with transportation and municipal services is another major problem. The interrelationships again of those people who live in true suburban, exurban residential-like communities, by and large, work in Winnipeg. So the transportation of those people back and forth creates a significant problem. How do you deal with those kinds of issues?

So that there is a wide variety—and we can go on at some length, if you wish, but there is a wide variety of issues that are attempting to be addressed. They are not going to be addressed overnight, and they are not all going to be resolved overnight either. Certainly there is a will, from what

I am told, and I have to say I have not had the opportunity yet to attend to see for myself what kind of level of commitment is coming from the people, but I am advised that there is a significant level of commitment.

People are interested in resolving some of these problems and see for the first time perhaps that they are all being treated on a more or less equal basis now as opposed to—historically, when I was the chairman of the Planning Committee for the City of Winnipeg we had what we called the Additional Zone committee, and it was not even all of the additional zone municipalities. There were only three of them that were represented on the committee and the others felt excluded, they were not listened to, or things of that nature. So this gives all of them an opportunity now, a focus and a forum, to deal with those kinds of issues.

\* (2140)

**Ms. Frlesen:** I understand then the range of the agenda items that you are looking at. I assume one of the other issues also is the programs and facilities within the city of Winnipeg that are used by people outside the city of Winnipeg who are not taxed by the city.

**Mr. Ernst:** I am advised that has not been an agenda item up to this point.

**Ms. Frlesen:** I appreciate that the minister has not an opportunity yet to meet with this committee, and I also appreciate the distinction he is drawing between the earlier system of the additional zone and the new opportunities that this opens up for exurban communities and for the city of Winnipeg as well.

I wanted to pursue—even though the minister has not met with the committee, I assume that within this function of this section of the department, the policy planning and co-ordination, there has been some thought given to the direction that the province wants to go with these exurban communities in Manitoba.

Could the minister give us an idea of what kind of planning and research has been done and what kind of long-term interest the province has and how it should be pursuing it with this particular, very broad and important issue?

**Mr. Ernst:** Mr. Deputy Chairman, given the significant needs and desires and hopes of a pretty divergent group of people, to attempt to try and pull them together, to attempt to try and bring a common

focus, it has to be a co-operative effort. For somebody to come in and say, that is the way it is going to be, is not going to work. The people have to be—over a period of time, and how long that period of time is going to be, I cannot really comment—trying to pull together a common set of principles upon which everybody can identify, with which everybody can identify, I think will bring us along much further in terms of an overall longer-term strategy than arbitrarily imposing some theory that somebody has or some group has.

I think we have come along sufficiently well in terms of this committee that that is a realistic goal. I indicated earlier a number of issues that are of concern to the committee. It has also been focused on specifics as well. They have sort of taken one single issue and said, that is what we are going to concentrate on for the next period of time, three or four months, and we are going to try and really zero in on that and deal with, gives them a little better focus. It is not the shotgun approach that says, we have all these myriad of issues that we have to deal with, how are we going to ever deal with that, so that the discussion becomes a merry-go-round. Whereas if you deal with it while you know the issues are there and you know that you have to ultimately deal with them, you have at least a single issue that you can focus on and try and resolve or come to some commonality of opinion on.

As we go through that process of determining ultimate priorities, how it is trying to be orchestrated—not orchestrated either, that is perhaps not a very good word—trying to bring these people together to discuss and to concern and to understand these basic concerns and issues and to bring them together with a commonality of focus is not an easy thing to do, because you are dealing with quite a number of people from diverging backgrounds, from different perspectives. Even amongst the Winnipeg Region municipalities, excluding Winnipeg, there are significant differences and significant expectations and desires and concerns.

You face the R.M. of Rosser, perhaps with 800 or 900 people, on the one hand, and then you have the R.M. of East St. Paul, for instance, with almost today 50 percent urban development. There are significant differences among those people as well.

To try and meld these into a common goal and a common direction is a significant undertaking, one that my predecessor worked very hard on and, I am

told, had significant success with. For that, he should be congratulated, and I hope to be able to at least live up to those efforts that have gone before me.

**Ms. Frlesen:** Mr. Deputy Chairman, I want to pursue this a little. I agree that there are very divergent interests, and what I get from the minister at the moment is that the role the province is to play is to be the chair, is to co-ordinate, is to develop a climate of trust between divergent municipalities.

The minister has also talked—and in policy statements has introduced the new vocabulary of capital region. I assume from that that there is some kind of government strategy, some kind of government policy which is, in the longer term, looking at something like a capital region, not necessarily on the NCC basis, but something different from what we have now.

What I am trying to get at is, in the long term, say 10 years from now, what kind of ideas does this policy and co-ordinating branch have for the capital region that it is so designating?

**Mr. Ernst:** Mr. Deputy Chairman, I do not think for a minute that we are looking at amalgamating all of the municipalities surrounding Winnipeg into another broader kind of political entity at all, but there are significant relationships between those municipalities that exist outside of Winnipeg and Winnipeg itself, significant relationships from a whole host of different points of view and different perspectives. You cannot simply ignore it, yet at the same time, you cannot superimpose your will upon it either.

We have to try and build a consensus amongst those municipalities to recognize the problems, because the problems are not just Winnipeg's and they are not just their's. There are common problems in many cases, so we have to try and build a consensus to try and work toward that end. That is what we are trying to do. We are trying to pull together these kinds of divergent opinions into some form of consensus that will—I mean there is no point in developing a policy if it does not work. You have to have it be able to work, and you have to have everybody buying into it. If people are not going to buy into the program, they are not going to make it work. You have to have that commitment.

We are hopeful that, through this process, over a period of time—however long that takes, I cannot tell you at the moment, but over a period of time,

building that joint trust, concern, effort, things of that nature, that we will ultimately reach, I think, a conclusion that is going to be acceptable to everyone.

**Ms. Frlesen:** My impression is then that the minister is taking a very slow, measured approach. In some circumstances, that may be the right approach; I do not know. I am looking for information and for your interpretation at this stage.

How quickly do you think or do your policy advisers think matters are moving in this area? My impression is that there are certain parts, particularly to the north of the city, toward Selkirk, that there is very rapid development and urbanization and that we have lost any kind of green space we might have had.

How fast are things moving in terms of transport issues and road issues? What about taxation issues and water issues? What is the pace of change? Does the minister have the evidence that he has the time to move in what may be an ideal and measured pace?

**Mr. Ernst:** I really do not know at this point. As I say, I have been the minister only a short period of time. This has been in place for about a year and a half. Just to get it together was a significant effort in itself, and to get the people to at least commit to come to the meetings.

In the past, what you have had is people tended to, and particularly those that you referred to in the past have tended, to some degree, St. Andrews in particular, kind of ignore what Winnipeg wanted or thought or anything else and what the consequences were of their actions. There are still a great many subdivisions and building lots and so on that were approved under previous systems that exist, still in place, and what you see has not necessarily been recently approved. It may have been approved sometime in the past and, it is just now coming on stream or just now being implemented.

The Town of Selkirk has now asked, you know, we would like to be in, we would like to participate in the Winnipeg Region Committee. We are quite looking forward to having their presence and their input.

\* (2150)

**Mr. Deputy Chairman:** Order, please. Could I have the honourable members wanting to carry on their conversations do it out in the hall? The

honourable member for Wolseley is really having a hard time listening to the minister here.

**Ms. Frlesen:** Thank you very much, Mr. Deputy Chairman. I am glad to hear about Selkirk. I think that will be an important component of any kind of Winnipeg regional community.

Can I switch topics now and ask about policy co-ordination in the City of Winnipeg? The government has a sustainable development policy across many government departments and, I assume the City of Winnipeg is one. There are parts of your annual reports that do talk about sustainable development and, I wonder if the minister could perhaps give us an overview of the policy developments, the research co-ordination that has gone on in this department that are helping to develop urban sustainable develop programs.

**Mr. Ernst:** Firstly, as an element of provincial policy and provincial interest, we have asked the City of Winnipeg to include in the review of Plan Winnipeg that is going on over the next year to include that as a principal focus. The fact that economic sustainable development is something that is of provincial interest within Plan Winnipeg, we have asked that the city review that and create planning recommendations to be included in Plan Winnipeg related to sustainable development.

Secondly, we will be embarking upon a capital region sustainable development study in the next little while that will deal with a whole variety of other significant issues related to sustainable development in the city of Winnipeg, and interrelationships between various departments of the government as well.

We will be embarking on that pretty soon; that was a planned work item for this year.

**Ms. Frlesen:** That raises two further questions. Did I misunderstand you? You referred to economic sustainable development when you were talking about the review of Plan Winnipeg. Is that the way you are defining sustainable development or is there a broader environmental context?

**Mr. Ernst:** Oh, no. Mr. Deputy Chairman, I am sorry, sometimes words excite people. The fact that the principles of sustainable development, the principle, as definition of sustainable development is economically sound and environmentally acceptable.

**Ms. Frlesen:** The second part of that was that the minister was looking at a sustainable development

policy from the department for the capital region. How is the capital region defined in this context?

**Mr. Ernst:** Mr. Deputy Chairman, I gather the capital region for the purposes of the sustainable development study will encompass, by and large, those jurisdictions involved in the Winnipeg Region Committee because, again, of the obvious interrelationships that there are between them.

**Ms. Frlesen:** Could I then pursue some of the alternatives in transport systems to the automobile? I know that is one of the things, of course, that is one of the department's priorities in the transit grant is trying to find, at least, to give support to public transit in the sustainable development options for Plan Winnipeg and for the Winnipeg region.

What consideration is being given to alternatives to the automobile? I am thinking, particularly, of the car pooling that the city of Calgary has tried, the limitations on downtown driving that various other North American cities have tried and, obviously, bike paths as a form of transport rather than simply as a form of recreation.

**Mr. Ernst:** In terms of the city of Winnipeg, I suspect that the Plan Winnipeg will address those issues. There are significant transportation, transit, alternative uses to the automobile. As far as the city of Winnipeg is concerned, I think that will be reasonably adequately addressed, hopefully, in Plan Winnipeg. We will be monitoring that process as it goes on.

In terms of the capital region study, again the terms of reference are being worked on at the present time, and I do not have the exact information. If it is not in there, it should be. I agree, so we will endeavour to consider that.

**Ms. Frlesen:** Could we look at—under this program is listed the South Legislative Grounds. I wonder if we could have an update on the plans for the historical development of the Legislative grounds and the area behind the Legislature. It is under Policy Co-ordination Results.

**Mr. Deputy Chairman:** It is under Riverbank Development, is it not? That would be under (e) Riverbank Development on the next page. Oh, you are talking about the riverbank enhancement project?

**Ms. Frlesen:** It is listed separately as the South Legislative Grounds program.

**Mr. Deputy Chairman:** Which page are you looking on?

**Ms. Frlesen:** I am going from the annual report.

**Mr. Ernst:** The most appropriate place in terms of these printed Estimates would be to ask it under 4.(b), which is the capital related to the riverbank. I would be happy to go into it in some detail at the time. That is the most appropriate—

**Ms. Frlesen:** I do not mind where we ask it. It is listed here as an aspect of policy co-ordination. So I was asking about policy, planning, research.

**Mr. Ernst:** I am sorry. I missed the question.

**Ms. Frlesen:** I was just explaining why I was asking it here. It was the issue of policy and planning. There have been some questions about statues, for example, in the grounds and the interpretation that was planned.

**Mr. Ernst:** The issue is much broader than simply what is happening behind the Legislative Building. The issue is significantly broader in the whole context of the rivers in Winnipeg and in the Winnipeg region. The province committed funding in the past toward a riverfront organization, corporation if you will, not to act as a regulatory authority, but to act as a policy planning co-ordinating authority between the municipalities involved in the Winnipeg region.

Unfortunately, the City of Winnipeg did not agree with that proposal. My colleague the former minister advanced that to them in 1989, I believe it was, and they responded in 1990 saying that they did not agree. Basically, what they said was, leave us alone but give us your money.

The department, at the time, did not think that was appropriate because of the commitment toward the whole regional aspect of the rivers and the fact that there needed to be co-ordination and a commitment by everybody toward their utilization and enhancement. As a result of that, you know, we have to go back to Square 1 and start over again.

Given that that commitment was limited in terms of its acceptance—I mean, it is obvious that the province is not going to go out on its own when the major partner, the biggest landowner, the biggest entity controlling land on the riverbanks and the regulatory authority, is not interested in participating. We have to go back and start over again and try and build another consensus from the City of Winnipeg toward that end.

As a result, we have simply said we are going to—and as it shows under 4.(b) Riverbank Development in the printed Estimates of the department, \$20,000 for this year, which will be

used to complete the planning exercise for the Louis Riel Park behind the Legislative Building.

The thing is in process; it makes sense to complete it now while the people who are involved are still here, still involved and still have it fresh in their mind and so on. We said, let us complete the planning process; then we will go on hold, back to Square 1 and try and work out another arrangement that the city will find acceptable to participate in. I am sorry for the long answer, but it is a little more involved than simply, we are spending \$20,000 this year.

**Mr. Deputy Chairman:** The hour being ten o'clock, committee rise.

\* (2000)

#### SUPPLY—EDUCATION AND TRAINING

**Madam Chairman (Louise Dacquay):** Order, please. Will this section of the Committee of Supply please come to order. This section is dealing with the Department of Education and Training. We are on page 37, item 1.(a) Minister's Salary, \$20,600—pass.

Resolution 27: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,161,200 for Education and Training, Administration and Finance for the fiscal year ending the 31st day of March, 1992—pass.

This concludes the Estimates for the Department of Education and Training.

#### SUPPLY—NORTHERN AFFAIRS

**Madam Chairman (Louise Dacquay):** Order, please. This section of the Committee of Supply is dealing with the Department of Northern Affairs, page 140. Item 1. Administration and Finance (b) Executive Support: (1) Salaries, \$448,000—pass; (2) Other Expenditures.

**Hon. James Downey (Minister of Northern Affairs):** Madam Chair, it is not compulsory to give opening statements. In view of the fact that the opposition members insist that they want to hear my opening statement, I will give them the pleasure of hearing it.

**An Honourable Member:** You can table it.

**Mr. Downey:** No. I was considering that, but I feel compelled to give an opening statement. We do have one item passed.

Madam Chairperson, I am pleased to introduce my department's Estimates for the 1991-92 fiscal year and to have the opportunity to report to the committee on the progress my department has achieved since I introduced the department's Estimates for last year.

I would like to begin by saying that the budget for our department is \$2.6 million less than the previous year. I want to acknowledge the hard, dedicated work of the senior staff of the department and all the employees of the Department of Northern Affairs who participated in this difficult budget exercise. The long hours and hard work were certainly appreciated by the government, and difficult decisions had to be made.

The reduction is mainly comprised of salary and operating costs associated with the reduction of 11.5 staff years in my department and a reduction of \$1.3 million in capital infrastructure spending. A delay in that spending is basically what it is.

In light of the difficult economic times we are facing globally, my department has been forced to make some difficult decisions. The areas of expenditure reductions, however, have been made in areas that minimize the direct impact on the programs and funding that have been developed for our 56 Northern Affairs communities.

Madam Chair, as the Minister of Northern and Native Affairs, my primary responsibility remains the interest of northern communities and the Native people whom I represent and serve. I remain committed to improving the quality of life and opportunities for the people served by my department. I also remain committed to continuing the path we have begun in improving local municipal services in northern communities and further developing human and economic programs to give northern residents and Native people more opportunities for self-development.

Difficult choices that we have been forced to make, and indeed they have been the most difficult decisions I have had to make in many years of experience as I have experienced as Minister of Northern and Native Affairs, are necessary and responsible. While we have had to defer some capital programs, we have recognized the need to maintain the existing capital assets of communities, so that our infrastructure will serve the people of the North for many years to come.

To this end, we have increased funding for maintenance of these essential capital assets. The department will be working with the communities to overcome the challenges ahead.

The policies of the federal government continue to affect the North. The effect of GST is being felt in the North just as it is in the rest of Canada. However, the impact on the North is more acute as it has a cumulative effect on basic services such as the cost of transportation and of goods. Businesses in the North are already faced with numerous obstacles to development and feeling the additional impact from these factors.

As the Minister of Northern Affairs, I am committed to work with the people in the northern communities to bring about recovery and eliminating obstacles to the progress which they are all striving to achieve. To that end, my department is working on many initiatives to enhance social and economic programs in the North.

In recognition of the contributions of Manitoba's Native organizations, most funding levels have been maintained. We will actively continue the partnership that is being developed between the Northern Association of Community Councils and my department, which has given life to a draft policy for incorporation of Northern Affairs communities, an extremely important policy that I believe is very much supported by the communities and will give them more of a responsibility to have self-determination within their communities.

There was a release in October of 1990 at the annual Northern Association of Community Councils conference, where it was discussed with community representatives for their information and input as it related to community incorporation.

This policy had been developed over the past year with the input and participation of two mayors from northern communities and a representative from the Northern Association of Community Councils who worked on a task force team with government officials.

Since the draft policy was announced, together we have made some substantial progress in putting together a detailed package describing the process for incorporation and its subsequent testing in Manitoba's northern communities.

Our target is to implement the incorporation concept by working with several communities who



have shown interest in taking this further step for their development.

In our continuing effort to provide greater autonomy for the North, the pace and scope of these initiatives are being directed by the communities.

\* (2010)

The provision of support, training and development to people in the North and Northern Affairs communities is resulting in the progressive transfer of authority, funds, resources and responsibility to the communities themselves, a goal my department and the community share.

Recognizing the importance of education in the social and economic vitality of our northern communities, this department is working diligently in co-operation with the Department of Education and Training to negotiate long-term federal participation in post-secondary education programs for status Indians in Manitoba.

My department also recognizes the significance of recreation in the quality of life of northern Manitobans.

In April of 1990, our department, in partnership with my colleague's departments, the Department of Culture, Heritage and Citizenship and the Department of Education and Training, unveiled a two-year pilot program to train recreation directors for northern communities.

Currently 23 northern residents are being trained and employed as recreation directors to serve their own communities as a result of this program. Communities such as Cormorant, Moose Lake, Norway House, Camperville, Wabowden, Split Lake Band, York Factory Band, Oxford House Band and others are already benefitting from those new recreational resources that are now available to them.

As a means of enhancing the economic structure of the North and bringing government closer to the people it serves, my department remains a leader in the area of government decentralization. It maintains one of the highest percentages of staff located outside of the city of Winnipeg. One example of my commitment to decentralization and the opportunities it represents to northern communities is demonstrated in the fact that the Interregional Services Branch, currently in Winnipeg, will be relocating to Thompson this summer. I am expecting the member for Thompson (Mr. Ashton) to make comments as it relates to that.

We will build upon our past accomplishments in providing hydro-electric service to our remote northern communities. Discussions are being finalized with the federal government to deliver hydro service to nine communities in northeast Manitoba.

Madam Chair, let me tell you that this is one initiative which I believe the members of the opposition should be very supportive of and I would hope would comment in a positive way as those communities in northeast Manitoba have for far too long gone without the hydro-electric power off the main hydro system in this province. I am sure each one of us can imagine the improvement in the quality of life that can be obtained with such a basic essential service as that sure hydro supply off the Manitoba water system.

Our efforts to safeguard the health of northern residents will continue through programs such as upgrading on the water and sewer facilities to enhance the availability of safe and pure water supplies for all Manitobans.

In my role as Minister responsible for Native Affairs, I am committed to working with the aboriginal community on a broad range of issues and initiatives. The issue of Native self-government is a continuing theme in government's ongoing work with the community in areas such as child welfare, treaty rights, resource management, education, justice, land claims and federal-provincial jurisdiction. Recent negotiations have resulted in another successful agreement for the establishment of an Indian Gaming Commission.

This latest agreement will give the nine west region tribal council bands the legal authority to control bingos, the sale of break-open tickets and other forms of gaming activities on the reserves. The Indian leaders have acknowledged this concept as a positive step towards self-government.

Departmental staff have participated in the development of policy relating to Native women's economic development concerns. This process is working towards the development of an entrepreneurial strategy for women in Manitoba with a focus on the concerns of Native women.

In co-operation with the Native women's groups and organizations, departmental staff are also working on the development of a Manitoba Native women's policy strategy. This initiative is in response to the 1989 final report on the Provincial

Women's Initiative. This policy is intended to put in place a framework to guide government departments and agencies in their current and future activities on behalf of Native women.

We recognize that off-reserve status Indians are often caught in the middle of federal-provincial disputes over jurisdiction and governmental responsibility. Indications are that this situation is worsening as the federal government policies indicate a trend towards transferring responsibility for many of these services to provincial governments.

The objective of our government is to ensure that the shared interests of our Native communities and this province are served in terms of the jurisdictional and fiscal responsibilities of the federal and provincial governments. Our department will be providing support to other government departments in their discussions with the federal government on these issues.

My department will continue discussions on the concept of Metis self-administration through a tripartite process with the federal government and the Manitoba Metis Federation. Our common objective is to identify issues and concepts of self-government, particularly in the housing, education and economic development sectors.

Treaty land entitlement remains a priority of our government. I have written to both the Assembly of Manitoba Chiefs and the Minister of Indian and Northern Affairs, Canada, stating my willingness to meet and establish an effective process for negotiating outstanding treaty land entitlement.

I cannot emphasize enough the importance I place on dealing with these issues without delay.

Specially, we are currently working with the Island Lake Tribal Council and the federal government to address treaty land entitlement rights in their area. We have also entered into negotiations with the War Lake Band, the community of Ilford and the Department of Indian Affairs to establish a reserve at Ilford in settlement of treaty land entitlement.

The Northern Flood Agreement is another major priority of my department. Substantial progress has been made in several areas. The government of Manitoba is nearing completion of a comprehensive settlement with the Split Lake Cree First Nations.

I can report that progress is being made towards settling specific claims of the bands of Cross Lake, Norway House, York Landing and Nelson House.

Currently, these four bands have prioritized a total of 15 claims dealing with resource settlements and community planning. Negotiations are being conducted on a claim-by-claim basis.

Following the settlement of the Grand Rapids forebay obligations reached by Manitoba Hydro last fall, the government of Manitoba made a proposal in October of 1990 to the Chemawawin First Nations, Easterville community, Moose Lake Indian Band and Moose Lake community to address outstanding obligations arising from the construction of the Grand Rapids generating station.

I want to, at this time, compliment our Premier and our cabinet colleagues and our government for the initiative that was taken to instruct Hydro to deal with the matter which had been outstanding for some 25 years. Even though there had been certain opinions saying that there was no obligation, the devastation and the difficulties that were obvious in those communities had to be acknowledged. They were acknowledged and, I would say, major settlements made. I would appreciate the members opposite commenting on what I would consider a positive initiative and, hopefully, have the support of the members opposite in trying to deal with a situation that was, for far too long, an outstanding issue with the Native community in that area of the province. We are currently working in co-operation with these communities to reach a final settlement as it relates to nonhydro-related activities.

Madam Chair, if the member for Dauphin (Mr. Plohman) does not want to listen to the comments, the accomplishments of the Department of Northern and Native Affairs, he has every right not to listen, but I would appreciate him being patient and I may be half way through. When I have finished with the prepared notes, I may just continue on for some time. As the Minister of Northern and Native Affairs, I have the clearance from the Liberal critic -(interjection)- Well, the member for Thompson (Mr. Ashton) has reservations.

As the Minister of Northern and Native Affairs, I recognize that opportunities in the North are usually associated with major developments. Emphasis must be placed on the major economic motivators of the northern economy, forestry, mining and hydro development.

My department will be working to enhance opportunities that contribute to the overall social, economic, human and capital development of the

North. We will work with the people of the North to create partnerships between private enterprise and governments that meet the challenges, enhance the opportunities, the economic opportunities in the '90s and beyond. In fact, I think we should adopt a slogan, one which I feel very strongly about, "North for the Nineties in Manitoba."

We will also pursue sustainable growth which recognizes economic pursuits and cultural needs. As I mentioned earlier, this budget is the result of difficult and necessary choices. Our programs for 1991-92 will focus on infrastructure which is necessary to ensure health and safety of northern residents. We will continue to work diligently with our northern and Native communities to ensure that decisions and choices consider the needs and aspirations of Northerners and Native people to the greatest possible extent.

The results of fiscal restraint will be difficult. However, our actions today will put us in a position to protect our core programs without further burdening Manitobans with an increased provincial deficit. This in turn protects the future of northern Manitobans and all other Manitobans as well.

I would like to close by recognizing the staff of the Northern Affairs and Native Affairs departments, the people of the Northern Affairs communities and the Native people across Manitoba for their outstanding contributions, support and participation they have shown in creating a positive environment for growth and a change that will benefit all Manitobans.

The people of our province have never let obstacles stand in the way of their dreams, aspirations and successes. All Manitobans have benefited from this inherent determination and hard work. The people of the North and Manitoba's Native peoples are true examples of this and I look forward to working alongside them to overcome any obstacles in their path to a brighter social and economic future.

\* (2020)

Madam Chair, I think it is extremely important to point out and re-emphasize again what our priorities are as a government, and that is that, yes, we have seen some reductions in Northern and Native Affairs, but the people of the North enjoy the health care system which is provided by the Department of Health in this province and the increases which were provided. They enjoy the education which is another priority of this province and of this

government, also the Family Services programs which are provided by this government.

I have heard members from the North say that we, the government or I, particularly the minister, are for some reason picking on northern Manitoba. Nothing could be further from the truth. We have tried to work to make sure that the opportunities and the aspirations of the people in the North are able to be provided and the essential services provided.

I come to southern Manitoba, they say that we do things for the North that we are not doing for the South. That is in the record. The members have clearly stated that in the House. I have heard the Leader of the New Democratic Party (Mr. Doer) clearly say that we were attacking municipalities, we were attacking rural people. At the same time they are saying we are attacking the North.

We are not attacking anyone. What we are doing is putting forward a responsible fiscal plan for this province, to build a strong foundation so that we can obtain the opportunities that this country provides for everyone in this country. Without the kinds of decisions that are made today, to take the approach of the Ontario government, to throw your hands in the air and say that you can buy your way out of debt is an absolute impossible irresponsible position. We have had that experience, Madam Chair, for some six years under the Howard Pawley government, and it did not work. We are reaping the rewards of that ill-guided, ill-conceived answer to the political and the financial problems of this country.

I believe the tough decisions that are made now will in fact give us the opportunities, give free young people in the North the opportunity to fully participate in the economy and the activities which this country has provided for their ancestors and the ancestors before them.

I look forward to the comments of the members opposite and would hope for quick passage of these Estimates, so that my department staff can get back to the North and work with the people, Madam Chair, that they are so accustomed to working with. I would hope, as I say, that the members would deal with it in a very expeditious manner and get on with the passage.

Thank you, Madam Chair.

**Mr. Steve Ashton (Thompson):** Madam Chairperson, I want to, first of all, assure the minister—I know the minister would love to dispense with the discussion of these Estimates

because of the vicious cuts that are apparent in the government's policies—

**Mr. Downey:** Name them.

**Mr. Ashton:** Name them, he says, as we see a budget of Northern Affairs—a small enough department as it is—devastated by \$2.6 million worth of cuts as indicated by this document, the Estimates for 1991. I want to indicate that we intend to give full scrutiny to not only the words of this minister, but the action.

I want to begin with the words, those hollow sounding words that we are so accustomed to hearing from this minister. I could not believe what I heard. He said, Madam Chairperson, that he did not pick on the North. He blamed, indirectly, members on this side for somehow taking him to task for having done that and yet this is the same minister who in this House said that Northerners did not know how to vote right. In response from his seat and then from his feet to the member for Flin Flon (Mr. Storie), who was asking why were Northerners being cut back and this minister said, because they did not know how to vote right.

We are seeing -(interjection)- The minister asked the question, did he say that. I will show him his own words in Hansard. All he needs to do is look at this budget, this particular set of Estimates to see the proof of exactly that same type of mentality. That is what they are doing to the North, they are punishing the North. They are punishing Northerners. They are, in many cases, punishing the people who have the least in this province, the least opportunities, by their inconsiderate, ill-conceived vicious cutbacks.

I want to talk about just some of the hollow sounding rhetoric we saw and compare it to what we are seeing in this Estimates process. The minister said that Northerners enjoy the health system and all that goes with it. Yes, a \$50 surcharge for northern patient transportation. Where was the Minister of Northern Affairs when that was brought in by this government? We will be asking that question. So much for the health care of northern Manitoba.

**Education:** We have seen our community college system cut back in Thompson and in The Pas. We have seen ACCESS programs eliminated, such as the ACCESS Engineering Program. We have seen ACCESS programs changed to allow this government to charge people directly, whereas before there were student grants, now to be putting

them on a direct loan system. We will be asking the question, where was the Minister of Northern Affairs when those matters were dealt with by this government?

**Family Services:** We are seeing on a daily basis just how hollow the figures brought in by the government were. We will be asking, where was the Minister of Northern Affairs (Mr. Downey) when that suffered -(interjection)- and, yes, to the Minister of Highways and Transportation (Mr. Driedger), we will be asking, where was the Minister of Northern Affairs when the winter roads for communities which were transferred from Northern Affairs only a couple of years ago to the Minister of Highways and Transportation were viciously cut?

In fact, not only with that, Madam Chairperson, we will be asking for this minister to reinstate those roads because they are important for those communities. Yes, we will be talking about opportunities for young people. We will be asking this minister, where was this minister when the opportunities for those young people through the job creation programs such as CareerStart and the Northern Youth Corps program were eliminated entirely? We will be asking those questions as we proceed through this budget process.

We will be going through, line by line, the cuts that have taken place. Administration and finance in the department, cut; local government development in the department, cut; agreements, management and co-ordination, cut; the Native Affairs Secretariat, cut; the Capital Expenditures, cut significantly from \$4.2 million to \$2.9 million.

We will be asking where this minister was? Where was the supposed Minister of Northern Affairs (Mr. Downey) when these cuts were made? Rhetoric is one thing, Madam Chairperson, but the reality facing Northerners is quite a different thing from this particular minister. We will be asking what has happened toward federal-provincial agreements, how this minister in the short space of three years has bungled the millions of dollars that we had in place, in terms of the Northern Development Agreement that had been extended, that was under negotiations.

We have sat in this House, in the Estimates of the Department of Northern Affairs, for the last several years and heard this minister say, well, they are talking to the federal government on these matters. We will be asking specifically where that funding

went? What happened to the federal-provincial agreements that we had in place? Why has this minister allowed that funding to dissipate? We will be asking a lot of other questions as well. The minister talks about Native Affairs, some fine-sounding words in terms of treaty land entitlement. Certainly that needs to be followed up. We had an agreement in the '80s which was sabotaged by his federal counterparts in terms of treaty land entitlement, sabotaged by the federal Conservative government which refused to acknowledge the formula that had received acceptance by the chiefs, by the bands, by the provincial government.

We will see if the minister will be able to take the hollow words of his federal counterparts now, the Prime Minister, in all of a sudden discovering the need to deal with aboriginal concerns. We will see if we can get some results on treaty land entitlement. We look forward to seeing something in that particular area. We would be interested to see, in terms of aboriginal concerns, whether the minister himself fully supports self-government which is subject to question. We will be able to educate his First Minister (Mr. Filmon) who continues to say in constitutional discussions that the question of self-government has to be defined before it can be accepted by the First Ministers, before it can be put as a priority on the order of constitutional discussions by this government, by other governments across Canada.

Surely, if we learned one lesson from the events of last year, it is that we cannot ignore our aboriginal people. I know the minister has made statements on self-government. I will take him at his word on that. I have heard the other statements coming from his First Minister, and I will be asking questions as will our other critics when we proceed into those areas.

Madam Chairperson, the bottom line with the Department of Northern Affairs, with the Native Affairs Secretariat, is what we are seeing increasingly from this government—hollow rhetoric.

\* (2030)

The minister is talking about progress in this department since he last brought in the Estimates. Is it progress to have the department cut back by \$2.6 million? Is it progress to have capital funding slashed in northern communities? Is it progress to have job creation slashed? Is it progress to have health and education services affected in northern

Manitoba by the policies of this government, or family services? Is that progress, Madam Chairperson?

I ask anyone to look at the facts, and the answer will be clear. Not only has there not been progress, what we have seen from this minister has been a return—it is back to the future if you like—to the Lyon government, of which he was a part, which in 1977 embarked on very much the same course, the same pious words, about having to reduce the deficit to bring our finances under control. Who was hit first? Which department suffered the most under the Lyon administration? It was departments such as Northern Affairs, Natural Resources and Education. Inter-Universities North was cut. -(interjection)-

The Minister of Highways and Transportation (Mr. Driedger), another former member of that government, says about highways. They diverted a significant amount of the Northern Development Agreement at that time into highways. That is why there was a significant amount of construction that was able to continue to take place, despite the difficult circumstances. He remembers that well. Many Northerners remember the fact that the Northern Development Agreement was used to fund that instead of standard provincial revenues.

The departments that suffered were Northern Affairs and Natural Resources. They even, in terms of education, cut Inter-Universities North. We are seeing here in 1990 and '91 that history is repeating itself. We are seeing some of the same faces. Regardless whether they are the same politicians, the same elected officials, it is the same ideology that we are seeing in place. We are seeing it time and time again.

The minister said this, and it is even in the Supplementary Estimates, which appears under his signature. It says here, and I want to quote this because we will be getting into this in detail later in these Estimates: Due to the economic situation of the province, a portion of the capital program is deferred. Portion of what capital program? Is this the City of Winnipeg capital program? Is this the Province of Manitoba program? No, it is the Department of Northern Affairs which provides capital funding for infrastructure, for a basic level of infrastructure in northern communities that often are without some of the most basic levels of infrastructure.

That is what happened in 1977, the same sort of mentality that it would—this idea that everyone had to pay the price. Of course, what we found was some people paid a higher price, and in a lot of cases, it was the people who had the least. That failed philosophy, which led to the rejection of that government in the North in 1977-81, is already leading to that in 1991. Many Northerners feel betrayed by the actions of this government, regardless of how they voted in the last election, which seems to be the only matter of concern to the minister.

I can say that many Northerners were insulted by the comments made by the minister: The problem with Northerners is they do not know how to vote right. That was what he said in this Legislature. That is what he is saying by his policy action. I want from that minister, and I expect in this Estimates process, an apology for Northerners, a categoric apology from that minister saying that statement was absolutely uncalled for, he apologizes for making that statement and he apologizes for the policy actions that have taken that statement from a quick quip in Question Period into what has become a banner for this government, symbolizing its policies in northern Manitoba.

The minister has said repeatedly different things on that statement. He has tried to say he did not say it. He has tried to say he did not mean it. He has tried to say a lot of things. That is not good enough. The bottom line is, that minister has to, as of this set of Estimates, apologize for making those statements and, given the poor quality of the Estimates, I would suggest, resign as Minister of Northern Affairs. I am not sure I want this minister to still continue as Minister responsible for Rural Development because, God knows, I do not think we want him to do to the rest of rural Manitoba what he has done to northern Manitoba in the two years he has been in that position.

Perhaps he should concentrate on being the Deputy Premier, one heartbeat away from the Premiership, God forbid, Madam Chairperson. At least then he could have a title but would not be able to do the same kind of damage he has wrought on northern Manitoba and might bring down in terms of rural Manitoba as well.

We will be raising those issues on a community-by-community basis. I know the member for Dauphin (Mr. Plohman) will be talking in terms of the residents of Rock Ridge.

I will be talking in terms of residents of many other northern communities who have seen programs slashed in those communities. Programs run the gamut, run the gamut, -(interjection)- and the minister says, name them.

Every single Northern Affairs community, every single Northern Affairs community, has been hurt by the decisions of that government, the Conservative government. The minister knows or should know if he took the time to get into those communities what they feel about this budget.

The minister likes to fly in to northern communities. He likes to fly in and fly out on these trips that he takes on many occasions. Perhaps he should take the time to talk to residents particularly since the budget was announced. A budget which has slashed virtually every kind of expenditure in northern Manitoba, including even last week, the social allowance. This government has cut the job creation programs. These people are now on welfare, they have no other option, and their welfare payments are being cut.

I wish he would talk to the people in those communities affected by the callous decisions of this government, because it is the Northern Affairs communities which are once again suffering.

I want to say, Madam Chairperson, that as we go through this line by line, we expect that apology first and foremost. What we expect out of this government is a commitment, not only that they will not be doing this sort of thing in upcoming years, but there will be some reinstatement of the programs and the funding cut by this government. Let us not talk about fairness in budgetary decisions if we are going to target the North for these types of cuts. We are talking about communities that barely have the infrastructure, that do not have the employment, that do not have the health and educational facilities, that do not have the family services. We are talking about communities that have the least and that even is being eroded by the actions of this government.

What we are looking at is reinstatement as we see in other departments, as we will see from this government throughout this session as the Minister of Health (Mr. Orchard), for example, I am sure will continue to underspend in his department as he has done in the last number of years, as other ministers do.

We are going to be asking for the money to be reinstated and, yes, to the Minister of Finance (Mr.

Manness), if the Minister of Finance wants to record those comments, this is one area in terms of the North, yes, we are saying spend. We are saying spend what you spent before at a bare minimum. We are saying put the resources where they are needed, do not cut back the \$2.6 million. If you want to quote me, if you want to quote members of our party as saying spend in this area, yes, spend the money you have cut, spend the money you have cut. That is a statement you can take anywhere in this province and we will stand by it.

That is what we are looking for from this government, not empty rhetoric. We are looking for the reinstatement of the type of programs that have taken place. So indeed we will scrutinize these Estimates. I want to indicate that our critics in this area, the member for The Pas (Mr. Lathlin), who was recently in hospital because of a rather serious situation, who is now out of hospital and will be returning, will be here probably next week. We will be looking forward to his comments as will our critic in terms of Native Affairs. I know they are very concerned about the actions of this government in terms of this area.

The message we will be taking to this minister, as we go through these very important issues, is to learn from the error of his ways and of this government's ways. What amazes us in the North is the fact that we went through this between 1977 and 1981. We saw that it did not work then. You cannot get people working by cutting back on job creation as was done then. You cannot survive under a philosophy of welfare is cheaper than job creation, and that is a direct quote from the former minister of Northern Affairs. There seems to be something about Conservative Ministers of Northern Affairs. They seem to come up with these quotes that live beyond their political days, as I am sure the quotes of the Minister of Northern Affairs will live in infamy in northern Manitoba.

We saw back then that you cannot get people off welfare, which is what they want, by not having training and education opportunity. We saw back then that you cannot improve health and family services in those communities by cutting back programs. We saw between 1977 and 1981 that the Conservative philosophy -(interjection)-

Well, let us talk about now, to the Minister of Highways and Transportation (Mr. Driedger), history is repeating itself. Indeed, those who do not learn from history are condemned to repeat it, and this

government has not learned. -(interjection)- Well, to the Minister of Highways, in northern Manitoba, the only party that they have thrown out consistently since the Schreyer years has been the Conservative Party. It is because they do not understand.

\* (2040)

They bring in a \$50 surcharge for northern patient transportation, and they get up in the House and say, it is only the same situation that faces people in Gimli, one hour away from Winnipeg—one hour. They say it is the same for someone who lives eight or 10 or 12 hours from Winnipeg or has to fly because there is no road access, the road access they have cut. The bottom line is, they do not understand, and if we do not expect some greater understanding, we do expect some greater degree of fairness. That is why what is fundamentally wrong with this budget is the complete lack of fairness and equity in it for Northerners. There is no reason that Northerners should be paying this high a price as indicated by these Estimates.

### Point of Order

**Mr. Jack Penner (Emerson):** Madam Chairman, I think we need to clarify the record. The member indicated clearly that all rural Manitobans were within an hour's drive of the city of Winnipeg and therefore had relatively cheap access to medical services on a selective basis. I would suggest that the honourable member from northern Manitoba in fact do tour southern Manitoba and find out that many of our residents in rural Manitoba live a great distance from the city and have to travel long distances to ensure that they in fact are also able to access expert medical attention, as do some of our northern friends. Therefore, I think the record needs to be set straight and that the member for Thompson needs to clearly understand the mosaic of the rest of rural Manitoba.

**Madam Chairman:** The honourable member for Emerson does not have a point of order. It is a dispute over facts.

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**Mr. Ashton:** As I was indicating before the alleged point of order, if the member had been listening—I will restate it so he understands that it was his own First Minister (Mr. Filmon) who was using the example of people from Gimli who do live one hour away from the city of Winnipeg and using that as a comparison with Northerners who live eight, 10, 12,

14 and 16 hours away from the city of Winnipeg. If he has any concerns about lack of understanding, I would suggest he talk to the First Minister who raised that very specific example in Question Period when we raised it.

I think, once again, it indicates just how unfortunate it is with this government that they do not understand. I mean, I have taken the time to travel in rural Manitoba, in many areas in rural Manitoba, in my 10 years as a member of the Legislature. I would ride through a good portion of it every time I would drive to the city from my constituency, which I do on a regular basis. There are indeed many things that rural residents and northern residents do share in common, and that is what is so sad when we see a member from a rural constituency who turns around, brings in budgets and makes decisions, and we are seeing repeatedly from rural members, that hit Northerners so hard. That is why I am amazed that this government cannot understand the circumstances facing northern Manitobans, whether it be on the \$50 surcharge or the way in which people are incensed over the cuts in job creation or health, et cetera.

That is why, if there is nothing more that comes out of these Estimates with this government, I hope one thing, and that is that they become better educated about the views of Northerners, because there has been on this budget—and I had a public meeting in my constituency only a few weeks ago, following the budget, a public meeting which was open to all and was attended by many people from various different political backgrounds. The common message they had, Madam Chairperson, as indicated by these Estimates that we are debating today, is their bottom line was they said that this government, based as it is in Winnipeg, does not understand the concerns of Northerners. If they did, they would not have made these cuts, they would not have made these policy decisions.

That is why it is so ironic and sad in a way that some of the key decision makers are people from rural constituencies. The minister represents the most furtherly south riding in the province, but in a way there should be an affinity there which is not being indicated by these Estimates.

If there is nothing else that comes from this, and what we expect, what we hope for is some significant changes in policies. We hope that they will listen to the concerns of Northerners which are being expressed by people of all political face. I say

that having talked to people who have come to me and said they do not support my particular political party but they are concerned very much about the actions of this government and the statements of this government. That is why it is up to this government to my mind to listen to them, to act in good faith.

I do not expect that they will immediately understand the North or respond in a policy way, but let us see some first steps, perhaps out of this Estimates process. Let us not hear about this progress last year and the fact that since the last set of Estimates, this minister and this government has put back the Department of Northern Affairs, and the North in general, back at least five to 10 years in terms of policy development because we are at that point in each and every item of several years ago in terms of development.

We have gone backward, not forward. What we need is to be able to move forward in the North. We have a lot of possibilities in the North in terms of future development, whether it be in terms of hydro development, or mining development—

**Hon. Albert Driedger (Minister of Highways and Transportation):** How about Repap?

**Mr. Ashton:** To the Minister of Highways, indeed. In fact, I am glad to see that the Conservatives have converted, in terms of hydro development, from being concerned about and opposed to the original Limestone development to supporting Conawapa which certainly has been the NDP position.

I appreciate the fact that they have, if the Liberals have not, and I look to the Liberal Northern Affairs critic perhaps to educate his colleagues on the history of hydro development because it is certainly key in terms of northern issues.

Limestone, which was called Lemonstone by the Liberal Leader (Mrs. Carstairs), she said it would cost \$5 million. It cost a total of \$1.6 million. Those are facts once again which I hope that we will be able to educate people with.

I will finish with one comment to the minister and indeed to the Liberal critic because the biggest frustration of the North—and we have been through many in recent years, whether it be the Northern Tax Allowance, the long fight we had on that, or many of the issues that I have outlined today, the bottom line is there is a frustration as we increasingly find ourselves in this particular case with four provincial constituencies out of 57.



We cannot rely on numbers. Each and everyone of us represents many communities, a large geographic area. There are four in the North as a whole and many others have Northern Affairs communities. The member for Dauphin (Mr. Plohman), for example, the member for Interlake (Mr. Cliff Evans), the member for Swan River (Ms. Wowchuk) include many Northern Affairs communities. So in many ways, they are also northern MLAs, but even combined, we are not a significant voting bloc in terms of numbers of voters or seats. That is why we get so concerned about talk about voting right or political agendas in this particular case.

What we have to appeal to is people's sense of fairness. It is obvious by this set of Estimates and this budget that this government has not developed a sense of principles, of fairness and equity towards Northerners. We look for that government to listen to Northerners and our few numbers, but listen to us fairly and reinstate many of the programs cut by this government in this department and many others.

As we go through these Estimates line by line, we expect to hear from the minister not excuses as to why these items were cut but commitments that they are going to be reinstated, not just in terms of upcoming budgets but in terms of Supplementary Estimates in terms at issue.

Thank you, Madam Chairperson.

**Mr. Nell Gaudry (St. Boniface):** Madam Chairperson, it gives me great pleasure to rise and add a few comments on this Estimates process.

**An Honourable Member:** Pass.

**Mr. Gaudry:** No, it will not pass, because it will be a couple of days at least that we have questions. I usually like to talk positively, and I am not one to be too negative, but in reading the opening comments of the Minister of Northern Affairs from last year, just before coming up tonight, I understood the same comments again tonight in the same Chamber, except looking at the Estimates we know that he has cut back.

The Minister of Highways (Mr. Driedger) maybe is running away because I was going to attack him, too, because like the member for Thompson (Mr. Ashton) suggested, we have a lot to learn. Sure we have a lot to learn, and as a critic of Northern Affairs having lived in the North, I know what it is to live in the North, and I have worked in northern Manitoba.

**An Honourable Member:** And in Thompson.

**Mr. Gaudry:** In Thompson, yes, a nice city; 75 percent of the town was built with the company that I have worked for in the last 20 years, and I am proud to say that, but like I say, I would not want to spend the evening here being negative. I want to talk positive.

**An Honourable Member:** Pass.

**Mr. Gaudry:** No, it will not pass, because I have pages and pages of questions here, and letters after letter. I could go on here and speak negatively on this budget here because of the letters which I have received from northern people. -(interjection)- Pardon?

**An Honourable Member:** Do they like us?

**Mr. Gaudry:** No, they do not. It is definite.

### Point of Order

**Mr. Downey:** Tradition, Madam Chair, would have the member table the letters he is referring to. I wonder if the member would be prepared to do so.

**Mr. Ashton:** Madam Chairperson, if the minister would care to check in terms of our traditions, if the member quotes from a letter, it is standard courtesy and practice that the member table those letters, but there is no requirement that letters he has referred to in a general sense be tabled, though I am sure he will be more than happy to share the information with the minister later.

**Madam Chairman:** The honourable minister did not have a point of order. The honourable member for Thompson (Mr. Ashton) is quite accurate in his statement that I am sure the honourable member for St. Boniface (Mr. Gaudry) will be more than willing to oblige if he makes direct reference to the letters.

\* \* \*

\* (2050)

**Mr. Gaudry:** Madam Chairperson, I would be glad to table them later on. I have got only one copy here, but if he wants to listen to me all night I can read them. It is quite interesting to see what he has done in the last three years that he has been in government as Minister of Northern Affairs.

I will not waste the precious time that we want to question the minister with these concerns that we have for the North. Without any further comment, I will sit down so that we can bring in the staff. The other colleagues have members from out of town who will want to listen to the minister's comments. We will look forward to having honest

answers—oops, sorry—from the minister, and we will look forward to working with him.

Thank you very much.

**Madam Chairman:** Would the minister's staff please enter the Chamber?

**Mr. Downey:** Madam Chair, I would like to introduce my staff. I have Deputy Minister David Tomasson. I have the Assistant Deputy Minister, Brenda Kustra. I have the Assistant Deputy Minister, Oliver Boulette; and Rene Gagnon, who is the Director of Financial and Administrative Services.

I again want to acknowledge, Madam Chair, the hard work and effort that was put into the development of the Estimates process and the dedication of the staffpeople, not only at the senior level, but all the way through the Department of Northern and Native Affairs.

I am prepared to now deal with the Estimates line by line, Madam Chair, and I understand we moved a little quickly on one of them. We can revert back to it, if there are questions from the member for Dauphin who was not quite ready.

**Mr. John Plohman (Dauphin):** Yes, Madam Chair, we are ready for this minister, and we obviously will want to ask questions on all of the lines of these Estimates. I hope that the member for Emerson (Mr. Penner) will not be able to offer too many points of order of the kind he did just a few moments ago in order to bail out his minister.

I want to, first of all, indicate that we have seen a lot of talk from this minister tonight, and as my colleague said, talk is cheap. It is the kind of thing that you can do without spending any money at all. When the minister was going through his opening remarks he talked of the benefits that Northerners have in northern and remote communities. They have access to education and health care, and somehow this was something that was supposed to make them satisfied, but what he did not mention is that they also have a right as Manitobans to equal quality of life in this province and to the same amenities that people have in all other parts of this province. That is precisely what this minister has attacked and cut back on in these Estimates with the decisions that he has made by cutting some \$2.6 million from this budget. That is what he has attacked, that quality of life and the right of all Northerners and people in remote communities to have access to equal quality of life.

I want to ask the minister under this section, the Executive Support, if he could indicate perhaps in a brief reply before we get into some detailed questions, of his—I raised these issues about Rock Ridge today in the Question Period, and I think that the minister has his staff here so that they can deal with this issue under Executive Support.

The status of the current discussions with the community of Rock Ridge and the representatives who have remained here this evening so that they could hear first hand what this minister has to say about their community and the requests that they have made—I would remind the minister that I attended a meeting with him on December 8, 1989, now a year and a half ago.

**An Honourable Member:** Before the election.

**Mr. Plohman:** Well, certainly during the time of the minority government. The minister was anxious to please and to make commitments to people in various communities. He should also be reminded at that time that the meeting was videotaped and so there is access to precisely what the minister said, to see his response, to watch him in action and to hear what he had to say, all on tape.

I did give a summation to the minister of that meeting. I never received a summation from the minister, but I gave a summation of the meeting on December 12, 1989, a letter to the minister summing up the meeting and the various aspects that the community wanted dealt with.

One of the most important was the one dealing with the subdivision. At that time the community said that is one of their top priorities. As a matter of fact, that was No. 1 on the agenda. They said there are many people who want to come to live in their community. They, therefore, need to have an additional subdivision, an expanded area so that additional lots could be put in and additional homes through CMHC could be allocated and these people could, indeed, move to Rock Ridge, because all of the lots were being filled up and were at that point almost filled up and that was near, as I said, a year and a half ago.

Now some one year and a half later, even though the minister at that time made a commitment that he would expedite this subdivision, the minister came into that community. He was offered the hospitality of the mayor and his colleagues in the community with a beautiful cake, a special tribute to the minister and a beautiful meal, and he enjoyed the hospitality

of the community and at that time, perhaps he got a little carried away from beyond where he wanted to actually make commitments to the community, but he did. I summed them up in this letter, and the minister never refuted what I said. I assume that since he did not refute or give a different version of what his commitments were at that meeting that this accurately summed up what happened at that meeting.

At that meeting I indicated that the minister had said that he would do everything he could to expedite the matter. It is my understanding, I said, that this is high priority for the community. There are additional people wishing to acquire lots at Rock Ridge in order to take up residence there. The minister has a copy of this letter, Madam Chair, and I would be quite happy to give him another one.

Clearly more lots are required, and it is my understanding that you—this was written to the minister—and your staff have agreed to proceed immediately with this undertaking. It is my understanding that the staff will meet with Mr. Lavalee to discuss specific drawings and plans for the subdivision and once this has been completed, it will go through various legal steps required before it is officially registered. I said Mr. Jim Perchaluk indicated that it could take as long as two years until you would have that process completed. It is my understanding from the meeting however that you undertook to expedite the process. That is precisely what the minister did at that particular meeting.

Subsequent to that in February of 1990 we had, indeed, from Municipal Planning branch a proposed plan of subdivisions for Rock Ridge on February 9, 1990, outlining the subject and background proposal and the location and so on with maps of the new proposed subdivision -(interjection)- a detailed plan, proposed plan of subdivision, again prior to the 1990 election. The minister was obviously following up on what he said at that meeting that occurred on December 8, 1989. Then suddenly things stopped. The election took place. Following that in November 1990, in this House when asked about it on several occasions by myself and during the Estimates, the minister suddenly started stalling.

He indicated that he was going to have to look at this and review it and so on. Even though a detailed map has been drawn up and a proposed plan of subdivision, now the members of the community

have had a very difficult time getting any kind of positive response from this minister.

I should point out that he has, on numerous occasions, even at that meeting on December 8, said that a community hall which we will discuss in a few moments, which is being asked for by the community from assistance through Community Places, it was premature for the community. They had to grow a little bit. There needed to be more residents in the community. Yet now—

\* (2100)

He said that on December 8. He said it again in the House last fall, that the community was premature to have a hall, a community centre for the people to gather. Then he refuses the only chance they have to grow.

What he indicated in this House during last November when we were going over the Estimates and when I was questioning the minister—perhaps it was on a grievance that I did. I am not certain of the exact time when I made the statements. Comments were made from the minister, as well, that if they perhaps gave him a list of people, so that these were not just a figment of their imagination, but real people who wanted to move to Rock Ridge, perhaps he would be able to look at this in a little different light.

Well, they have subsequently provided the list of 14 families which the minister can contact these people, representing some 62 people with 37 children in total and about 25 adults -(interjection)- 14—this is a community in itself, with double the size of this community. Now this minister refuses to grant that subdivision so that they can get on. CMHC is waiting to approve under Section 79 some of this housing, but the minister refuses. It is \$65,000 that we are talking about here.

Mr. Lavalee and his councillors will tell the minister and tell members of this House that they are 99 percent on social assistance in that community—99 percent on social assistance. They want to have some kind of job. This is an opportunity to save on social assistance, put some people to work to clear the subdivision and do the work that is necessary in preparation for the moving in of homes and lots that would be required there, and then the building of the homes or moving on and the work that is required in readying in those homes in that location, as well, would provide some employment. No, this is now being held back.

The minister does not want to move. He says there is no money. It is a matter of priorities. I know that finally, Madam Chair, after requesting a meeting for many months with this minister and being told, no, they finally had a very short meeting today with the minister. I am pleased that the minister did finally meet with the mayor and his council for Rock Ridge.

I appreciate that there have been some steps. I say to the minister, this is fundamental to the future of that community. So I want to explore that with the minister tonight. I want to ask him at the outset, what is the status of his consideration? Will he now admit that this is an important and necessary project for that community to grow? Will he now consider the request of the community, its mayor and council that they have presented to him today?

**Mr. Downey:** Madam Chair, I ask for your direction. As I read the Estimates book, Administration and Finance does not cover the area in which the member is asking a question. I would certainly think it would be appropriate to be asking it under Local Government Development or Capital, but in view of the fact, I leave it to your discretion. If I am directed by you, the Chair, to respond, then I would proceed to do so.

I do appreciate that there are members from the member's constituency here, the mayor and the council. I have met with them. I have explained to them where it is currently at. I explained it to the member today in Question Period. I can take a brief moment to accommodate members of the community, and I want to acknowledge the hospitality of which I was shown on many visits to the Rock Ridge community. I will certainly give a brief answer for the member so that the members can hear it in the House again, so that the member for Dauphin (Mr. Plohman) can hear it. I ask for your direction. If you rule me out of order, Madam Chair, I will respect your ruling. However, I will proceed to give some information and not cause you any difficulty.

I will just go back to 1983, when basically the community of Rock Ridge started to gather. The people of the surrounding area came to Rock Ridge and for some five years, under the administration of the New Democratic Party, the NDP and the member for Dauphin did not see fit to give them community status. Why? I do not know why he would not give these fine people community status, kept them on the outside, would not give them any

ability to administer their own affairs and look after their own activities, did not have confidence in the mayor and the people of Rock Ridge, did not have confidence in them.

But this government did have confidence in them going ahead to build their own community and establish a council, and that is what we provided for them, Madam Chair. We formed the community.

What else did we do? At the request of the community to develop a park for the young people in their community, we put some \$10,000 into that community to help develop a park, with the addition of some \$3,000 for park equipment for the young people at that community which was requested by the people of Rock Ridge. In addition, we had some improvements to the street lighting, road improvements, infrastructure for the community which was important.

Yes, I could go on and name many other areas and the priority of which the mayor and the council have indicated is a subdivision. I ask the members—we have certainly a limited amount of money—I ask the members for Dauphin (Mr. Plohman), for Thompson (Mr. Ashton), what community does he want me to take \$65,000 from? Tell me the name of the community that you want me to take it from? Tell me the community in Northern Affairs that you want me to take it from? Do you want me to take it from Spence Lake? Is the member for Dauphin going to stand and tell me he wants to take it from Spence Lake or some other community, or does he want me to take it from Wabowden? Where does he want me to take the money from so that we can proceed with the development?

What I have said to the mayor and to his council, and what I will say to the House as I have said now, and the members opposite keep saying they want jobs not welfare, well, I said to the community council today, we will take a look at the amount of people who are on welfare as far as giving them a job in the development of this program. If we can show, in fact, that there is an opportunity to do it with the use of people who are currently getting welfare and would get a meaningful job to develop this subdivision, then we are prepared to consider it. I am saying that to the mayor, and I am saying it to the member for Dauphin (Mr. Plohman). We are prepared to consider it, but I want to know what some of the information is.

Let me ask you this: Where are the long-term jobs for the people that are moving to Rock Ridge? Yes, we can give them some short-term jobs for the subdivision, the building of the houses and the moving of the houses into the community. Where do they look for a meaningful job the next six months? I would hope that the member has some ideas as to assist in that particular area.

**An Honourable Member:** You are the minister.

**Mr. Downey:** I am the minister; that is right. I do have a responsibility to make sure there is meaningful employment, and that is what we are working towards, is long-term, meaningful jobs for those community people.

**An Honourable Member:** What initiative in this function do you have? You cut job creation; you cut capital.

**Mr. Downey:** We have not cut initiative. We have kept in meaningful work activities as it relates to the Northern Affairs communities and the maintenance opportunities, the maintenance jobs of their community.

\* (2110)

**An Honourable Member:** Maintenance.

**Mr. Downey:** Yes, maintenance and some capital expenditures, I will get into that with the member for Thompson (Mr. Ashton) when I get to the capital programming.

You asked me specifically: Where is the project at? I told the mayor and council today where it was it. I am prepared to look at options that may be able to provide employment opportunities in that community. I cannot commit it until I know what the numbers are, but the other option—and the members have to tell me what other communities I will take that money from to support the Rock Ridge subdivision development. Tell me what communities in the North, out of our Northern Affairs budget, because you know you cannot move it from another department, another appropriation. It has to come from the Department of Northern Affairs. What community? Tell me. That is the question. What community? Those are the decisions that our staff had to make, Madam Chair. Those are the decisions that the staff had to make, so the staff have to make recommendations in consultation with the communities.

Under the former administration, was it the minister that determined where specific activities would be?

**An Honourable Member:** Who made the decision about the budget?

**Mr. Downey:** I make the decisions about the budget after we have received the background information, but it is all a part of a program and a process of which I am sure the member for Thompson (Mr. Ashton) would never understand—the manner in which they governed the Province of Manitoba, which left us in the situation where we are today, with the member for Dauphin (Mr. Plohman) spending \$30 million on a bridge north of Selkirk. That would have built many subdivisions in Rock Ridge, would have built many subdivisions, but what did he do? He spent the money north of Selkirk; that is what he did. He forgot about the people of Rock Ridge when he was building a bridge north of—\$30 million.

That would have been one of the finest subdivisions that Rock Ridge would have ever seen; \$27 million in Saudi Arabia would have given them a pretty fine system out there, too, would it not? Yes, that is the reason we are where we are at today and tough decisions have to be made.

**An Honourable Member:** Tough decisions.

**Mr. Downey:** Yes, tough decisions, because of the frittering away of the money that the former administration did.

I want you to tell the people why you spent \$30 million on a bridge without a road to it. I mean, why would you build a bridge without having a road to either end of it? There are lots of subdivisions sitting out north of Selkirk that you were responsible for, and it was an irresponsible decision.

**Mr. Plohman:** Madam Chairperson, that is a mouthful in itself and is irrelevant tirade of the minister, typical of his response to questions in the House on a day-to-day basis. He never deals with the issue. I can tell you—and he is proud of that. He is sitting there so smugly having a big smile now. He thinks that is really great when he can deflect.

The fact is this minister cannot blame it on the staff when decisions are made. He cannot blame it on the opposition. The people of Rock Ridge and us on this side are tired of his old broken record, going back three years about what happened then and what did not happen then.

The fact is this minister is responsible now. He chose to cut \$2.6 million out of his budget. That is where he can take it from. I do not have to tell him what community he has to get it from. He has to

take it, and he is responsible for taking it from the \$2.6 million. Sixty-five thousand of it could have been allocated for this project so they could get on with that subdivision that is so desperately needed there.

Let not the minister try and deflect from his responsibility and the work that he has to do as Minister of Northern Affairs, if indeed he considers that a responsibility or whether in fact his primary concern is making cuts to the infrastructure and to the facilities and services for people in the northern areas without an understanding of the impact on those people.

Now I want to indicate to the minister, Madam Chair, that it is not my responsibility either as member of the opposition at this point—although I would like to be in the position of having that responsibility—to find long-term jobs for these people. -(interjection)-

Moving—is he saying they should not move to Rock Ridge, because there is no industry there at this particular point? They have talked to this minister about tourism and the tremendous potential of the Waterhen River and having a public dock and concession service and a docking service and facility, but this minister has refused to deal with that as well. That is what they are proposing for long-term jobs in that area, and there are other industry and other developments that can take place.

That is not the issue. The issue is that the minister is being requested to provide a subdivision. The clearing and the surveying is already done, the clearing and the layout of the lots so that the people can get on with moving homes into that area.

Now I ask the minister, precisely—he said, it was his words, you cannot get money from another department. I want to ask him whether he was being sincere and genuine in his response to the mayor and councillors today when he said that he is going to look at what the costs are for social assistance and see whether perhaps the savings there could be used to offset the cost here. That is in a different department. The minister just admitted you cannot get money from one department transferred over there.

I want to ask the minister, precisely what steps does he intend to take to deliver on that commitment, because that is a very novel way to deal with this? I agree that there is a saving in jobs.

I believe there is a net saving in jobs. If the people can be on unemployment insurance instead of on social assistance then they are shifted onto the federal government. At least the province is not paying for it. So it is a saving.

That is one of the reasons why we try to provide even short-term employment, so at least the people in those areas can be on unemployment insurance if there are no other jobs, not on social assistance. The minister has that opportunity here.

How precisely, will he indicate to this House, is he going to deliver on the commitment that he made that he is going to review that issue dealing with the cost of social assistance and then come up with a solution to this problem? What does he see happening and delivering on that?

**Mr. Downey:** With respect, Madam Chair, the member for Dauphin may have a hard time understanding it, but the people from Rock Ridge did not. I will try and make it clear.

I said you could not make a direct transfer from one department to the other. If there is a total savings to government then one has to consider that savings which would accrue in another department and then would allow the ability for expenditure of the Department of Northern Affairs, but direct transfer, no. What I said was I would take a look at the overall savings that may accrue to government as it relates to the welfare payments if in fact people were employed to do the subdivision.

Let me add one further correction. The member for Dauphin (Mr. Plohman) has a difficult time in getting it right. Surveys have not been completed. There has been some preliminary survey work done, but there will have to be further surveys done as it relates to the further development. So I do not want him to leave on the record that the surveys, in fact, have been done. Some preliminary survey work has been done. More would have to be done. I am prepared, as I said to the council, I am prepared to say to the Chamber tonight to look at the options that are available to us.

The other answer that I could give the member for Dauphin—and the member for Rock Ridge said I am not interested at all. Well, I am interested in that community or I would not have given them community status. I did not have to give them community status. I could have ignored them like the member for Dauphin did for five years when he was in government and a minister. He ignored

those people. We did not ignore them. We gave them community status because we believed in those communities. We believe in this community and will continue to believe in it.

**An Honourable Member:** Believe in your words of two years ago?

**Mr. Downey:** Yes, I believe in my words of two years ago. If we had not had to pay \$2 million in a day in interest that was left to us by the New Democratic Party, then we could have found the money in one day for the shortfall which we have in Northern Affairs. One day's interest that we are paying to the banks in Japan and all over the world is the same as what we have had to reduce the Northern Affairs' budget by, one day's interest because of the irresponsible spending by the New Democratic Party.

Yes, that is just to put it in terms that are easy to understand. Yes, that is the kind of thing that we are talking about is one day's interest. We would not have had to cut Northern Affairs at all if you, the members of the NDP, had not run up such an irresponsible deficit on the people of Manitoba. That is just the interest. That is not paying back any capital.

So for the member for Dauphin to stand here and grandstand, and I know what he is doing, grandstanding in front of his constituents, raising the concerns of his constituents. Had it been the NDP still in government, they still would not have had community status. They would not have had a park. They would not have had a playground. They would not have had all the activity that has taken place. Yes, I do see some long-term employment opportunities in those communities like Rock Ridge which were discussed when we were in their communities. Yes, we did have an individual in to discuss a public dock, about the development of tourism in that community.

I believe there is a good opportunity there for those people. I want to see them have a good home, a good house and a good job and education for their young people. That is what this country is all about. That is what the community people want and understand, is an education, a place for their children to grow up and be free. That is what they want. They do not want irresponsible leadership from a government that would say, yes, they can have this today and no job tomorrow. There has to be some long-term planning, and that is what has

come from the community working with the Department of Northern Affairs.

I do not want the member for Dauphin or Thompson, in anyway, to say that I am blaming staff for these decisions. These decisions are made by government. I am a responsible member of government, and I am prepared to accept the criticisms of the decisions. They have to work in those communities. They are working in those communities to try and bring a balance and fairness to the overall picture in all of our communities.

\* (2120)

So the member can continue to grandstand, or he can go back to the Administration and Finance of the Department of Northern Affairs. I would hope, at some point, the member, when he is satisfied with the answers, will start to ask questions on the appropriate line which is before us.

**Mr. Plohman:** I want to explore with the minister the issue of further surveys that are required and the issue of how he precisely will accomplish the review of the cost of social assistance versus the cost of the subdivision, so that we can see a step-by-step progression of how this will take place. He said he would need three weeks, I understand, in talking to the community.

Before I get to back to that issue, I want to respond to what he said about me ignoring the community. The fact is, this minister knows that the present mayor did not arrive in that community until around 1988, and there was no formal request made for community status until 1988. There may have been a previous community leadership that may have asked in 1983 or '84—I was told later—but there was no long-term plan by the community, and if the minister thinks he can show that, let him put it on the record. Let him table the documents.

It is clear that what the minister should be relaying to this House is that the present mayor did not even arrive to move into that community, and he immediately took aggressive steps to have this government put in place a subdivision. He took aggressive steps with the minister, and the minister will acknowledge he is very aggressive in pursuing the aims. His deputy minister and other staff will admit that, too. He is persistent and he goes after what his community needs and what they believe in.

I resent the fact that the minister has made the statements in this House that I am grandstanding for the members of that community. What I am doing

right here, as their voice in this Legislature, their representative, is relaying those concerns that they have been trying to put to the minister, and he has repeatedly denied the opportunity for them to do it by refusing to meet with them—finally, a very short meeting today which did not do justice to the overall issue. It is a very important issue for that community, and it is important for me, therefore, as their representative.

I ask the minister to not put on the record irrelevant statements about the deficit because, in fact, it is his government that has a turnaround of some \$500 million negative in the deficit from the time that they have come into government in the last three years—from a \$55 million surplus to a net \$460 million negative. A minus, from a positive to a minus, nearly \$500 million, and he talks about mismanagement and misspending. Let him talk about Devine in Saskatchewan and Getty and his predecessor Loughheed in Alberta and the federal government in terms of running up deficits. Let him not talk about that interest and how that could have paid for these projects. The fact is, it is a simple matter of priorities for this minister.

I ask this minister now to indicate what steps are further required in terms of readying the subdivision in terms of the surveys that are required. His staff is here. They are the people who are responsible for reporting to the minister. They can provide him with a detailed response. I would like it to be on the record clearly.

He says further surveys are required. Precisely, what further surveys are required? What is required to register the legal plan? What is the progress on that plan at this time? Is it being done or is it sitting on a shelf somewhere? What is happening with it? Then, what is required to get the work done, and how much is the estimate at the present time that the minister has on that project?

**Mr. Downey:** Madam Chair, the cost estimate was some \$65,000. There was some preliminary survey work done and there has to be further work done, and I cannot explain in detail what it is, but there is further survey work to be done, I am told by the departmental staff.

Let me assure the member I have not put a time frame on it, although the people who are the administrative people within the department, my deputy minister, may have put a time on it as to the time in which he feels he can get the information

from other departments of government as to the time of registry.

I can tell the member that I am not holding back on trying to see this development take place. I have told the members from Rock Ridge, I have told the community what the difficulties are with the economic times that we are facing. They understand that better than the member for Dauphin. I have said there may be some opportunities to do it a different way, and we are looking at how we may be able to proceed.

I should make one further clarification, and the members of the House would be interested in this. The letter that the member refers to as it relates to the visit to Rock Ridge and the community dock—and we were kind of joking around a little, but very serious about the community and the things we are going to do, and I said that yes, maybe a community dock named after Downey would be very interesting.

**An Honourable Member:** Downey Dock.

**Mr. Downey:** Yes, and so the member for Dauphin was quite worried that nothing in their community was going to be named after him, but the mayor said, well, we have a garbage dump down the road, and I said we can call it the Plohman Dump. I thought that would maybe satisfy the member for Dauphin, but he is—anyway, I just wanted to truly reflect what had happened that night.

**An Honourable Member:** Well, I do not think it satisfied the community. Now, let us get serious.

**Mr. Downey:** I am serious. This community has shown that there are some 14 people interested in moving to Rock Ridge.

**An Honourable Member:** Fourteen families.

**Mr. Downey:** I am sorry, 14 families with approvals to move to their community or a desire to move to their community. I have said specifically what I am prepared to do as it relates to the current situation. -(interjection)- Well, the member can get excited and frustrated if he likes. I have said what I am currently prepared to do at this particular time. Until I have more information, I am not able to say that I am going to take money from another community in the North to give them the money for their subdivision. -(interjection)-

Well, the member for Thompson (Mr. Ashton) can name the community he wants me to take the money from. Does he want me to take it from Wabowden? Does he want me to take it from



Pikwitonei? Does he want me to take it from Thicket Portage? Where does he want me to take it from?

I am telling you, as I am telling the community, we are dealing with it responsibly. If we can find a savings to government by giving employment to the people of Rock Ridge and move on it this year, I am prepared to do so. I need that information before I can make a final decision, and as soon as I have that information from the department, I will communicate it to the mayor of Rock Ridge. I will communicate it to him so he knows specifically where it is at as soon as I have the information.

**Mr. Plohman:** Well, Madam Chairperson, I appreciate the fact that this minister is saying, as soon as he will get it. Now we have to go a little further on this and see if we can get a better idea of what steps he is taking to get that information and how he expects to get it so we can determine a length of time that is required to accomplish this.

I asked this minister this genuinely a few moments ago as to how he will accomplish that. He has to be in contact with Family Services. There is some federal money involved perhaps in that as well. Is he looking just at the provincial dollars for the social assistance, or is he looking at the federal dollars as well? What steps have his staff taken to make the initial inquiries of the other department? What time line has been indicated by that department before they can come back with this information?

**Mr. Downey:** Madam Chair, I think I have answered the questions of the member. I have done and said all I can say as it relates to the Rock Ridge subdivision. I have indicated clearly that we have to find out clearly what further survey work has to be done. We have to find out what the cost savings to government would be if we were to move to create some employment—

**Mr. Plohman:** I was just asking about the social assistance matters. I will ask you about the surveys again.

**Mr. Downey:** Yes, that is what I am proceeding to tell the member, is that we will find out what the overall cost savings to government would be if there was employment created in that community through the subdivision development.

I cannot give you that number right at this particular time. I am asking the department to provide me with that information. As soon as it is available, I will let the member for Dauphin know and also the council from Rock Ridge.

\* (2130)

**Mr. Plohman:** Madam Chairperson, is this minister saying he will approve the work for the subdivision immediately if there is a positive net effect of the project on the overall cost to the province? If there is not, at what point is he going to consider the value of this cost avoidance towards this project? If it cuts the cost in half, is that going to be sufficient to approve it, if it cuts the cost in three-quarters? What if it is not a positive in the short term, even though the minister would have to admit that the cost benefit is much more than just the short term, much more than just the short-term work. There is the housing for this community, the many families that will move in and the stimulation to the local economy that will give, and the schools and so on in the area over the longer term.

I ask the minister what criteria is he going to use to determine whether the cost avoidance on the social assistance side is sufficient to warrant moving ahead immediately with this project, this subdivision?

**Mr. Downey:** I think the member is being a little unfair. It is somewhat a hypothetical question, what he is asking, the "what if." Let us find out specifically what cost savings there would be and what job opportunities would be directly related to the move on the subdivision.

I am prepared to find that information in detail. As I said, as soon as I find it, a decision will be made. The member will be let know as will the community be let know.

**Mr. Plohman:** I ask the minister to just clarify whether in fact this has to be a positive net in terms of the cost avoidance in the short term for social assistance before he would consider moving forward with this project.

**Mr. Downey:** Let us first of all get the information so we know precisely where we are at. Then I will discuss it with the member for Dauphin and the community which is affected.

**Mr. Plohman:** I appreciate that undertaking from the minister, Madam Chairperson.

The members from Rock Ridge have come over 200 miles for the meeting today. They do not want to go back empty-handed. They want some commitment from this minister so they can report to their people about this important matter for them. Any hope that the minister can give them that there

is another way to review this issue is important to them. I want to just emphasize that to the minister.

Now, I want to ask him about the surveys that are required. I would ask the minister regarding the surveys because the work should be ready to go in terms of clearing and the roads that are required. I ask, through you, Madam Chair, whether the minister can indicate what time line is required. How much time is required before the subdivision is ready for the work to begin? He says some initial surveys have been done. How much more time does he need, and is he proceeding forthwith with that other work, so that when this project is approved he can get on with it?

**Mr. Downey:** Number 1, Madam Chair, is we do not have the information as it relates to the ability to proceed with the subdivision and the work force that would be required to do it. We do not have that information, as he is well aware. Surveying will have to be part of the overall activities that are carried out over the next few weeks, as it relates to if it is positive and a decision that may be able to be made to go ahead, where would we find the monies and what are the costs of doing the survey work? Again, it is part of the overall decision.

The member knows, as a former member of Treasury bench, before you make these decisions, you have to know where you are going to find the funding to carry it out. I have to know what the actual cost of surveying would be and if there is again a positive factor that could be used in the decision to go ahead. I have got to have that information from the departmental staff, and I hope he understands and appreciates how important it is for the department to do that work.

**Mr. Plohman:** Madam Chair, I do understand it is important to have that information. I just want to ask the minister what percentage of the \$65,000 could be attributed to the survey costs? Surely his department has been able to break it down, say, okay, \$35,000 is for clearing and \$20,000 is for survey. What amount is for survey work?

**Mr. Downey:** Again, those are the kinds of detailed answers that I am asking the department to bring forward to me.

**Mr. Plohman:** Madam Chair, the minister has his staff there and he knows that in order to get an estimate of \$65,000 that he has to have the components of that estimate. You cannot just pluck it out of the air; you have to have various components to get a total. Surely his department,

his deputy minister and other staff have that information. Why will the minister not share it with the House?

**Mr. Downey:** Madam Chairman, five minutes ago the member for Dauphin was chastising me for making reference to staff and having to develop and work on decisions. Now he is chastising staff for not having that information. I would ask him to apologize to my staff for his criticism.

**Mr. Plohman:** The minister is trying to be facetious and delay and avoid answering the question. He knows very well that I asked him why he will not share that information that his staff has on that \$65,000 estimate. They did not just provide that to the minister out of the air. They came up with that estimate based on the various component costs. I simply want to know what the costs are for the survey, so we can determine whether the minister can proceed forthwith with the survey work.

**Mr. Downey:** Again, Madam Chair, I indicated clearly that I will get that information for the member for Dauphin. I would be guessing at this particular time, and I am not going to ask the department to guess as to what portion of it would be surveyed, but I would like to specifically get that information for the members as it relates to the subdivision as to what portion the surveying would be and as to what portion would be employment opportunities for their community.

I would attempt over the next short while to get the information as it relates to what the actual cost of surveying would be. I am quite prepared to get that detailed information for the member so he knows and the community knows.

**Mr. Plohman:** Madam Chair, I would also like the minister to give a projection of length of time that is required to do that survey work. Is it a matter of a week or would it take months to complete the subdivision?

**Mr. Downey:** The survey should take a short period of time.

**Mr. Plohman:** Madam Chairperson, in conjunction with this matter, the community has also asked for the approval of a community hall through the Community Places Program, and the minister has said that they need more residents in the community before they could qualify for such a major facility. It is not a major facility; it is one most of us take for granted. However, he is saying this facility is not

warranted with that small number and cannot be justified.

So I ask the minister whether he would indicate to the House from discussions with his staff precisely what input his staff, under this section of administration or other sections, has as to the decision-making in the Community Places Program. Where are those decisions made? What staff in his department has been allocated time for this particular work? What staff and what input do they make into the final decisions that are made when applications are received from Northern Affairs communities?

**Mr. Downey:** Again, I want to make it clear, Madam Chair, that I indicated to the community of Rock Ridge that over a period of time, as the community would grow and expand, that there would be the opportunity in future to look at development of a hall. I did not make a commitment that in this year there would be any hall developed or that I would be able to provide funds. In fact, again, let us take a look at it.

I understand that there are something like 20 or less communities of all the Northern Affairs communities that have halls. Rock Ridge is a relatively new community and yes, they aspire to have a new hall. Again, over a period of time as the subdivision development takes place and people move there, the community grows. The next stage would, of course, be to have a community hall, but not this year. There was no commitment by me this year to develop a hall. In fact, I asked the community what was their priority, and they said the subdivision was their priority. That is the way I work. I try to work on the priority areas of which the communities have identified.

\* (2140)

The member asked how we specifically develop the Community Places Program. Those projects are recommended or whatever from the department as it relates to halls or whatever the communities come forward with, recommended to me as a project for approval and that they are ready to go and/or it could be, in fact, that the community is not ready and/or that they do not have the resources available. There is a process which comes through the department, the normal approval system and after the department makes their recommendations, it comes to me as the minister for final approval.

**Mr. Plohman:** Madam Chairperson, to the minister: What is the process that the minister talks about, the normal process in the Community Places approvals? Is there a special committee set up to review all intakes, all applications that move in, and which of the minister's staff—is this an appointed committee or is it a political committee of MLAs or is there a staff committee as well? Precisely what is involved, what process is involved in Northern Affairs in making these decisions?

**Mr. Downey:** The projects are recommended through the community budget process with departmental staff in the regions, then the recommendations are forwarded to staff within the Department of Northern Affairs and, again, recommendations come from the staff member as to the ones that are supportable and those that are not. That is how the process works.

**Mr. Plohman:** Madam Chair, is it the staff at the local level, the community officers, that make this recommendation or is it more senior staff than the central administration of the department?

**Mr. Downey:** It starts off with the regional co-ordinator's office and then moves up to senior staff within the department.

**Mr. Plohman:** Well, Madam Chair, if the regional co-ordinator is recommending approval or further consideration of a project, who, then, or what committee is involved, or what individuals are involved in making the final recommendations to the minister?

**Mr. Downey:** Yes, the process, as I understand it, has not been in place that long. I am not sure how the former member, when he was a minister, approved it, whether he just said he wanted this one and this one and this one. I do not know how it was, but this process starts at the community level with staff of the Department of Northern Affairs, the recommendation comes up to senior staff for either further recommendation and/or delay in activity.

**Mr. Plohman:** Madam Chairperson, the process was, of course, that the local officials were involved in the initial approval process or developing the application and assisting the community, but once it has gone from that point there has been a committee that has been put in place, in some instances.

Can the minister indicate whether it is a committee that reviews, a committee of staff or a committee of MLAs or who is reviewing and making

the final decisions on these projects for Community Places in Northern Affairs community?

**Mr. Downey:** Northern Affairs staff working with Community Places staff.

**Mr. Plohman:** Madam Chair, so there is a formal committee, then, that is set up that reviews and meets, and I will pursue this at a later date because I know the member for St. Boniface (Mr. Gaudry) wants to ask some questions tonight, I believe. Therefore, with that in mind, knowing that we are only agreed to go to ten o'clock, I know he will want to get some questions—(interjection)— Well, we can go as long as the members want, but clearly the agreement was for ten o'clock, so that is what the House leaders had agreed to.

I will give way at this point, Madam Chair, and indicate to the minister, in closing on this issue, at this point in time, that there will be many more instances where I am going to raise this issue, perhaps out of Rock Ridge and concerns they have, both in the Estimates process and in other opportunities that I have. —(interjection)— Well, the minister knows that I raised it on several occasions in the past. I wanted —(interjection)— Well, the minister should be more truthful than that—the first time he has heard it. Now, the members up from Rock Ridge know that they have copies of Hansard where these matters have been raised and answered in a cavalier way by this minister, so if he wants to have more discussion on this issue now, we can go on for hours.

The fact is, he is not giving me adequate answers here tonight, neither the mayor or the councillors who are there, but I am going to give him the benefit of the doubt and allow him some opportunity, as I have over the last number of months, where he has ignored the pleas of the community to meet with him. I was not about to go and agitate at the inappropriate time. I want to give the minister a chance to work, but he has had the opportunity to work. He delays and he delays, procrastinates and turns down, refuses, so we are giving him another chance, not necessarily one that he deserves. We want to see whether he can come up with some action here to a legitimate request from a community which is actively pursuing the dreams and aspirations of their people. I ask the minister to act swiftly on this concern.

**Mr. Ashton:** I would like to thank the Liberal critic. I know he has a whole series of questions. I just have a couple of questions which I did wish to ask

tonight, very straightforward questions, first of all, in terms of the winter road cuts that took place in the Department of Highways and Transportation. In the case of a couple of the communities, Thicket Portage and Pikwitonei, funding had previously been made available from the Department of Northern Affairs. There were a couple of other communities involved, Pukatawakan, and I believe Bloodvein was the fourth community which was affected by the cut in the winter road in this budget process.

The amount of money we are talking about is fairly small, relative to the overall budget of the government. It is fairly significant to the communities involved. My straightforward question to the Minister of Northern Affairs—and it is not in any political way that I am asking this. It is on behalf of the communities involved. I am hopefully trying to give the minister a chance to correct what I feel was a serious omission in the budget process when those communities were cut. Will the minister consider reinstating the winter road funding in those four communities out of the Northern Affairs budget?

I want to stress, I am not asking for it to be taken out of any other community. It is not a question of that, but will the minister give some consideration to reinstating that funding from within the department?

**Mr. Downey:** Madam Chair, I ask for your guidance again. This is, first of all, not within the Department of Northern Affairs; it is a Highways Estimates question. I would be more than prepared to deal with it as it relates to Capital. The short answer for the member is that the communities asked for it to be transferred to Highways, and again I would recommend, for proper protocol, that this question either be asked in Highways and/or to refer it to the Capital portion of this Estimates.

I leave it to the member if he wants to further pursue it and leave it up to you, Madam Chair, as to what your comments are.

**Mr. Ashton:** Madam Chair, the reason I had asked the question is, I may not be able to be in the House during the discussion of the Capital line. I think it is a general question. It does not require specific staff expertise. I am asking a policy decision. I am asking under this department because—and I will be raising it at the Department of Highways, but I am asking a very straightforward question. As I said, I am not getting into any of the politics of it; I am just asking on behalf of the communities that are involved. Is the minister considering providing at

least some funding from within his department, certainly to the two communities that previously had received funding, and those were Thicket Portage and Pikwitonei? Will he consider reinstating at least some of that funding out of the Department of Northern Affairs resources?

**Mr. Downey:** Madam Chair, I will try to accommodate the member. What we normally do as we approach the fall of the year and that time when communities come forward, as minister responsible and staff, we are obligated to look at what communities have to present to us and discuss with us. So I will leave it at that at this particular time.

**Mr. Ashton:** Madam Chairperson, I would really urge the minister to consider that. I know they will be approaching the minister. I believe they have already written. I received copies certainly of a letter from the Pikwitonei Community Council, and I have spoken directly both to the deputy mayor of Pikwitonei and a number of councillors, and the mayor in Thicket Portage.

There are areas of major concern. I can say that the communities were really devastated by the news, that announcement, so anything that can be done—I raise this, as I said, in a nonpolitical sense. I will be the first one to comment favourably on any reinstatement of those winter roads, particularly in those two communities which I know fairly well, and also Pukatawagan and Bloodvein.

\* (2150)

I have a further question. The minister did reference the situation at Ilford, where the War Lake Band is currently in the process of conversion to a reserve. It has received the go ahead from the federal government. I understand negotiations are ongoing with both the federal government and also with the Department of Northern Affairs, because there are a number of questions that have to be resolved with the Department of Northern Affairs related to the community boundary, vis-a-vis, the reserve, the situation involving the community, whether it will be continuing, whether certain assets of the community will become part of the assets of the reserve, whether certain private properties will be purchased either by the reserve or on behalf of the reserve.

I was just wondering if the minister could indicate if there have been any further developments in recent months in this regard in relation to negotiations between this level of government, the

federal government, the band and the community council.

**Mr. Downey:** Madam Chairman, I want to clearly indicate that there is a local committee set up between the band, the community and the governments. As I understand it, the band and the community are in agreement to proceed. There are third-party interests which have to be discussed and worked out to the satisfaction of the people who are currently the third party and also the people who would be the ongoing operators of the community as a band status.

I guess I will put it this way, Madam Chair, I am encouraged by the positive attitude coming from the community, the band and the federal government as to hopefully the outcome will be one which everyone would be satisfied with. There are some specific negotiations that have to be concluded before any further progress is made.

**Mr. Ashton:** Madam Chairperson, I appreciate the nature of the negotiations and certainly the positive intent of all involved. It is certainly a major step forward for the community to achieve the reserve status that, in many ways, was the dream of elders in the community and certainly Adam Dick. It is unfortunate that he will not be able to see the transition having recently passed away.

I would also urge the minister to consider becoming directly involved, certainly, with the federal government, because one of the final barriers may indeed be some disputes between individual parties, certainly the community and the reserve. It may require some additional support in funding from the federal government to allow for buy outs or expropriation of property that is going to be affected by the transition that is being considered in the best interest of all parties.

So I would certainly urge the minister, if necessary, to raise this with the federal government, because I know, talking to people in the community, there is a sense of wanting to move this forward. I am not blaming the minister in this regard. This is one area where certainly the department has been involved in discussions with the band and the community council, and there has been a fairly significant amount of progress since the federal government announced that it would support the changeover.

With those few comments, I want to thank the member for St. Boniface (Mr. Gaudry) for allowing

me to raise these concerns tonight, since I may not be able to raise them later on in the department. Unless the minister has any comments, I will turn it over to the member for St. Boniface.

**Mr. Gaudry:** Madam Chairperson, prior to starting this evening, we were looking at Salaries, \$448,000. Was that passed actually, or was it not? It was asked, and I know there was some confusion there.

**Madam Chairman:** Item (b) Executive Support.

**Mr. Gaudry:** Yes, the \$448,000, was that passed?

**Madam Chairman:** That was my understanding, yes, but I am sure that if you have a specific question there, the minister would entertain the question now. That was the agreement.

**Mr. Gaudry:** No, that is fine. No. My question would be in Other Expenditures. If we look at Communications—

#### Point of Order

**Mr. Downey:** On a point of order, do I understand the member saying that he has no difficulty with it being passed, because if that is the case—

**Mr. Gaudry:** Just for that line.

**Mr. Downey:** Okay.

**Madam Chairman:** Item 1.(b)(2) Other Expenditures is the line we are dealing with now, \$131,300.

**An Honourable Member:** That is right.

**Madam Chairman:** Right.

\* \* \*

**Mr. Gaudry:** Madam Chairperson, Communication is the only line that we have an increase. All the others, either they have been cut or maintained. Can we have an explanation of why the increase of approximately \$3,700 in Other Expenditures?

**Mr. Downey:** I am not quite sure what page the member is on in the supplementary. He is asking about the Communication line, of which it has gone from \$31,300 to \$35,000.

**Mr. Gaudry:** Yes.

**Mr. Downey:** That is a good question, and I will get him the answer immediately.

**Mr. Gaudry:** We look at that line 131,300 and Communication is the only one that there is an increase. The others are maintained or cut.

**Mr. Downey:** That increase is related to postage, stationery and telephone, electronic mail, operations of the department.

**Mr. Gaudry:** Yes, you can pass that item.

**Mr. Ashton:** Madam Chairperson, since we were going to deal with some of the general items in terms of salaries, I was wondering if the minister could outline what positions have been eliminated in the department in the cut to 1.26 staff years in the Managerial section, and the cut from four to three positions in the Professional/Technical section. I would like to ask the minister if he can indicate how those positions were dealt with in terms of the lay-off provisions, whether they were previously vacant positions or whether people were physically laid off?

**Mr. Downey:** The member is referring to the Executive Branch?

**Mr. Ashton:** Yes.

**Mr. Downey:** There is one executive assistant position which has been eliminated and, lo and behold, they have reduced the minister's salary to half, so I am operating at half salary. Some may say that is even too much, but I would hope that when it comes to Rural Development I can pick that other half up. That is what it is. There is a reduction of one EA and a half salary to the minister.

**Mr. Ashton:** And the Professional/Technical position?

**Mr. Downey:** That is the EA.

**Madam Chairman:** 1.(b)(2) Other Expenditures, \$131,300—pass.

Item 1.(c) Financial and Administrative Services:  
1.(c)(1) Salaries, \$404,400.

**Mr. Gaudry:** Under Salaries there is a \$9,000 approximate increase in remoteness salaries. If staff years have been decreased why has this line increased?

**Mr. Downey:** There was a change in the remote allowance, Madam Chair. That is why there is a change there. It has to do with the Northern Tax Allowance, which the federal government cut and then reintroduced again. This is how we had to reflect those changes in our budget as it relates to remote northern communities.

**Madam Chairman:** The hour being 10 p.m., what is the will of the committee?

**An Honourable Member:** Go on.

**An Honourable Member:** No, there is agreement to quit.

**Madam Chairman:** The hour being 10 p.m., committee rise.

Call in the Speaker.

**Mr. Downey:** I just wondered if we could pass this before we rise, Madam Chair.

**An Honourable Member:** No.

**Mr. Downey:** Okay.

**IN SESSION**

**Madam Deputy Speaker:** The hour being 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

**Legislative Assembly of Manitoba**

Tuesday, May 21, 1991

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