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of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 15, 1991

The House met at 8 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—FITNESS AND SPORT

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 resume consideration of the Estimates of Fitness and Sport.

When the committee last sat, it had been considering item 1.(b)(1) Salaries \$328,100 on page 74 of the Estimates book and on page 86 of the Supplementary Information book. Shall the item pass?

Ms. Marianne CerlIII (Radlsson): Mr. Deputy Chairperson, when we left off, we were discussing Sport policy and specifically dealing with allocation of Lotteries monies to the various sport bodies.

I would like to ask the minister a general question. Given that, as we were talking earlier, the Sports Federation has had a big increase in revenue from Lotteries and they have expanded their staff and their programs considerably, I would like to ask the minister, does he feel that the Sports Federation is doing the job that it was intended to do?

* (2005)

Hon. Eric Stefanson (Minister responsible for Sport): Mr. Deputy Chairman, in many ways when the Sports Federation was first established, the principle behind it was to be a conduit of funds, to flow funds from the provincial government through the Sports Federation and have that as a body to do the analysis and distribution to the various sporting organizations, some 96 now in our province, so really that was their function. Of course, the dollar amounts they are allocating have increased, as we have already discussed, significantly.

As I indicated to the honourable member earlier, in my mind that is a major part of why we have established this task force, is the Sports Federation has been in existence now for in excess of 10 years, has a certain system in distributing the funds, and I think the time has come that a thorough analysis needs to be done by representatives from the Sports

Federation itself and by representatives on behalf of the government.

Ms. CerlIII: There is a report of a Sports Federation service review that I have, and I am wondering if the minister can tell us what he thinks are the key areas where the Sports Federation could improve its services.

Mr. Stefanson: Mr. Deputy Chairman, certainly the indications are that the Sports Federation handles the administrative end of things very well in terms of the technical administration. There have been some concerns expressed in terms of the promotional side, promoting the value of sport; the marketing side of sport on occasion, in terms of even the involvement with facility development or events; and certainly the relationship with all of Manitoba, to be sure that all of Manitoba is in fact represented by the Sports Federation, as it should be by the government.

Ms. CerlIII: I would agree that one of the criticisms of sport in the province has been that it is relying too much on government money or Lotteries money and a lot of the sports do not have corporate or other fundraising programs. Are there plans to work with them to develop that kind of a fundraising program?

Mr. Stefanson: Have you been reading my notes? Actually, the private sector has worked very well. Corporate sponsorships for events certainly have served Manitoba very well. That is something we will be looking at with sport: the opportunity to work in partnership with the private sector in terms of sport development and the promotion of sport throughout the province.

Ms. CerlIII: When I was preparing for Estimates I had called the Sport Directorate to ask for some research information on the allocation of funding between development programs and elite programs, to see if any of the sport bodies had done that kind of assessment themselves or if the Sport Directorate had done that kind of assessment. I have not received that information yet. Can you answer that question? Has there ever been a study done? This is the issue that I had raised before we had the break with respect to the balance between

funding between elite and grassroots development programs.

* (2010)

Mr. Stefanson: Mr. Deputy Chairman, I certainly can provide that analysis on behalf of the funding and distribution of funds directly by the Sport Directorate. We do not have that analysis for the funds that flow from the Sports Federation, but I would anticipate that they would co-operate in terms of providing us that information. It certainly should form part of our long-term analysis in the work that the task force will be doing, so we would undertake, over a reasonable period of time, to obtain that. I could certainly provide the analysis with the other \$3 million to \$4 million that the Sport Directorate spends directly.

Ms. Cerilli: One of the other issues I would like to spend some time on is the recent agreement that was signed. I understand there are a number of changes in this agreement, and there were a number of things that the Sports Federation was trying to get. They wanted an agreement that was going to be longer term, and they wanted a longer period of time before there could be changes made to the agreement. Perhaps the minister can just describe, as he sees it—what changes have there been in the current agreement between the Sports Federation and the government?

Mr. Stefanson: Mr. Deputy Chairman, I think I have most of them, but firstly, the term of the agreement will actually be, in terms of allocation of dollars, for three years. It will expire in 1995 and the previous agreements ran for five years. What happened was it lapsed a year ago, so we funded at the same level for 1990-91, providing no funding, as the honourable member realizes, in '91-92, and then providing funding for the next three years. All of the lottery-funded agreements expire at the same time. That will be March 31 of '95.

In terms of the dollar allocations, they are fixed in the agreement, and I can provide the exact amounts. Effective April 1, '92, it is \$8,092,000, and then the next two years after that, it is \$8,497,000. While the lottery allocation is tied to a percentage for sport, that allocation is fixed in terms of its upper limit. If the formula kicks out a lower number, the Manitoba Sports Federation is then allowed to utilize funds that are set up in a capital fund that I am getting to.

Basically what happened is, the Manitoba Sports Federation had approximately \$15 million or \$16 million accumulated surplus in deferred revenue. What ended up happening with those allocation of funds, about \$8 million was used to fund their '91-92 regular operations, and about \$4 million was put into a capital fund and that is a new part of the agreement.

* (2015)

There is a capital facility fund which will be jointly managed by the Sports Federation and the provincial government with approval having to be by both bodies in terms of the distribution of that fund for facility development throughout Manitoba. The Sports Federation also is allowed to retain approximately \$2.5 million as an operating reserve to buffer between the years and to buffer some of the—if there ever was a potential shortfall in terms of lottery funding.

There are a couple of other minor changes. The cancellation clause is 180 days, was 90 days, and the Sports Federation has a notional carrying account of up to 10 percent of revenue that they can carry over from one year to the next, again, to buffer their annual needs.

Ms. Cerilli: It sounds like the Sports Federation is going to have a lot less autonomy in managing its funds, and I think a number of the people there are feeling like they had done a good job when the increase in Lotteries funds started to occur, that they—as I understand it, that occurred in the middle of a year somehow, and that they had initially, right from the outset, had a surplus that they kept building on.

There is some sense that they had been good managers and had themselves been putting this money aside for a facility development fund and had been in the process of trying to figure out how they were going to spend it.

How are you dealing with this? I mean, there is a lot of feeling. We have gotten letters from some groups saying that they have been penalized for being good managers and that they were working on their own to develop a facility fund, and now they have been set back to where they are going to have to go from hand to mouth, as it were.

Mr. Stefanson: Mr. Deputy Chairman, well, I do not think it is a fair comment that they have been penalized for good managers. I have had this series of negotiations with them as we came through

to conclusion of this agreement, and we certainly recognize and acknowledge the job they have done in terms of managing their funds and also thank them for not abusing the utilization of funds and spending them for the sake of spending funds, so we certainly compliment them for not being inefficient.

They were allocating one year's revenue as deferred revenue, which is approximately \$8 million. Basically you can call it the rainy day fund, for if and when an agreement comes to an end or whatever. It was already set aside to be used for sport somewhere well into the future, so it was not available for sport today, to be used today or tomorrow or even in the short term. It is going to be used—we can only guess how many years from now it was meant to be used.

Basically, when we did an assessment need of all of the umbrella organizations of lottery funding back in about '89, and we came to the conclusion that umbrella organizations should not accumulate excessive surpluses. Therefore, I guess, what will happen is that final year of funding for sport in Manitoba will be funded by the provincial government. What we have done is had the opportunity and availability of utilizing those funds today to the benefit of all taxpayers in Manitoba, so sport received—through the Manitoba Sports Federation they still allocate approximately \$8 million to sport, but no change to the sporting organizations in terms of the funding available to them this year and so on.

* (2020)

I also think that the kinds of things that we are embarking on and working co-operatively on will in the long term be in the best interest of sport. The task force we have already talked about at some length, in terms of the relationship there. We have a joint relationship in terms of the facility development, and we have a joint committee in terms of the whole management of the agreement itself. So certainly there is a willingness and an atmosphere, I believe, of working co-operatively and in the best interest of sport in the '90s.

Ms. Cerilli: Some people I talked to said that under the Lotteries act there might even be grounds that the Sports Federation and the groups had a legal right to the money that was in the surplus account.

Mr. Stefanson: We have had a very general discussion on that. We have had legal

representatives on behalf of the province work with us on this new agreement. I believe the Sports Federation would have had their solicitors take a look at it, but I certainly think that has not been an issue that has turned into anything.

Ms. Cerilli: There was also some concern that as Lotteries revenue increased there were some sports that were better able to develop their programs quickly, so that they could start utilizing an increase in funds. Are there some sport bodies that have a surplus or were there some sports that took them awhile to get organized so they could wisely use the increase in revenue from Lotteries, and is the Sports Federation or the sport director aware of those groups?

Mr. Stefanson: Again, as we discussed earlier, the majority of the funding, in terms of distribution of government funds to the sporting organizations, flows through the Manitoba Sports Federation. They do the analysis that we discussed earlier today, obtained financial statements, audited financial statements and so on from the various sporting organizations, but to the best of my knowledge, they do not necessarily take accumulated surpluses of those organizations into account in terms of their distribution of funds at this particular point in time.

Ms. Cerilli: Another issue that is a hot topic of discussion in sports circles is the allocation of bingos. I wonder if the minister can tell the committee if there has been a change in the percentage of bingo revenue or number of bingos that are allocated for sport, if there has been a percentage change, and what the percentage currently is.

Mr. Stefanson: Mr. Deputy Chairman, the Manitoba Sports Federation receives the same number of bingos. In fact that was another part of the revised agreement, is an undertaking to ensure that if new bingo halls are opened up at any point in time there would be no erosion of the gross take to the Sports Federation under bingo revenues, but the individual bingo allocations are then controlled as part of the Manitoba Sports Federation distribution through to the individual sporting organizations. So the numbers per sport have remained the same through the Manitoba Sports Federation.

Ms. Cerilli: I have heard different figures banded about in terms of the percentage of bingo revenue

or number of bingos that go to sport. What is the percentage?

Mr. Stefanson: The actual number of events is stated in the agreement. We can certainly undertake to provide that, and we would undertake to provide as much information in terms of the percentage it represents in total numbers of bingos and potentially total bingo dollars to the honourable member.

* (2025)

Ms. Cerilli: I appreciate that. The reason I am asking is there is a sense out there in the community that sport has done pretty well, that sport has grown at a huge rate in the last 10 years, and there are other agencies or organizations and areas that could benefit from Lotteries funds that do not. One of my other critic areas is environment, and there are not any environment groups I do not think that benefit from Lotteries funds.

One of the ways that this has become most apparent is this symbolic building that sport is now housed in. As I understand it, there is not much difference in rent to the individual sports, but it appears that sport has got this building that is fairly extravagant, I guess I would use the word. Can the minister give some figures that would clarify the leasing agreement with the new building as compared to the Ellice building? I understand that the Ellice complex was at the end of its lease and changes to bring the St. Matthews and Ellice facilities together would have been fairly costly. Can you give us some clarification to show that this is in fact a good deal?

Mr. Stefanson: I can certainly provide what we know of the terms of occupancy, and I have a sheet of information with about 12 points outlining the terms of the agreement and the number of proposals, 22 proposals at 1700 Ellice and so on. It certainly was a business decision of the Manitoba Sports Federation. This outlines when they took occupancy, it outlines the square footage rate that they pay, the number of parking stalls, and so on. I certainly could provide that to the honourable member.

Ms. Cerilli: Can the minister tell the committee how many other buildings or developers put in an offer for the agreement that was developed with the current building? Were there other buildings that were considered? Who were the developers and where were they?

Mr. Stefanson: The Manitoba Sports Federation received 22 proposals, including remaining at 1700 Ellice and 1495 St. Matthews sites, prior to entering their agreement at their current location. I do not have the particulars of those 22 proposals. I could undertake to determine whether the Sports Federation is in a position to want to provide that and make that public.

Ms. Cerilli: The current owners of the building, I understand, are in some financial difficulties and there are some liens; they owe some money to the contractors. I am wondering if the minister can clarify who are the owners of the current building.

Mr. Stefanson: The information I have before me shows the original agreement as being with Continental Equities Ltd., but we would undertake to provide current information if there has been any change.

Ms. Cerilli: Can the minister tell the committee who owns this development company, Continental Equities Ltd.?

Point of Order

Hon. Jim Ernst (Minister of Urban Affairs): Mr. Deputy Chairman, while this is all very interesting, it has nothing to do with the Sport Estimates. The Manitoba Sports Federation is a tenant in a building. It is on the lease the same as any other tenant. If the honourable member wants all this information, let her go and seek that information through whatever other sources she can, but it is not to be expected, I would not think, that the Minister of Sport (Mr. Stefanson) should know all of the background information on a tenant that would take place in any particular building.

Mr. Deputy Chairman: The honourable minister does not have a point of order. It is a dispute over the facts.

Ms. Cerilli: I am interested in hearing the member's comments. He is the former minister, that is right. I think he is probably well aware of who is involved in the development. I would invite the minister to answer my question.

* (2030)

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

Mr. Stefanson: We will undertake to attempt to provide that information. We do not have it here today.

Ms. Cerlill: Is the minister aware of the individuals who own the company that has the rights to the building?

Mr. Stefanson: Somewhat, Mr. Acting Chairman, but I do not have all the details. I certainly know the name of at least one of the principals who was involved with the original construction. I am not sure who all the shareholders were or what the current status is and so on.

The honourable member is right. There has been some concern with the whole development of the building, but that again, as was pointed out by the Minister of Urban Affairs (Mr. Ernst), that those negotiations, that whole development agreement, the leasing, is an agreement between the Sports Federation and what was originally Continental Equities Limited. I certainly will undertake to get as much information as I can on the questions asked by the honourable member.

Ms. Cerlill: Thank you. I understand that perhaps Mr. Shenkarow is involved in this building?

Mr. Stefanson: To the best of my knowledge, Barry Shenkarow had some involvement with the original development of the building.

Ms. Cerlill: Was there also involvement by the Rotary building committee?

Mr. Stefanson: Could the honourable member elaborate what she is asking?

Ms. Cerlill: That a Rotary building committee was also involved in providing—

Mr. Stefanson: I am not aware of any such Rotary building committee having anything to do with this particular development.

Ms. Cerlill: One of the other areas that I was concerned about for members of the Sports Federation is not only the allocation of bingos as we were discussing earlier, but problems with penalties for missing bingos. Has there been any new system to deal with appeals when a member group feels that they have been unjustly treated for missing a bingo?

Mr. Stefanson: The Manitoba Lotteries Foundation has a policy on bingos, as does the Manitoba Sports Federation which incorporates, obviously, the Manitoba Lotteries Foundation policy. I am imagining that the honourable member is referring to potentially some instances between bingo allocation and Sports Federation. My understanding is, by and large, sport organizations

are quite satisfied with the distribution and utilization.

Ms. Cerlill: I am aware that one of the things that often happens is some of the smaller clubs in some sports that have difficulty meeting the volunteer requirements often end up getting penalized, and it is often the larger clubs that end up being able to earn more money, and the small clubs never end up getting any bigger.

Mr. Stefanson: They certainly are required to provide a certain number of volunteers to man the bingos. If they cannot come up with those, then they miss their opportunity. Certainly it is a part of putting on the bingo, to have a minimum number of volunteers, but I am led to believe that by and large, it has worked reasonably well with the sporting organizations. We are certainly not aware of any significant number of complaints or anything.

Ms. Cerlill: I can assure you from the sports that I have been involved in that it is internal, within the sports, that there are problems, and I would encourage the minister to look into that. A number of the sports have tried to deal with that on their own.

The other thing that it points to though is that there is a need within some of the sports for volunteer board development, not just at the sport body level, but within the sports at the club level. I am wondering if the Sports Federation or the directorate is looking into any kind of programs that would assist clubs or teams or some smaller sport associations themselves to better deal with their volunteers, programs and administrative needs.

Mr. Stefanson: Mr. Acting Chairman, the Sport Directorate works with Culture, Heritage and Citizenship in terms of their skills development program and enhancement of volunteers, and we also do work with the Manitoba Sports Federation. Clearly, again, the whole enhancement of volunteers will be a part of our ongoing discussions and negotiations with the Sports Federation.

Ms. Cerlill: I am familiar with that program. I was a leader trainer in that program as well, and I would just encourage the minister to go beyond the sport board level and get into the various clubs within the sports. That is where the needs of volunteer development are. Oftentimes, I do not know if they are aware of the Recreation Branch program.

Mr. Stefanson: I gather that was just a suggestion, Mr. Acting Chairman, and I certainly take it. It is something that we will consider.

Ms. Cerilli: I am wondering if the minister can explain funding to regional sport associations from the Sports Federation.

Mr. Stefanson: My understanding, Mr. Acting Chairman, is the regional sport organizations are not full members but are affiliate members, and they do receive a grant from the Manitoba Sports Federation.

Ms. Cerilli: How much is that grant for each sport association?

Mr. Stefanson: Mr. Acting Chairman, it ranges, based on the scoring system, point system, but it would range from a total low of approximately \$15,000 to a high of maybe \$40,000.

Ms. Cerilli: Are there any plans to change that funding and allocation? These are the associations that are responsible for rural and northern Manitoba and, again, in terms of facility development, that is where there is a great need, the issue we were talking about before in terms of equitable distribution of funds. I wonder if this is an area where we should be looking at changing the way that dollars are allocated.

* (2040)

Mr. Stefanson: Right now, that allocation to the regional Sports Federation that comes through the Manitoba Sports Federation, currently, of course, is up to the Sports Federation under their system. I touched on the capital fund for facility development which will be a minimum of \$4 million of which the province will appoint two members, the Sports Federation two and a mutual chairman.

As I said when I referred to that, I view that fund as benefiting all of Manitoba, but certainly being sure that rural Manitoba is well informed and well represented, particularly in light of coming on the heels of the tripartite agreement that did some facility development here in Winnipeg.

Ms. Cerilli: I just have a couple of other questions that are specific to a couple of the sports. One of them is with cross-country skiing and Natural Resources.

There had been an agreement between Natural Resources and cross-country skiing, to have park staff groom trails for cross-country skiing. I am wondering if the minister is aware of the difficulties that this sport is having in making sure that this service is retained for the province, that cross-country ski trails are well groomed.

I am aware that the sport would rather have Natural Resources do it in consultation and co-operation with the Manitoba Cross Country Ski Association.

Mr. Stefanson: The member is correct that Natural Resources has done and does the grooming, upgrading and maintaining of the cross-country ski trails. I recently had a letter from an individual on cross-country ski trails, and it is something we are looking at in terms of the interaction of the organization, of our Sport Directorate and Natural Resources, to be sure a reasonable and appropriate number of trails are maintained and available for use and promoted properly.

Ms. Cerilli: This problem, I am sure the minister is aware, is a direct result of the cutbacks in the Department of Natural Resources. I would just encourage the minister to ensure that there is not a system that is going to get into user fees, or there is some talk of having a cross-country skiing licence. There are all sorts of difficulties that would result from that.

One of the other specific programs that is at the moment insecure in terms of its position in getting funds for the coming year is a drug and alcohol abuse prevention program with the Manitoba High Schools Athletic Association. It is the Target and Champions program. Is the minister looking into the possibility of providing funds to ensure that this program continues?

It is a unique program based on a pure sport model which has high school athletes go into elementary schools and junior highs and develop their leadership skills and act as role models to encourage younger children to not abuse drugs and alcohol, and it has been shown to be very effective.

Mr. Stefanson: The Manitoba High Schools Athletic Association's funding for '91-92 remained the same as '90-91 from the provincial government. The program the honourable member referred to, the specific program is actually a federally funded and supported program. In terms of our financial support, support for the High Schools Athletic Association has remained the same as last years.

Ms. Cerilli: I would just encourage the minister to not let this program die. It does not take a lot of money. I talked to the Minister of Health (Mr. Orchard) about it, and they would co-operate to make sure that this program not only is retained, but expanded.

With that, I will turn the process over to my Liberal colleague.

Mr. Kevin Lamoureux (Inkster): You know, Mr. Acting Chairperson, I find it somewhat interesting that we are going over the provincial government's Estimates, and you look on page 87, and on 87, we have the Pan American Games and Expected Results for this particular line. I will read from what is before me, and you can look at it yourself, where it reads: "The City of Winnipeg is laying the ground work to enter a bid to host the 1999 Pan American Games."

Mr. Acting Chairperson, we all recognize the importance of Manitoba and provinces like Manitoba attempting to get games of this nature because it brings a lot to the economy. It brings a lot in terms of organization. Many volunteers strive on functions of this nature. We have seen how well Manitoba did last year in the Western Games, and I believe this is something that all Manitobans would be very proud to do, is host the Pan American Games in 1999.

My question quite simply to the minister is, what is his role? We see in the Estimates book that the City of Winnipeg is doing something, but in this particular book, I would have anticipated something from the minister saying what it is that this government is doing to ensure that we have a good bid in for the Pan American Games.

Mr. Stefanson: Mr. Acting Chairman, I thank the honourable member for that question. The City of Winnipeg is undertaking the bid to become the Canadian city at this point in time, and that process will end, I think the selection will be made in about January of 1993.

The group that was working on it went to Executive Policy Committee approximately six weeks, eight weeks, ago with the proposal, the bid to become the Canadian city. It was going to cost \$150,000. I was able to participate in that meeting and to be there on behalf of the province announcing that we were prepared to contribute \$50,000 toward the study and the bid to become the Canadian city. The City of Winnipeg is contributing \$50,000, and the federal government will be contributing \$50,000.

I also serve on the Pan Am bid committee of the City of Winnipeg; myself and our Sport Director, Ted Bigelow, serve on the committee. We are a part of all the meetings leading up to the going to Executive Policy Committee of Council in terms of submitting

the bids. Certainly my predecessor, the Honourable Jim Ernst, was very involved with that bid committee as well, so certainly the province has been very much a part of the process.

It has been very supportive, very encouraging for all of the reasons that the honourable member has touched on. We recognized the extreme importance from an economic, from a social, from an image—everything in terms of Winnipeg being successful in hosting these games. We are pleased to have been a part of the process, a part of helping with funding, and look forward to Winnipeg becoming the Canadian nominee by January of '93, and then moving on to become the successful city.

Mr. Lamoureux: Mr. Acting Chairperson, it is good to hear that the government did, in fact, make a commitment, I understand \$50,000. Where do we find that commitment in the Supplementary Information?

Mr. Stefanson: The funds will be found internally within our department, and because of the significant tourism aspect associated and the kinds of things we have already discussed, the funds should be available in that allocation.

Mr. Lamoureux: Yes, Mr. Acting Chairperson, I just wanted to bring that to light, if you will, and I would anticipate seeing something in next year's Estimates in terms of what the provincial government's role or contribution is.

I wanted to pick up on the cutback to the Manitoba Sports Federation. The government is on the record as saying that the primary reason for this cutback is because of the revenues that the Sports Federation has received over the past few years and, in fact, they have been able to put every year a certain amount of money which gave them reserves that are, from what we understand, unacceptable to the government.

My question to the minister is: What in his opinion is the reason for the high reserves that Manitoba Sports Federation was able to accumulate over the last number of years?

* (2050)

Mr. Stefanson: Mr. Acting Chairman, I certainly cannot speak for the Manitoba Sports Federation. You would have to talk to them in terms of the rationale for how and why approximately \$15 or \$16 million was accumulated. As I pointed out earlier, \$8 million of that approximately was set aside as what was called deferred revenue, meaning it was

going to be revenue that was brought in as revenue in a subsequent year. That year might be several years down the road, so as a government, when we looked at the surplus funds available with some of the umbrella organizations, we looked at our needs in terms of the requirements of government.

Certainly the honourable member has heard all of the points we made on that issue in terms of the attempt to control expenditures and reduce expenditures in government, not increase taxes and so on, that Sport will receive the same funding from the Sports Federation in 1991-92 and that deferred revenue, while it is not there for some point, probably well into the future, that Sport will then be faced with the situation whereby that funding might well have to come from the provincial government of the day.

Mr. Lamoureux: Mr. Acting Chairperson, I understand what the minister is saying, but the perception by many—and I thought it was well summed up in the letter that I had received from the Manitoba Amateur Football Association—highlights a concern in terms of why the Manitoba Sports Federation and what is it that the minister or this government is saying to organizations such as the Sports Federation when they are able to bank money, and then ultimately, whether it is two years or three years down the road, they are penalized for not spending the money that was allocated out to them.

I can see, and I would find it very hard to convince otherwise, because of the actions by the government, why an organization would in fact establish a reserve fund. Is he not telling the Manitoba Sports Federation that, if you accumulate a reserve fund or if you do not spend your money now, two or three years from now, we could do what we have done to you in '91-92 budget? How does he plan to overcome potential problems of that nature?

Mr. Stefanson: We are not sending that message at all. That money has to be spent. I guess we operate, and hopefully the Liberals do as well, on the fundamental assumption that the majority of people who are involved in these kinds of organizations do so to the best of their ability, attempt to manage to the best of their ability and will not make bad decisions simply to spend money. I have enough confidence in the people who serve on organizations, whether it be the Sports Federation or any other, that they are there to do their duty on

behalf of the citizens of Manitoba and on behalf of the organizations.

Clearly, I would hope the member is not suggesting that, when umbrella organizations accumulate \$15 million or \$16 million, you continue to go back to the taxpayer to fund those organizations and allow the deferred revenue or the surpluses to accumulate. It was an opportunity whereby we are still allowing the organization to carry forward a bit of an operating reserve. We are giving them flexibility through what is called a notional carrying account, to bridge the gap between various years of funding.

We are having the opportunity to establish a Facilities Development Fund for all of Manitoba, focusing primarily on rural Manitoba but all of Manitoba. We have the opportunity to see sporting organizations still funded at the same level through the Sports Federation and not have to go back to the taxpayer and add on to taxes or increase the deficit in the province.

Clearly, when we looked at it, it was an opportunity that was in the best interest, we feel, of all. Sport received the same level of funding. There is still a commitment to sport. We have signed a new three-year agreement. We have signed a co-operative agreement to work with the task force on development of an action plan for sport, a facility development plan. We also have a joint working agreement amongst the Sport Directorate and the Manitoba Sports Federation on that agreement. Clearly, I think what we have done is in the best interest of the taxpayer and sport in Manitoba, which is a win-win situation.

Mr. Lamoureux: Mr. Acting Chairperson, if that is in fact the case, the minister himself, a couple of times this evening, has pointed out that we have now signed these new agreements. There was a year lapse in which the minister fully funded the Manitoba Sports Federation. Is this something that is fairly new to the department? Were they not aware that in fact they had a reserve a year ago today? Why is it that we are seeing it in this budget and we did not see it in the previous budget? What has happened over the last year?

Mr. Stefanson: Mr. Acting Chairman, part of it is a recent change of only a year ago where the Minister of Sport became directly responsible for the allocation. Prior to that, the agreements were between the Minister of Lotteries and the Sports

Federation. So while there might have been an opportunity for review, it was not done in the fashion that it was done now through sport, through the Sport Directorate and through the Minister of Sport.

Mr. Lamoureux: Mr. Acting Chairperson, through you to the minister, was there a change in policy that was initiated from the government then? How did this come about?

Mr. Stefanson: Mr. Acting Chairman, there was a review done some time in 1989, I believe, of all of the umbrella organizations. The Sports Federation is not the only organization to have had accumulated deferred revenue or surpluses. There was at least one other organization that was faced with a somewhat similar situation and turned back a sum of money to the provincial government.

Mr. Lamoureux: Has the minister had any discussions with the Sports Federation, in particular prior to the budget in the sense of were there any preliminary discussions to what might be coming up? Did they have any idea in terms of that they were looking at cuts from the government?

Mr. Stefanson: Mr. Acting Chairman, negotiations on, I guess we would call it, a third agreement with the Sports Federation have been going on since approximately May of '89. As the honourable member knows, I became minister in February of this year, part way through our budget process and immediately started negotiations from my perspective with the Sports Federation, had negotiations and discussions on the '91-92 funding, the ultimate funding agreement we signed and the whole range of issues affecting sport as it relates to the Manitoba Sports Federation and the Sport Directorate. So I certainly met with them very shortly after becoming minister and dealt with this issue and the new agreement.

Mr. Lamoureux: Did the Sports Federation indicate to you, in terms of previous meetings, was there ever a commitment? The reason why I bring it up, Mr. Acting Chairperson, is because my colleague from The Maples (Mr. Cheema) had given me a letter that was signed by an Elliot Dary. I do not know his exact position. I do not know if the department does.

* (2100)

To quote from the letter, one very short sentence is that this was a special concern in that, in your previous role as Minister of Sport, you gave assurances to the Manitoba Sports Federation of

continued funding, and then they were unable to deliver on these promises. This particular letter was dated on the 7th of June, 1991, and it was actually going to the previous minister, your predecessor and the current Minister of Urban Affairs (Mr. Ernst). I am not sure who this particular individual was, and I am looking, I guess, more so for confirmation.

Was there any type of indication to the Sports Federation that in fact they would be receiving funds before?

Mr. Stefanson: Mr. Acting Chairman, I believe the individual the honourable member referred to is a member of the board of the directors of the Sports Federation, I think. Certainly a major part of the discussions that went on, as I say, for May of '89 revolved around the whole utilization of the deferred revenue and the surplus accumulated.

With various options addressed prior to my time, the ultimate decision that was made and the agreement that came into place recently with the Sports Federation, primarily happened during my time as Minister of Sport. Going back to May of '89, the whole issue of the accumulated surplus and the deferred revenue was a major part of the discussions and decision making revolving around what to do with those funds, how to utilize them, what should remain with the Sports Federation, what other uses the funds should be put to. Ultimately, we came to the decision that we have before us tonight.

Mr. Lamoureux: Mr. Acting Chairperson, because of the limited number of hours that we have in the Estimates, and I would like to actually go a bit deeper into it, I will refrain from it. I did want to comment or just make a very brief summation in terms of what I believe the government is in fact saying to different organizations. Maybe the minister might be able to relate.

I used to work for the federal government when I was a member of the forces, and there was a belief by many that in fact budgets that are assigned out to you have to be spent. If you do not spend that budget, then you are going to have a hard time getting more for the following year. You also risk the likelihood of having your budget in fact cut for the following year.

What the minister, I believe—primarily because I do not really believe there was preliminary discussions with the Sports Federation or any type of a sit-down accountability, if you will, meeting

trying to justify or answer as to why the reserve fund was able to get as high as it was. Maybe that is in part a problem. What you are in fact doing, in my opinion, is encouraging—and it is not to say that in fact you will see it become reality, but in my opinion, you are in fact encouraging to a certain degree different organizations, that the money that has been allocated out to them should be spent.

Now if that means that we use—because we are talking about sports, as an example, if there is a baseball pit or a diamond that does not necessarily need to be fixed up, is in fact fixed up in order to use the budget that has been allocated out to it. I have a bit of a problem, and I do believe that the minister would have a bit of a problem with that in some of the remarks that he put on the record just a few minutes ago.

At the very least, I would expect the government to be more forthright with the organizations that they deal with so that we do not get the type of criticism out there from different not only organizations but the public. The only way you are going to prevent that is to meet with these organizations more so that they are more prepared for what could at least be out in left field, if you will.

Mr. Stefanson: Just a very brief response, Mr. Acting Chairman. I certainly indicated that we expect all board members to be responsible, and the objective is to fund sport and the sporting organizations to a fair and reasonable level. One comfort we have also provided is, by entering into a new agreement, we do provide certainty of revenue for the next three years. Certainly that is very important to the sporting organizations, to know that they will have that future funding basically confirmed and guaranteed.

As well, there have been some very important initiatives, the \$4 million capital fund, and we have also allowed the organization to retain a \$2.5 million operating reserve. So that precludes the need to spend money for the sake of spending it, as the honourable member has suggested. I am sure that all organizations with volunteers and community input and community support do not operate in that fashion.

The Acting Chairman (Mr. Reimer): Item 1.(b)(1) Salaries \$328,100—pass; 1.(b)(2) Other Expenditures \$228,000—pass.

Item 1.(b)(3) Grants \$1,967,500.

Mr. Lamoureux: Mr. Acting Chairperson, this is on Grants?

The Acting Chairman (Mr. Reimer): Grants.

Mr. Lamoureux: I am sorry. I want Capital Grants. We are not on 1.(d)?

The Acting Chairman (Mr. Reimer): Item 1.(b)(3) Grants \$1,967,500—pass.

1.(d) Capital Grants - Major Sport Facilities \$1,250,000.

Mr. Lamoureux: Mr. Acting Chairperson, this is likely the best opportunity to ask the minister. I know I have heard him on CJOB on my way home regarding the discussions, and there is a lot of debate out there of a potential multisports complex, hockey arena. The Liberal Party has made the suggestion in the past in terms of trying to facilitate and ensure that we have the Jets by the turn of the century-plus. To that end, we had suggested that in fact we give them the land on a lease for a dollar for 99 years or something to that effect.

I am wondering if the minister can tell me or give the committee some type of an update on what has been happening with the whole issue from the government's perspective.

Mr. Stefanson: Mr. Acting Chairman, very briefly, this whole issue, as the honourable member realizes, at this stage is primarily at the City of Winnipeg and the Winnipeg Enterprises level in terms of decision making. Again, the honourable member has certainly heard our Premier (Mr. Filmon) and members of our government go on record on many occasions, my predecessor, myself, other cabinet ministers, other members of government, clearly saying we recognize the importance of the Winnipeg Jets to Winnipeg and the importance of being sure we do everything we can as a provincial government to help ensure that they stay a part of our community.

In my capacity as Sport minister, I have been kept informed of the various options that are out there in terms of various groups looking at developing facilities and/or various groups looking at acquiring interests in the Winnipeg Jets or the facilities. As I indicate, the short-term decisions really have to be made by the Winnipeg Jets owners, by the Winnipeg Enterprises and by the City of Winnipeg.

We are certainly open to what suggestions or what ideas might come forth but, at this particular point in time, that is where the immediate

decisions—and there are many other issues I think, as the honourable member can appreciate, besides the building of a new facility. I mean, that is one issue that has been discussed quite a bit.

There are other issues relating to certainly the ownership of the club itself, in terms of the private sector, in terms of Winnipeg Enterprises, in terms of other facilities run by Enterprises, the Winnipeg Stadium. While the Winnipeg Arena is an important part of all of that, it is interrelated to so many other issues I do not think you can deal with it; in fact, you cannot deal with it in isolation of the others and make a rational and proper decision. I would gladly sit down and share many of the options and alternatives that are on the table with the honourable member at any point in time if he is interested in hearing some more details.

Mr. Lamoureux: Mr. Acting Chairperson, I will definitely take the minister up on the invitation to sit down and go over some of these things with him. More specifically, has the government ruled out—you know, I think it is virtually a given, in the sense that the private sector alone cannot put up an arena. They will be looking for some type of contributions, maybe not from all three levels of government. They might not get the contributions from all three levels, but has there been any discussions relative to having a new arena and contributions other than land with this particular minister, or discussions with his federal counterparts?

Mr. Stefanson: In terms of some of the proposals that are in the community that I have been made aware of, they do include a contribution from the provincial government, in some instances for the site that we referred to for land and/or some capital contribution, but as I have indicated to the honourable member, that is only one element of many decisions that have to be made in terms of keeping the Jets in Winnipeg and that is, it does not appear to be the most immediate issue to be resolved. It is somewhat of a longer-term issue.

* (2110)

There are many who believe that if some of these other issues are resolved, certainly in the short term, the Winnipeg Jets can function out of the existing Winnipeg Arena with potentially some modification to their arrangement, and in the long term there might very well be the need for a new facility here in Winnipeg. In fact, I think most recognize that there

probably is. So if the objective of all of us is to keep the Jets in Winnipeg, I believe there are some more immediate issues that have to be resolved before dealing with the development of a new arena.

Mr. Lamoureux: Mr. Acting Chairperson, just to save on time if you will, I would ask the minister to provide a list of the capital projects that are going to be going through this particular line, if he has no objection. Not now but—

Mr. Stefanson: I will provide the details, but very briefly. Out of the \$1,250,000, \$250,000 goes to the Winnipeg Stadium for facility improvement for the Winnipeg Grey Cup in November of 1991 and the other \$1 million goes as our contribution to the tripart agreement with the Manitoba Sports Federation and the City of Winnipeg for the facility development program that has been going on. This is now the final year of a five-year agreement. This is our final contribution towards a total of \$5 million and the Sports Federation and the city have contributed the same amount. That is really where the \$1,250,000 is going.

The Acting Chairman (Mr. Reimer): Item 1.(d) Capital Grants—Major Sports Facilities \$1,250,000—pass.

Resolution 58: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,054,100 for Fitness and Sports for the fiscal year ending the 31st day of March, 1992—pass.

This completes the Estimates of Fitness and Sports. The next sets of Estimates that will be considered by this section of Committee of Supply are the Estimates for Government Services.

Shall we briefly recess to allow the minister and the critics the opportunity to prepare for the commencement of the next set of Estimates?

An Honourable Member: Five-minute recess.

The Acting Chairman (Mr. Reimer): Five-minute recess, agreed.

The committee took recess at 9:13 p.m.

After Recess

The committee resumed at 9:20 p.m.

* (2120)

SUPPLY—GOVERNMENT SERVICES

The Acting Chairman (Mr. Jack Reimer): We are now commencing consideration of the Estimates of Government Services. Does the minister responsible have an opening statement?

Hon. Gerald Ducharme (Minister of Government Services): Yes. I am pleased to present to this committee the '91-92 spending Estimates on behalf of the Department of Government Services.

As you are aware, my department provides a wide range of services and transportation, facility leasing, and construction to meet the needs of our clients. We are continually exploring new ideas and methods that will enable us to deliver opportune levels of service in the most cost-effective manner.

This has become an increasingly important objective in the current economic conditions. In the spending Estimates before you, we have taken steps to adhere to this principle and support the government's efforts to practise a responsible fiscal management strategy.

In order to maximize reliable time for this process, I will briefly highlight elements of these Estimates. Manitoba Government Services, in keeping with its mandate to ensure a reasonable and acceptable level of service at the lowest cost, has introduced new processes and procedures into its operation. Examples include the introduction of automatic mail handling for large volumes, promoting the use of teleconferencing, maximizing the advantage of fax rate structures, the implementation of a furniture management program, and emphasizing competitive costs per square foot for building and cleaning services.

The Department of Government Services reconstructed and downsized its Accommodation Development division to enable the department to better meet the changing accommodation demands in government. The streamlining and reorganization of the division will result in the entry of specialized functions into a more cohesive and flexible unit. This flexibility will allow the department to better balance fluctuating workloads.

The expansion of a standing consultants agreement will be required. This expansion will include all discipline, such as construction, design and leasing, to ensure that approved projects will be delivered on a timely basis.

Although some of these changes in Accommodation Development mean we will be using the private sector more, we will continue to develop ways that will allow us to more effectively utilize internal resources. For example, we are expanding our in-house computer servicing work through our Office Equipment branch in the Supply and Services division. Previously, this technical servicing work was done almost entirely by nongovernment suppliers at rates higher than our own internal charges. We will now utilize a combination of external and internal servicing to save additional dollars.

The department is continuing its efforts in the reduction of interprovincial trade barriers. This agreement on this issue, signed in 1989, has been considered a success in its first two years of operation. It has provided for the elimination of local content requirement and practices which discriminate against western suppliers on the basis of their location.

Upon the signing of this agreement, the barriers for Crown corporations would be eliminated. Efforts on a national level agreement concerning this issue are in progress, and it is hoped we will be able to eliminate all forms of discrimination based on the province of origin for goods and suppliers.

This department has adopted a strategy for sustainable development consistent with the principles of the government. A part of this strategy involves an action plan focusing on waste management, the use and procurement of environmentally sensitive and recyclable products and energy conservation. Following this strategy for sustainable development, Manitoba Government Services has expanded the paper recycling program to include a further 10 buildings, increasing the total to now 16.

The Remand Centre project currently underway is proceeding as planned. According to our schedule, it is estimated the occupancy of the centre will commence in late summer of '92. This facility will replace the existing facility at the Public Safety Building and accommodate 226 persons in a secure environment.

In conclusion, I would like to take this opportunity to recognize an award that was recently presented to my department from the Society for Manitobans with Disabilities. This award is in appreciation of outstanding service in employment and work

experience training to people with disabilities. This award is a result of years of dedication towards the Affirmative Action Program.

I thank you, and I look forward to the questions from the other members.

The Acting Chairman (Mr. Reimer): We thank the minister for those remarks.

Does the critic for the official opposition party, the honourable member for Selkirk (Mr. Dewar), have an opening statement?

Mr. Gregory Dewar (Selkirk): There are just a few things. First I would like to thank the minister for allowing the Peace Village to be allowed on the premises of the grounds. I know that there was some difficulty before, but I am pleased that the minister has reconsidered. I believe the village went up without any incidents, and so we are pleased about that. Any other themes, I think, will be developed throughout the questioning. So I think I will leave it at that.

The Acting Chairman (Mr. Reimer): I thank the member for those comments.

Does the critic for the second opposition party, the honourable member for Inkster (Mr. Lamoureux), have any opening statements?

Mr. Kevin Lamoureux (Inkster): Yes, I take this opportunity, Mr. Acting Chairperson, just to say a few words on the record. One is in regards, that we have a lot of concern in terms of what has been happening in Government Services regarding the whole question of decentralization, government office space that is being leased, new buildings that are being put up.

We have concerns regarding the Remand Centre and particularly the cost. A lot of people were of the opinion that it is going to be a huge cost overrun. We will be looking for some more of a breakdown in terms of what the costs of the Remand Centre actually are.

The member for Selkirk (Mr. Dewar) made reference to the Legislative grounds. I think what we do need is some type of clarification of the rules and the criteria for using the Legislative grounds. We have the EMO that the minister is responsible for. We will be looking for some type of explanation in terms of what has been happening. Because we only have—I would like to see this particular department passed by this evening. I will hold my remarks to that. Thank you.

The Acting Chairman (Mr. Reimer): Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with the consideration of the next line.

At this time we invite the minister's staff to join us at the table, and we ask that the minister introduce the staff members present.

Mr. Ducharme: With me this evening is Eric Harbottle, deputy minister, Stu Ursel, Gerry Berczuk, Frank Le Clair, Sally Walker and Paul Rochon.

The Acting Chairman (Mr. Reimer): Item 1. Administration (b) Executive Support: (1) Salaries \$324,000—

Mr. Dewar: Mr. Acting Chairman, I was wondering if the minister could explain to us any major changes in departmental policy this past year.

Mr. Ducharme: Major changes and—could you repeat that please?

Mr. Dewar: Departmental policy.

Mr. Ducharme: Oh, I see. As I explained, in my opening remarks, as you know, there is the major change as a result of the changes in Accommodation Development; that would actually be a change in policy. Throughout the years, there has been a constant increase in building of government buildings. However, the last few years, there has been a decline in the amount of construction. We have made a major overhaul change of that particular staff.

Any other changes, we are always looking for some small changes. For instance, as I have already mentioned, in one place we would use private, another we would use more in-house, wherever it is best economically for the government, because our department costs are based on what the demands are of the other departments. We are always looking for new ideas to save money in these times.

* (2130)

Mr. Dewar: In specific referencing to your contracting-out policy, can you explain that to us further?

Mr. Ducharme: We have not changed our policy for contracting out. It is basically the same as it always has been. In what specific area are you

talking about? Which part of the contracting out are you referring to?

Mr. Dewar: What about security personnel for this particular building, or government buildings in general?

Mr. Ducharme: First of all, as I mentioned earlier in my opening remarks, if it is contracting out, if it means that if it is the service and also economical for us to do so, we will do that. However, in this particular building, for instance, security is all our own people. We have left this building and the Law Courts—to give you an idea, in the security of some of the less sensitive buildings, we have gone to private; however, in our more sensitive buildings, like the Law Courts and this particular building, we have kept our own staff.

Mr. Dewar: What about the provincial building in Selkirk? Is there a provision for security in this particular institution?

Mr. Ducharme: I was out in Selkirk just a couple of weeks ago, and we do not have security in that part, at least under our particular mandate.

Mr. Dewar: In specific reference then to the Selkirk Mental Health Centre?

Mr. Ducharme: We look after the facility.

Mr. Dewar: Has there been an increase or decrease in the security personnel in the Legislature?

Mr. Ducharme: They have been the same. It has not changed. We have not changed that particular building, the security in that building. We do run our mobile out of here also, and that is the security and checking of our buildings, our alarm system, et cetera. They are also run out of this building.

Mr. Dewar: Just as the minister is I am sure aware, just across the street, literally across the street, a few weeks ago a man was murdered. Is that of concern to the minister—well, an enhancement of the security procedures?

Mr. Ducharme: That is why in this particular building we like to keep our people. We try to keep familiar people in this particular building. Of course it is a concern to us when people are—the same as when we have security when something is ready to take place in this building. Our security is on alert, and we take extra precautions that are necessary for those events that are on the building site.

Mr. Leonard Evans (Brandon East): Mr. Acting Chairman, just a supplementary to questions asked

by our critic on the matter of contracting out. Could the minister give us some idea—just talking about security personnel contracting out. What percentage is now on a contracted-out basis as opposed to Civil Service staffing?

I recall at one point some years ago when Mr. Uskiw was responsible for Government Services, he took the staff at the Brandon provincial building who had been with a private agency and decided, for whatever reason, to make it a direct service of the department. In other words, these staff were brought onto the Civil Service payroll. So there have been changes back and forth.

We are just wondering, what is happening to the contracting-out policy? Do we have more people contracted out today in security than we had say two or three years ago?

Mr. Ducharme: I can give you the numbers. It is approximately 15 percent to 16 percent are contracted out, of our total security—16 or 17 of the 90 are contracted out.

Mr. Leonard Evans: I am sorry, 15 percent to 16 percent of the total security personnel are contracted out?

Mr. Ducharme: That is correct.

Mr. Leonard Evans: So therefore the bulk, 85 percent, are directly on the government payroll. So the major government of Manitoba buildings would be staffed by virtually officials or staff in this department itself.

Mr. Ducharme: I am informed, yes, by civil servants.

Mr. Leonard Evans: Well, what areas have you utilized contracting out? Could you give us some examples of the kinds of buildings?

Mr. Ducharme: A couple of examples are, Norquay and Woodsworth and the Provincial Judges Court are contracted out.

Mr. Leonard Evans: Is there any particular rationale for that decision? Why those buildings, for example?

Mr. Ducharme: As mentioned earlier, we are in the problem of, we are to save money, and we have worked on the buildings that we felt were the—if we are going to go private, the least priority would be those buildings, and those are the ones we went private.

Mr. Leonard Evans: Does the minister or the government have any intention of increasing the percentage of contracted-out security services?

Mr. Ducharme: All I can say to that is that if we find that the service is to maintain that service and there is a savings that we are always looking at different security. I can say to the member there right now that when we looked at it there was never any question or any idea of contracting out this particular building.

Mr. Leonard Evans: We have been talking about security personnel. Are there any other categories that the department is involved in contracting out?

Mr. Ducharme: The biggest one would probably be the cleaning that we contract out. That would be the largest one that we probably would be involved in, and maybe specialized services.

Mr. Leonard Evans: What percentage of the cleaning services would be contracted out?

Mr. Ducharme: All the buildings throughout Manitoba that we are involved in, including even where you would have one person come into a building, we contract out. So I would have to get those numbers back to the individual. I would not want to even guess what percentage.

Mr. Leonard Evans: That is fine. The minister may wish to take it as notice and supply this subsequently.

Specialized services, could the minister give us some examples of specialized services contracted out?

Mr. Ducharme: Fire alarm systems, air conditioning systems, that type of thing are contracted out.

Mr. Leonard Evans: Mr. Acting Chairman, did you say communications?

Mr. Ducharme: No, fire alarms and air conditioning systems.

Mr. Leonard Evans: Okay. We have been talking under Executive Support for policies and policy changes. I believe the minister, before I turn the floor back to my colleague, made reference, I believe in his introductory remarks, about rental of space for the Civil Service versus purchasing.

Does the government have any particular preference in terms of utilizing rental space as opposed to purchasing of space?

* (2140)

Mr. Ducharme: Generally, if we do go in to rent space, we will look at all options, whether to build, the government to build a building, or whether to go to a lease-back arrangement. We look at all options, and we have those proposals come back to us.

Mr. Leonard Evans: What has been the policy that the department is following in rural Manitoba in terms of the decentralization of government staff? As I understand it, and again this is from media reports really, in specific towns there were delays in transferring staff to those centres from Winnipeg because of the lack of space.

Does the government, does the minister, have any particular policy in terms of obtaining space in those various towns? I am generalizing, I know, but do you have a policy whereby the government would wish to tender and construct a building itself or are you seeking private interests to build so that you could lease from those private interests?

Mr. Ducharme: First of all, what we will do is we will go out and have proposal calls and we will look at what the costs would be. In the smaller areas, where we are leasing smaller space, we will probably go to leasing instead of building a building. If it is a real large square footage requirement, that would be the time that you might consider building if the lease arrangement is not to our benefit.

Mr. Leonard Evans: Am I correct that the government has been having difficulty in finding adequate space in many of the towns?

Mr. Ducharme: In our proposal call, there have been delays. The member is correct, simply because if you are looking for a proposal call and space is not available, or if you are leaving space in the city, you do not want to be leaving a space and have it vacant for a year and a half or two years. So what you are doing is you are trying to put these combinations together, so those considerations are made. So if there is a delay, it is difficult to either get out of the agreement we have, or they will break the lease or something of the one you are leaving to move into the other one, or the availability of a proper proposal call that will not be ready in that short period. So those are the reasons why you would have delays.

Mr. Leonard Evans: Of the total space required in rural Manitoba for the Civil Service designated to be transferred, what percentage of the space has now been allocated? In other words, I do not necessarily

mean occupied, but of the total space that is required by the government of Manitoba for this decentralization program, what percentage of the space is now available and ready to be allocated to that program?

Mr. Ducharme: To the member, instead of giving him percentages, I could supply him with the up-to-date list we are involved in, because it is a list that—I could give that to you and supply you with that, and that will give you a better idea than me start naming off. I cannot give you the—

Mr. Leonard Evans: That is fine. That would be quite acceptable to get that list, Mr. Acting Chairman.

I had a question, and I do not know whether it is appropriate to go into this in further detail because what we were trying to do is to confine our questions to overall policies under Executive Support. I particularly have a couple of constituency questions related to government buildings, but I could perhaps save them later to Property Management or Construction. In the meantime, my colleague for Selkirk, I believe, would like to carry on.

Mr. Dewar: Mr. Acting Chairperson, on July 5 in the House I asked the minister if he would table in the Legislature contracts that his department let from American suppliers, and he said he would do it during the Estimates process. Well, here we are.

Mr. Ducharme: I explained to you that I would go over any questions that you might have on purchases in the U.S. I said that in the House. If he wants to ask me anything specific, particularly the case he did raise, there were three hand calculators. They were not computers, they were hand calculators that were purchased to the tune of a total of about \$500 and I—yes, programmable calculators. If he has any questions on any others that we buy, our policy is to buy locally if it is available. These particular Tandy ones were not available locally.

Mr. Dewar: Has the minister's department purchased any other items from the States?

Mr. Ducharme: I will give you the totals that we purchased from the States. Most of these are because they could not be supplied locally: aircraft repair parts, \$225,000; lab, medical, health-related products, \$320,000; conservation products, forest fire, \$40,000—that is the fish tanks, traps; education and training was \$80,000; field test and equipment and supplies, \$30,000; and electronics, \$25,000.

That is the total that we have bought out of a total budget of—that is a total of \$140 million in purchases.

Mr. Dewar: I was wondering if the minister could also tell us about any financial study that the department did when they contracted out government mail to a private courier.

Mr. Ducharme: This year our total savings on contracting out to courier service will be a total savings of approximately \$60,000, and next year the savings will be \$100,000. Before we went into this, we did go out and kind of survey what we could save in this particular service and that is what we did.

Mr. Dewar: How are those savings realized?

Mr. Ducharme: Our total costs were approximately to run for our '90-91 costs, the drivers, relief driver, the truck operation, the employee benefits amounted to \$172,000. The courier contract that they gave was \$74,000.

Mr. Dewar: How many individuals lost their jobs in this move?

Mr. Ducharme: Four, and those four have been put in other positions.

Mr. Dewar: What was the name of the firm that received this contract?

Mr. Ducharme: Dynamex. Just to add to that, when the member gets down to asking in regard to our computers, where we are doing more in-house because it is cheaper to do in-house, we are also doing that. What we are looking at is, if it is cheaper for us to do it in-house, we will do it in-house, and that has been our ambition in our work.

Mr. Dewar: Earlier this year, did this department renovate part of the high school in Churchill?

* (2150)

The Acting Chairman (Mr. Reimer): Could the member for Selkirk repeat that, please?

Mr. Dewar: I was wondering if the department renovated the high school in Churchill.

Mr. Ducharme: We accommodated somebody from Family Services, an office of part of the building, and Natural Resources.

Mr. Dewar: How much did those renovations cost?

Mr. Ducharme: \$82,000. We saved approximately \$50,000 a year in rent.

Mr. Dewar: Is the employment office there going to close?

Mr. Ducharme: Yes, it is, and Natural Resources is looking at taking that over, the additional space that we did accommodate for Family Services.

Mr. Dewar: So there will be a new tenant for that particular space.

Mr. Ducharme: Natural Resources will be utilizing that.

Mr. Lamoureux: Mr. Acting Chairperson, earlier this year, late spring if you will, there was a bit of controversy over some leased property on Broadway with Manitoba Housing. Maybe we can venture into that for a while and find out what the government, particularly the minister, has to say. Maybe we can get things started off by asking the minister, what is the government's policy when it comes to entering into or renegotiating lease agreements?

Mr. Ducharme: Our policy is to go out, as I mentioned earlier, and get proposals, and then whoever we think provides the best accommodation at the most reasonable price, those are the ones generally we work with.

Mr. Lamoureux: I would ask the minister when the original proposal call went out for housing Manitoba Housing.

Mr. Ducharme: I can only give you what my records indicate. As you know, I came in in February after the second proposal call, but I will go back and get you the information.

As the member knows, I was on the other side because I was the Housing minister. The proposal call was issued in late spring in 1990 for 44,000 square feet of office space, and a total of 14 proposals were received.

(Mr. Deputy Chairman, Marcel Laurendeau, in the Chair)

Mr. Lamoureux: Is it possible to get the proposals in terms of the number who ranked, who had the best proposal? Is that possible?

Mr. Ducharme: If the member would like to ask me privately at some time what type of rates we get on our rents, I would give that to him, but he has to remember that we are in the competitive field of always going out to getting proposals and getting rents. We would not want to disclose what we get our rents at, because of different rents from different places, and we do rent a lot of buildings.

I can give you the parameters of what happened. I think the member realizes that North American Life

Company would do its first two proposals, and there was Continental that was the one in line. There was a problem there producing their building, so we suggested—we went back to everyone who went into the original proposals and asked them for a new proposal call. This was done in, I believe, prior to January 30, and in the week of March 4, it was recommended that it go to 280 Broadway.

Mr. Lamoureux: Mr. Deputy Chairperson, it interested me to find out that, in fact, in the second proposal call that went out in January we found—and I would ask the minister to correct me if I am wrong, and I am sure he will—the winner, the successful candidate, if you will, had placed considerably further down the list from what I had understood or was led to believe than the first go-round. I would ask the minister, what place, if you will, did the successful candidate place in the first go-round on the proposal call back in the spring of 1991?

Mr. Ducharme: If the member is asking if the successful one was close to the original tender on the original one, no, he was not; he was quite a ways down. However, when the second proposal call was called, there was not anyone close to him. There was one individual who appealed that to the courts; and, after Judge Kennedy heard it in the courts, he could not believe in his remarks that he was even appealing it, and he was fully exonerated. Our staff was shown that they did everything in their relations that we have in proposals. We did everything that we were supposed to; nothing was out of order in getting those proposal calls. I can assure the individual that I also at the time, because we asked for the original proposals, and we were asking anyone we had heard who wanted to give a proposal on this, had somebody outside the private sector review the proposal procedure. As you know, I did file that letter from the federal government saying that everything was proper in the procedures that our staff had used in getting these proposals.

Mr. Lamoureux: Mr. Deputy Chairperson, to the minister, the first proposal, ultimately the successful candidate placed, at least I heard that it was around fourteenth. Now I do not know how many actually had submitted proposals, but I would ask the minister specifically, what place did they come in? Does the department know?

Mr. Ducharme: I can take it as notice because, as you know, I was not involved as the minister at the

time. However, I was more concerned about the second proposal call because of the amount of people that had dropped out and because of the time element that we had. We had to remember that the person placing second put a real onus on Manitoba Housing. I mean they had increased the rents by 45 percent, I believe, and that was for the last year. We had to be out of there by the end of the summer or early fall, so we did have a time factor.

Remember that most people who are in this business of leasing out, in Winnipeg especially, are the same people. So a couple of new ones came forward along with everyone else who had proposed earlier. When there was no comparison in the price, the other one was—the one who was lowest was considerably low on a facility that, I have to tell the member, is right across the street from the current one. They can utilize a lot of the same parking. So it probably worked out very, very well and utilized an older building that was sitting there.

Mr. Lamoureux: Mr. Deputy Chairperson, I guess what I find, in terms of perception, hard to see and hard to relate to is the second proposal call. The successful bidder at that time placed such a distance away from the successful one on the first call. I believe that many members of the public perceive that something went astray in the whole proposal-call process. I would ask the minister, is this rare? How often do we see a request for a second proposal? What is the policy for that?

When you put out a proposal call and everyone makes their submissions, I would have anticipated that they would be putting in a lot of time, effort and resources into putting together their submissions. Then to have them resubmit months later, once again they are looking at additional costs. How is it that one of them was able to come in at a price that substantially less? Was there additional incentives or bonuses that were given to try and lure MHRC?

* (2200)

Mr. Ducharme: First of all, you have to remember on the original proposal, you had three people. The top three pulled out of the proposal call. You had a case where the person who felt that he should have been awarded the contract was the one that complained the most. However, you have to remember that his proposals were looked at.

He said exactly what you are saying. He accused the government of not following the proper

procedures. He appealed that to the courts. If you would like—I am sure the member has read Judge Kennedy's report on this. If he has not, I would be glad to supply that to him, where a judge has come out and even remarked that even with all the publicity that was a result, you would think that there would have been—maybe I could just read his remark into the record.

Mr. Deputy Chairman: Order, please. Just one moment, Mr. Minister. What is the will of the committee, the hour now being ten o'clock? Continue? Agreed.

Mr. Ducharme: In view of the notoriety surrounding this case, it is important to state that the applicant does not allege the province of Manitoba awarded this contract on a political basis and that is a statement by the judge, Judge Kennedy, himself. I think it is very, very straightforward.

I know the member says, why would we go to another proposal call? I guess I have to keep going back to it, that we had two pull out and the third one was unavailable to accommodate. We were in a time frame of waiting, of getting into a building where the other owner was holding us at knife point, to be honest with you.

We have been a very, very good tenant for quite a number of years and he had raised our rents by 40 percent without even touching the building. He knew because our lease had run out, we did not want to face that again. We did not want to be faced with—and we felt that the quickest way to do it is to go back to everyone who originally proposed and ask them to send in new proposals. Anyone else who, during the process, because of the time element, anybody else who expressed an interest was also invited to put in a proposal.

Mr. Lamoureux: So all of those that put in a proposal the first time around were notified that, in fact, there was going to be a second proposal.

Mr. Ducharme: Yes, and I checked that list.

Mr. Lamoureux: I see. Yes. Mr. Deputy Chairperson, I would then ask the minister, specifically how many other proposal calls or second proposal calls were requested for any other government leased buildings?

Mr. Ducharme: I am instructed that we have never had another case where we have had the two walk away—the two low bidders walk away—and the third not be able to produce, which eliminates a big

part of your proposals, and that is why it was suggested that a new proposal call be done.

Also, there was an indication that since our proposal calls there were rumours around that the market was good to have a lease arrangement, and so we took the chance of having another proposal call. As a result, we saved the government a good sum of money, I must say.

Just to add to that, the difference in the two of what the original was and what was approved, the sum was in the vicinity of a million dollar saving.

Mr. Lamoureux: So if I am to understand correctly, that in fact this was the first time, at least in the last couple of years, that a second proposal was in fact issued? I can appreciate what the minister is saying, given the circumstances surrounding it. It is the first time.

Mr. Ducharme: We have run second proposals because maybe we were not satisfied with the ones that we received and called for a second proposal, but not one where we have had the two main people walk away and the third one not being able to produce the building.

Mr. Lamoureux: Mr. Deputy Chairperson, I will save the rest of my remarks regarding that for the Property Management line.

My next question regarding, I guess, policy, and I had made mention of it very briefly to the member for Selkirk (Mr. Dewar). It was in regard to the Legislative Building. I bring this up because it is something that is very recent, in fact just over the weekend where it has seen a lot of attention that has been given to it.

I have asked the minister, in terms of information purposes, what is the government's policy on the Legislative grounds and who can come out?

Mr. Ducharme: Well, we have a criteria that they sign and they look at when we have demonstrations—

Mr. Lamoureux: You know, you would not know we were dealing with Government Services with all the mosquitoes in here.

Mr. Ducharme: Well, we are getting a lot of mosquitoes here tonight. I can assure you that tomorrow the screens will be on again.

I will get you the criteria in just a second and I will give it to you. It lists all the criteria. It lists, no structures; it lists various conditions that you must have on the grounds.

Maybe I can give you some criteria to why we are suggesting that not be allowed. I guess the main one is to prevent extensive damage to government property, lawns, watering system. There are health reasons, the preparation and sale of food and alcohol, different things that people might want in their functions on the site. There has been public complaint, the noise from the area; liability purposes, fire hazard, fire regulations, and I guess the overall health conditions when you do allow people to camp on the grounds for any great length of time.

I have to tell the member that there was an exception made to that rule just in the last couple of days, and I guess it was because the individuals came into my office a couple of days before they wanted to camp who had camped last year not realizing that we did have some new rules. I suggested to them at the time, in the short span that they came to me, that maybe they could consider The Forks. I knew that they could not go to Memorial Park simply because Memorial Park was being used for Taste of Manitoba, so I suggested The Forks.

They came back and told me there was an event that was being held there. So because of the circumstances and their not knowing the conditions, we made an agreement that they could come on the site for a short period of time. We stipulated where they were to set their tents and the approximate number that we would allow there. They were very, very co-operative.

* (2210)

They said that—there was a reference made by the other critic that we had changed our mind. Well, we never really had, other than stopping me in my office when I was coming out of the lounge to attend a committee meeting was the only contact I had with them. I told them to go and see our supervisors and our staff, and there is a policy in place that stipulates what you can do and what you cannot do. They had their demonstration that day and then they came back later on that day and negotiated with myself on maybe setting up for a couple of days.

Mr. Lamoureux: I will defer my questions to other lines. Thank you.

Mr. Dewar: Yes, I was wondering if the minister could tell us what his department's plans are for the Fort Osborne complex.

Mr. Deputy Chairman: Bring the mike a little closer next time.

Mr. Ducharme: If the individual wants a broad policy on it, I will give that to him. If he wants specifics, then I suggest that maybe we go line for line, but the broad policy on that, there has been no consultation in regard to that site. The only contact I have had with that site is to go out and look at it myself because I was aware of it. I did review the grounds. We have just seen no proposals or received any information from anyone in regard to that site.

Mr. Deputy Chairman: I would like to remind the committee that at this time we are dealing with (b) Executive Support (1) Salaries \$324,000—

Mr. Dewar: We can proceed to the appropriate department then.

Mr. Deputy Chairman: Item 1. Administration (b) Executive Support: (1) Salaries \$324,000—pass; (2) Other Expenditures \$42,100—pass.

(c) Finance: (1) Salaries \$833,600—pass; (2) Other Expenditures \$149,100—pass.

(d) Human Resource Services: (1) Salaries \$518,800—

Mr. Lamoureux: I would ask the minister under this particular line, how many people have been decentralized under the government's decentralization policy?

Mr. Ducharme: I just provide space, I do not provide—I would not have those numbers for the amount of—I think they were asked by the Rural Development minister in charge of that. Our department provides the space.

Mr. Lamoureux: My question is more so are there any staff members from your department that are, in fact, being decentralized?

Mr. Ducharme: I am sorry, I misunderstood the member. We have 39 that have been decentralized.

Mr. Lamoureux: Thirty-nine that have already been decentralized?

Mr. Ducharme: That are in the process or plan to be decentralized.

Mr. Lamoureux: I would ask the minister what area of the department that they are from and where it is that they are going to.

Mr. Ducharme: Four from Property Management; 35, Land Acquisition.

Mr. Lamoureux: Thirty-five from Land Acquisition, where are they being decentralized to?

Mr. Ducharme: Portage la Prairie.

Mr. Lamoureux: And the four from Property Management, where are they going to?

Mr. Ducharme: They are there in Selkirk now. Remember the 35, Land Acquisition, is planned for, I think, 1993—April of '93, sorry.

Mr. Lamoureux: April of '93. It is a few years away, maybe an election potentially, who knows? Mr. Deputy Chairman, what is the holdup? Why are we waiting till '93? We had the announcement two years ago, or a year and a half ago, that we were going to have decentralization. The commitment, from what I understood, or what many people had perceived the commitment to be, is that we would be seeing these hundreds of positions being decentralized out over the next year, year and a half.

The government now seems to be trying to stretch that year and a half to over three years. I would ask the minister, what is the holdup?

Mr. Ducharme: Well, as I explained earlier, we are not going to move out of space and leave it vacant. This particular space, the Crop Insurance are in it. They are having proposal calls to move the Crop Insurance over, and we will move 35 into where Crop Insurance is occupying now in the Provincial Building. That is the idea, and that is not going to be done until '93. We are very, very cautious about moving people out for the sake of moving into a building and leaving unoccupied space and pay rent in two places.

Mr. Lamoureux: So in Portage la Prairie, they are going into the government building?

Mr. Ducharme: That is correct.

Mr. Lamoureux: Who is moving out of the government building?

Mr. Ducharme: Crop Insurance.

Mr. Lamoureux: Where are they moving to?

Mr. Ducharme: The proposal call, as I mentioned earlier, there is a proposal call out.

Mr. Lamoureux: If it is Winnipeg, you are in trouble.

Mr. Ducharme: As I mentioned, there is a proposal call out there now, so when we have the result of that proposal call, then we will know where Crop Insurance is moving to.

Mr. Lamoureux: I take it the government has an idea if they want to go out to Steinbach, if they want to go to Selkirk, or if by chance they even want to come to Winnipeg, they have to have some idea where it is they are going to be relocating these individuals.

Mr. Ducharme: I am sorry. We misunderstood you again. Crop Insurance is staying in Portage, but they are building a new building and they are combining it with Agriculture out there.

Mr. Lamoureux: Yes, Mr. Deputy Chairperson, that makes a lot more sense.

What I will do is leave the decentralization and go on to affirmative action. I would ask the minister what new initiatives or what the minister can report to the committee on the whole question of affirmative action.

Mr. Ducharme: First of all, I will go back and repeat my opening remarks of the award that we received recently. Do you want me to repeat it? It is in the record. We were very, very—maybe I will brag about it again, because it is not this minister. It is an award that probably took a long time to—this award is outstanding service in employment and work experience training to people with disabilities, and also this award is the result of years of dedication towards the affirmative action program. To give you an idea of the affirmative action program, we surpassed the affirmative action hiring objectives of 25 percent of permanent employment; total target I think of appointments is 27.4 percent.

Mr. Lamoureux: Yes, Mr. Deputy Chairperson, that is encouraging to hear. It is always good news to hear those types of comments and, on that note, I will pass it over to the member for Selkirk.

Mr. Leonard Evans: Just a couple of questions, this may have been allocated under Executive Support. I may have missed it, but I may not, and that is Communications. On page 14 of the Annual Report of the department you outline the activities of your Communications group and, I was wondering, how many people do you have? It refers to producing news releases, writing speeches, co-ordinating media relations, public information requirements. How many people do you have involved in communications and who are they?

Mr. Ducharme: We had one and now that one is working out of the pool that was established. What we do is, when necessary, like in EMO recently to

St. Lazare, we were able to pull our person out of there and send that person to St. Lazare, and they covered it for us, so that is what we do, and that was Cindy Stevens. She was with us for a few years before.

Mr. Leonard Evans: So as such there is no one full-time person, but you have access to personnel from a pool.

I have another question, but it really relates to 1.(f) The Lieutenant-Governor's Office, so I do not know whether we can go back there or go down to there or whether any other member—

* (2220)

Mr. Ducharme: It depends on how specific. If you want numbers, then it is better line for line, or give us the time to pick up those numbers, but—

Mr. Leonard Evans: The number of what? I am not sure what the minister is talking about.

Mr. Ducharme: Well, I am saying if you want specific numbers on something of the Lieutenant-Governor's—

Mr. Leonard Evans: No.

Mr. Ducharme: Okay.

Mr. Leonard Evans: Yes, a specific thing. If we are down to (f), I do not know whether—

Mr. Deputy Chairman: No, we are not there yet.

Mr. Leonard Evans: Yes, well, let us get to (f).

Mr. Deputy Chairman: Let us wait until we get there.

Item 1.(d) Human Resource Services: (1) Salaries \$518,800—pass; (2) Other Expenditures \$74,400—pass.

Item 1.(e) Systems: (1) Salaries \$324,600—pass; (2) Other Expenditures \$65,000—pass.

Item 1.(f) Lieutenant-Governor's Office: (1) Salaries \$77,800.

Mr. Leonard Evans: This is a small item, but I was just curious. On page 28 of your Supplementary Information for Legislative Review, there is reference to Restricted Vacation, a \$5,000 payment, and I was just curious as to—you do not run across this, or at least I have not run across it very much, and what is that all about? This is under Salaries of Administrative Support, I guess.

Mr. Ducharme: I am made aware that vacation payout for the executive assistant and secretary,

approved annually by the Lieutenant-Governor, due to time requirements of support staff in arranging official functions, because they are unable to take these vacations, they asked it to be paid out instead of taking the time.

Mr. Leonard Evans: Is there much of this in your department, Mr. Deputy Chairman?

Mr. Ducharme: No, this is the only one.

Mr. Leonard Evans: That was the only question I had there.

Mr. Deputy Chairman: Item 1.(f) Lieutenant-Governor's Office: (1) Salaries \$77,800—pass; (2) Other Expenditures \$67,300—pass.

Appropriation 2. Property Management (a) Executive Administration: (1) Salaries \$130,000.

Mr. Dewar: Okay, if we can go back to the issue of the Fort Osborne complex, if the minister can elaborate on his previous answer.

Mr. Ducharme: I am just saying that the only connection I have had with it is I went up to look at the site. There has been no proposals or anything done by our department to look into development of that site at this present time. As you know, the sites of the proposal we were in before were at a time when building condos and that were the market, and it was a good market. Right now, there is not a good market for building condos, et cetera, so we have not surveyed that situation at all.

Mr. Dewar: Well, is the property for sale?

Mr. Ducharme: Yes, the property would be for sale to the right people for the right project on there, but we have had no proposals.

Mr. Dewar: Is there a plan at all to revitalize the area, revitalize that complex?

Mr. Ducharme: Well, I would suggest that if some proposals come forward, we would look at them, but when the market comes around. For that type of project, it has to be a residential type that was originally proposed, would have to be that type, but right now there does not—usually in that particular marketplace in the real estate, people will come forward. In this particular case, we have not pushed it, and the sector out there, the developers out there, have not pushed it either.

Mr. Dewar: What about the option of the department renovating the facility for its own use?

Mr. Ducharme: Well, any report that I had before and anything I have read on the original was that to do—that is why I wanted to look at the buildings. For their own use, it is very expensive property and also the buildings themselves, the renovations would be very, very expensive to renovate.

Mr. Leonard Evans: I have some questions, excuse me, under Property Management and I guess I might as well ask them under Executive Administration as anywhere else.

There is one specific in my own constituency. I believe I have written to the minister about this. It is the utilization of the old Highways Garage. I would think it is still utilized, but there is some complaint by someone in the vicinity about the state of it, and they were more or less complaining about its existence.

Mr. Ducharme: I am aware of the letter that the member has sent me, and am assured by my staff we are looking into it, and we will address that situation for him.

Mr. Leonard Evans: Okay. Well, what I am relating to the minister, for the edification of the Minister of Highways (Mr. Driedger), is a request of a constituent who is concerned about the existence of that building. -(interjection)-

Well, the reason it is called the old building is because we built what I consider the new building up on 1st Street North a couple of years ago. It is a great new highways garage that we have. It is really great.

I wanted to ask a question under Property Management about the Brandon Mental Health Centre. It is a large complex, a large number of older buildings and I know governments, ever since I have been around, have spent a lot of money every year on maintenance and so forth. My question is: Generally speaking, what is happening to the Property Management expenditures in that complex? Have you kept them constant or are they increasing or decreasing or just what?

Mr. Ducharme: First of all, I have to explain to the member that is one area that I have not been out to yet. I have been out to Selkirk and I have been out to Beausejour and in the different parts of the city, and as you know, since February, in late February—I will get out to those buildings. As a matter of fact, I think I am going out that way this week. In his question—we are working with the Department of Health and reviewing and asking them and having them come back with what their

long-term plans are for that building. When they do that, well then we will address the situation.

Mr. Leonard Evans: Well, as the minister may be aware, I guess it was the Minister of Health (Mr. Orchard) commissioned a report, or it may have been this department, I am not sure, about the future of the building. There was consideration of the costs of maintaining the older structures and so on, and then the whole question, I guess, came along of deinstitutionalization, that old question that has been around for some time.

There was a recommendation made in this particular report that virtually the Brandon Mental Health Centre be closed, or cease to exist as we now know it, and in its place one or two or three smaller buildings be constructed wherever, not necessarily in Brandon. It could be anywhere, but there was a study. I was not sure whether it was done for the Minister of Government Services or for the Minister of Health, and I just wondered where that situation sits at the moment.

Mr. Ducharme: You have to remember that—and I know the member knows the process with Government Services. The process is that each of the departments sits down and they come to us and they address their needs and they either ask it for their budget or hope that we ask it in ours. So they can do it either of two ways. If they push it hard enough in their budget, then maybe they will receive whatever they want and whatever renovations they want for the building or what they want to do with the buildings, or if they convince us enough, that we could address it in our budget.

As you know, \$2 million was spent for that major fire and safety upgrading at Parklands building and in the fiscal year '90-91, \$850,000 was spent on further upgradings of Parklands building and \$1.4 million was spent on major fire and safety upgrading in the nurses' residence. Also in the fiscal year '89-90, the new Industrial Therapy building was completed at a cost of \$560,000, but an additional 165 was spent in the last two years on building maintenance for improvements to the Parklands Building and nurses' residence. So you are right, it is a building that is costing quite a bit of money, and I guess that is why our department is probably addressing the situation and asking Health what their long-term objectives or what their short term are on this building. That is up to them to come to us and tell us what their wants will be over the next few years.

* (2230)

Mr. Leonard Evans: Mr. Deputy Chairman, I thank the minister for that information. I appreciate the fact that Government Services is indeed a service department and has to do its best to meet the requirements of the various line departments. It seems to me that the rationale for closing down the Brandon Mental Health Centre, as we know it, was the cost of building, the maintenance of the buildings, and so on. That was the rationale. It is beyond that, of course. It gets into the whole question of the degree to which you want to institutionalize mental patients as opposed to deinstitutionalizing and allowing them to live in the community.

Can the minister indicate when there may be some type of decision made with regard to this complex?

Mr. Ducharme: I cannot give that indication at Government Services. Again, the Department of Health would be the one to make that judgment call on when they are delivering and how they are going to deliver their services.

Mr. Leonard Evans: I appreciate that but, as I said, one of the factors was the costs of maintenance of the buildings per se. That was one of the major factors. I just wondered whether there was some—

Mr. Ducharme: Health has given us no indication.

Mr. Leonard Evans: So as far as the minister is concerned, it is status quo, business as usual, no shutdown on BMHC.

Mr. Ducharme: We have been given no indication. We wait for their requests on this particular building.

Mr. Dewar: Just following up on what my colleague from Brandon East was addressing, what are the plans for the Selkirk Mental Health Centre?

Mr. Ducharme: We have not had any requests for major expansion from Health in regard to that facility. It is ongoing discussions, and we have been given no indications from them, at least in my term as minister.

Mr. Dewar: Your predecessor issued us the supplementary information, capital construction projects. I just want to quote here. It says: the Selkirk provincial office building is extremely overcrowded. Highways, Agriculture, Family Services, Health all require additional space.

When will Selkirk receive that additional space?

Mr. Ducharme: I will not comment and try to get in ahead of the previous minister, but I must say that the department now is reviewing space requirements that are necessary. Requests that come forward from Highways, whether they come forward from Health or whether they come forward from all these groups, we will address them. I cannot answer to you right now when space will be available or when there will be a change in space in Selkirk other than the ones that I have put to proposals in space that is at a request from a department. I cannot tell you right now what the Selkirk situation is, when we are going to have additional space.

Mr. Dewar: I would like to deal specifically with the Highways department. I know there was a rumour that it may be moving to Beausejour and it received a letter from the Premier stating it would not move.

Can you make any comment on that?

Mr. Ducharme: I have no indication that we are moving. I cannot indicate. I do not have that information.

Mr. Dewar: You do not have the information as to whether or when Selkirk will receive additional office space to accommodate this?

Mr. Ducharme: No. Remember that will come from the different departments asking for their space. When the different departments request this space, then they either make their pitch to Treasury and during the budget process, and we do the same.

Mr. Leonard Evans: Just while we are talking about Property Management, the minister in his opening remarks talked about the progress with the new Remand Centre.

I am not sure whether he commented on it, but I will ask: What is going to happen to the old building, the old Remand Centre? Is that the property of the Manitoba government or is it the property of the City of Winnipeg?

Mr. Ducharme: It stays with the City of Winnipeg. It belongs to the City of Winnipeg.

Mr. Leonard Evans: In effect, Mr. Deputy Chairman, it is leased by the province at the moment.

Mr. Ducharme: That is correct.

Mr. Leonard Evans: Okay. Thank you.

Mr. Deputy Chairman: Item 2.(a) Executive Administration: (1) Salaries \$130,000—pass; (2) Other Expenditures \$16,300—pass.

2.(b) Physical Plant: (1) Salaries \$18,243,500—pass; (2) Other Expenditures \$13,710,600—pass; (3) Preventative Maintenance \$169,500—pass; (4) Less: Recoverable from Other Appropriations \$1,333,200—pass.

2.(c) Workshop/Renovations: (1) Salaries and Wages \$2,738,900—pass; (2) Other Expenditures \$252,300—pass; (3) Workshop Projects \$3,283,300—pass; (4) Less: Recoverable from Other Appropriations \$4,983,500—shall the item pass?

Mr. Reg Alcock (Osborne): Could the minister just detail for us what that recoverable is?

Mr. Ducharme: Are you talking about the \$4,983,500? We have our own staff that goes out and does work, and this is a recovery from those different departments, including our own capital.

Mr. Alcock: So the policy is still that if a client department requests certain changes to the building, certain renovations and such, you conduct them and then bill them for it?

Mr. Ducharme: That is correct. Maybe I can give you an example: restoration of the Legislative skylights, Phase 1, we go out and we do them and then the department pays; upgrade borders at Milner Ridge Correctional Institute, we do the work and then.

Mr. Alcock: Yes. I am less interested in the detailing of this particular line. I just noticed that in a couple of spots, as we have been going through it. I understood the policy at one time to be that the Department of Government Services would recover 100 percent from client departments for work requested by the client departments. Government Services itself would put forward requests that it would generate based on the belief that a building was in disrepair or needed some upgrading, and then that cost would come out of their budgets in accordance with their priorities.

Mr. Ducharme: If they have not accounted for in their budget process and these requirements are necessary, what they can do is, they can request it from us and then this is a recoverable amount from them.

Mr. Alcock: The department on its own will generate renovations and repairs and upgrading without a request from the client department if the building seems to require it, is that not the case?

Mr. Ducharme: I guess the best way to treat this would be like this is a company within a company, this it is our own type of construction company where someone, a client can come forward and we do it and then charge it back, and this is our recovery. That would be the easiest way to look at it, when they have not put it in budget originally.

Mr. Alcock: Yes, that is certainly the way it is presented and conceptualized. I guess the question I have, you are the landlord, if you like, in a physical sense to an awful lot of departments and, between the direct operating costs of supporting a given facility and the other services you provide to that facility, such as the workshop and others, there is a definable cost in the operation, a per-square-foot cost or whatever assignable to things like the Manitoba Developmental Centre, the Seven Oaks Centre for Youth, the new Remand Centre, Headingley jail and those kinds of things. Do you maintain an in-house listing of the operating costs of those buildings, the Government Services operating costs?

* (2240)

Mr. Ducharme: Yes, we do.

Mr. Alcock: Would the minister be able to make that available to me?

Mr. Ducharme: I can supply you with that.

Mr. Alcock: It need not be tonight, if you could just send it over to me in the House.

Mr. Ducharme: I will supply it for you, yes.

Mr. Deputy Chairman: Item 2.(c)(4) Less: Recoverable from Other Appropriations \$4,983,500—pass.

Item 2.(d) Leased Properties: (1) Salaries \$43,100.

Mr. Leonard Evans: We do not want to belabour the various items, but I am curious specifically about something in the City of Brandon. Could the minister, under this item, tell me, what is the cost of leasing the space for the Executive Council office in the City of Brandon?

Mr. Ducharme: I will take it as notice and get it back to the individual.

Mr. Leonard Evans: I would like to get—

Mr. Ducharme: Yes, I will get that for you. Just a sec.

Mr. Leonard Evans: I would like to get an idea of the annual leasing or rental cost of that particular space.

Mr. Ducharme: Yes, the only thing I would ask the member is that when I do provide it, we do not want the square-footage costs that we are paying to get out, I mean, because we are, as I say, one of the largest renters in the province, and we negotiate and we get sometimes better arrangements on square footage than others do because it is government.

Mr. Leonard Evans: Again, I am not going to belabour this. I often wondered why the government would not have utilized the space in the provincial building for a cabinet office. It seems to me it is more appropriate. It is the main government building in the city, it seems to me, and it has various support services in it.

Mr. Ducharme: Two things. I cannot answer that. I was not here when they arranged that space. As minister, however, I just suggest maybe Executive Council would be the one to answer that.

Mr. Leonard Evans: In the Thompson cabinet office, is that leased property or is that in a provincial building?

Mr. Ducharme: Cabinet office is still in the provincial building there.

Mr. Leonard Evans: I look forward to getting that information about the Brandon office.

Mr. Deputy Chairman: Item 2.(d)(1) Salaries \$43,100—pass; 2.(d)(2) Other Expenditures \$81,734,700—pass.

2.(e) Property Services: (1) Salaries \$355,100—pass; 2.(e)(2) Other Expenditures \$253,100—pass; 2.(e)(3) Less: Recoverable from Other Appropriations \$244,300—pass.

Item 2.(f) Security and Parking: (1) Salaries \$2,553,100.

Mr. Alcock: Does this include the security personnel and operation here in the Legislative Building?

Mr. Ducharme: Yes, it does.

Mr. Alcock: Have there been changes in the program here in the last six months to a year? There seems to have been a considerable turnover in staff and an awful lot of movement in staff.

Mr. Ducharme: No. The only thing we would like to do is we would like to—we have been bringing, you will notice that we usually have a new person

working with one of the regulars to get them familiar with the building.

As mentioned earlier, we did privatize some of the buildings. We privatized about three of our buildings so that, based on seniority, would release some of those people who would come into this building. What we tried to do, also, we are also trying to spin and have one of our regulars along with—because of the sensitivity of this buildings, we like to have one of our regulars along with one of the new ones so they get to know the area.

Mr. Alcock: Perhaps he would just explain briefly to me how that works. Are the security staff run in squads or teams, or do they run—

Mr. Ducharme: There is a platoon system and each platoon has a supervisor. To give you an idea—now I might miss a building—but to give you an idea: Two in the Leg, at one time without platoon, two in the archives, two in mobile—that mobile checking the security of outside of our alarm system that we have based out of the Leg. If you have ever looked at the screen, there is an alarm screen of the ones that we have—and then one foot patrol and, I believe, a couple at Red River.

Maybe what I could do is I would like the member—there are also others that we do have around, and I would do it more privately with him because, again, we have some security that I do not think it is appropriate to discuss at this table. I will go over with the member explaining where all our people are.

Mr. Alcock: I would appreciate an opportunity to do that. I do have some very specific questions, particularly about security in this building and about, what seems to be, an excessive movement of staff in the last little while. I will talk to the minister about that privately.

I would like to say one thing on the record and that is the implementation of the new security system, the three—I guess, there is what?—five camera-controlled or controlled-access doors and the three above-level, above-ground ones, I guess, the two ramps. I know there was a lot of discussion about this when it came in. I frankly have been amazed at how smoothly, given the technology involved, it has gone and how well it works. I think it is a real successful implementation, and I think it is a real improvement and an access to the building for us and certainly for myself. That is all.

Mr. Dewar: I was wondering what the complement for personnel for this building is now. How many guards do we have at this particular building?

Mr. Ducharme: I will give you two per shift plus a supervisor, and I would not want to discuss any others with you.

Maybe what I can do for the member, if he would like, is that I will conduct a tour with him or have the staff go over all the security if the member would like to do that. We can go through and you will find a system—there are things that we do not like to discuss publicly. I will make sure he is arranged as soon as we get finished with this session. Just give us a call and we will go through the whole security system with him.

Mr. Dewar: Two per shift and a supervisor. Is that any different, say, from last year?

Mr. Ducharme: I am advised no.

Mr. Dewar: Okay, that is all.

* (2250)

Mr. Deputy Chairman: Item 2.(f) Security and Parking: (1) Salaries \$2,553,100—pass; (2) Other Expenditures \$569,600—pass.

Resolution 60: RESOLVED that there be granted to Her Majesty a sum not exceeding \$117,492,100 for Government Services for the fiscal year ending the 31st day of March, 1992—pass.

We will move on to 3. Supply and Services (a) Executive Administration: (1) Salaries \$136,200—pass; (2) Other Expenditures \$8,900—shall the item pass?

Mr. Alcock: Mr. Deputy Chairman, I just have a general question here, and I am not certain where it fits in. Maybe you can start off with Executive Administration and see where we go. I notice we have already passed the section that deals specifically with telecommunications, data processing, not telecommunications in the sense of phone systems, but certainly the data processing services within the Legislature. Did we pass that?

Mr. Ducharme: Telecommunications, no, but if he is referring to the Wang system, we do not look after that. That is by Finance.

Mr. Alcock: That is really what I am wanting to find out a little about. The Department of Government Services sits on a steering committee for that particular project, and in this division you maintain an inventory of other kinds of office equipment. I see a study referenced here about maintaining an

inventory of used microcomputer equipment, or central inventory of microcomputer equipment. I am just finally getting a sense of who does take responsibility for the management of the Wang system and the purchase and control of data processing.

Mr. Ducharme: First of all, the Wang system is Finance. I know we do sit on the steering committee, but that is looked after by Finance. Now the rest of the computers, as ITRO, and it is through Treasury. We are working with them now to probably do a more complete picture of what we are doing with all our computers.

Each department is almost looking after their own. We are now looking at maybe getting departments together and have a consolidation, and then have one to look after purchase and everything, of our computers.

Mr. Alcock: Okay, that is part of the question now.

If I want to get a Sharp calculator, if you know I wanted to get something as antiquated as that now, I would go to Government Services. Government Services would be the supplier of that. If I was a manager within a department, I would not just walk down to the local store and buy it. I would go through Government Services and purchase it. Government Services owns the piece of equipment and leases it to me.

Mr. Ducharme: Not any more.

Mr. Alcock: Not any more?

Mr. Ducharme: No, that was a major change we made this year, that they do not own those pieces of equipment any more. Each department owns them. The only fees they pay us are for service and inventory control. We control, we know where they are and we supply the service, but each department now owns their own equipment. It is up to them now to decide the lifetime of a product. They will come to us in their own budget and they will say, I need a calculator or I need a typewriter or computer, and they have to have it in their own budget. All we will be responsible for is servicing it.

Mr. Alcock: The minister said that was a policy that was made in this year. What was the rationale behind that?

Mr. Ducharme: We felt when each department is now going to have to sell it amongst themselves on their own and not just order a computer for the sake of ordering a computer, they have to go through the

budget process and go to Treasury and say, we need X amount of computers because these ones are worn, or whatever it is, or the demands are here. It is up to each department to do that. Already the rates reflect that.

Mr. Alcock: Does a department still come back to Government Services? Is it like the property? Do they buy it from Government Services? Government Services tenders and buys in bulk certain products that other departments buy from?

Mr. Ducharme: Well, that depends. If you are talking only computers or if you are talking something else that it pays us to buy in bulk, we will buy and then we charge back to the departments. However, if it is a computer, the department—not necessarily, we will buy in bulk. Computers are still a gray area and that is why this new system of determining what is the best way to service them—that is why we have come out with that.

Mr. Alcock: Is the Wang equipment owned by the Legislative Assembly or owned by the Department of Finance?

Mr. Ducharme: I believe it is Finance, but I could be corrected on that. I believe it is Finance.

Mr. Alcock: Is this in-house communication system that we have in this building the property and for the convenience of the Department of Finance, or is it for the Legislative Assembly?

Mr. Ducharme: I am informed that Finance is the one that set up the Wang system. They are the ones who are managing it, and I guess the only way you could find out what their original intentions are, if it is to handle for the whole Legislature or whether it is just to handle specifically, you would have to get it from them because we are not involved in that.

Mr. Alcock: Then when someone purchases computer equipment, there is discussion here about the need to provide support and consulting services to managers in the selection of data processing equipment. There is discussion here about standardization and feasibility, centrally co-ordinated microcomputer maintenance service using the most economical and practical balance between outside tendering and in-house technicians.

(Mr. Ed Helwer, Acting Chairman, in the Chair)

The only question I have with that, I am specifically concerned about the Wang system in this building, is how it comes about. How does the

tender for that get generated? Who does it? Do they not go through Government Services? Government Services is not involved in the tendering service?

Mr. Ducharme: Wang was not done through Government Services. It was an arrangement with Wang, I recall, and with I, T and T.

Mr. Alcock: So is that how the purchase of computer equipment flows now? It does not go to Government Services for any kind of tendering?

* (2300)

Mr. Ducharme: We generally do not do the tendering for computers for different departments. They generally do themselves, and that is why ETRO has now been introduced and we are working with them to maybe get away from the gray area that you are mentioning, and I am sure there must be another system, because we found that with our expertise—and you know as well as I do with computers that you could probably save a lot of money if the proper computers are bought because, as you know, the servicing of computers varies extremely.

The Acting Chairman (Mr. Helwer): Item 3.(a)(2) Other Expenditures \$8,900—pass;

Item 3.(b) Fleet Vehicles: (1) Salaries \$1,462,700.

Mr. Dewar: Could the minister explain to us his department's policy when it comes to ministerial vehicles?

Mr. Ducharme: What policy do you mean? Are you talking about mileage? Are you talking about maintenance? What are you talking about?

Mr. Dewar: I am talking about purchasing of vehicles. What I would like specifically—

Mr. Ducharme: Ministers have different ways they can purchase a vehicle. Ministers can either buy their own vehicle, have a car allowance of 11 cents—I believe it is 11 cents—a kilometre. That is the one I am on, \$375 plus 11 cents a kilometre, or they can have the government buy them a vehicle. The purchase ceilings of these vehicles for ministers is \$20,600 and \$18,500 for deputy ministers. These can be purchased—they can extend the option when they leave, when government leaves or whatever. They can have the option of purchasing these vehicles at the fair market value set aside by MPIC.

Mr. Dewar: I would like the minister to provide me with a list of the new car purchases made for ministers since April of 1990. What I would like included in this list is the purchase price of each vehicle, the make of each vehicle and the model and, as well, which ministers these vehicles were assigned to.

Mr. Ducharme: First of all, the criteria is based on mileage. It is not based on any preferential treatment to any minister. Whoever gets to that mileage is entitled to an automobile. There will be no new purchases in this budget year for vehicles for ministers, unless the wheels fall off and the motor goes in a vehicle.

I can give you the '90 models that were purchased to give you an idea. There was one purchased for the Honourable Mr. Enns, and it was a Pontiac 6000LE from Gillis Service in Elie. It was purchased for \$20,865. Mr. Cummings, a Pontiac LE, and it was purchased for \$19,599. These are all costs with the tax included, remember. The limit was without tax that I gave you earlier on their criteria. Downey, the minister, a '90 Pontiac, it was \$20,651—

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Acting Chairman, I just wonder if the minister would be prepared to indicate the kind of vehicle that the minister has had replaced.

Mr. Ducharme: All I am saying is the vehicles that were replaced had gotten to their mileage amount. To give you an example, the Premier (Mr. Filmon) is still driving a 1988 Mercury Sable because he has not gotten to the mileage yet. When his mileage comes up, then he—and as a matter of fact, we have extended that mileage this year. Now the amount of mileage required on a vehicle is approximately 150,000 kilometres.

Mr. Leonard Evans: Mr. Acting Chairman, I guess what the member for Selkirk (Mr. Dewar) asked was straightforward and that is the information we would like. If you have other information, that is fine.

We did not hear because of other noise in the room. We were just with Mr. Downey, so could you just carry on from there?

Mr. Ducharme: Mr. Downey's was \$20,651.

Mr. Leonard Evans: What kind of vehicle?

Mr. Ducharme: He has bought again a Pontiac. Findlay was a Lumina, \$19,788. Mitchelson, a

Chevy Lumina that was \$19,720, but that was Jack Penner's vehicle originally. Now it is in the hands of Mitchelson. Driedger, \$21,312 and he drives a Chev, Caprice Classic. There is one here, Mr. Stefanson is driving a Chev Classic, \$22,025, and it was topped up by the original member for Portage. He paid the difference and it was transferred over to Mr. Stefanson.

Mr. Leonard Evans: What was the difference?

Mr. Ducharme: Well, the difference between \$20,600 and tax on top of that. So there might have been—I do not know what the extras were, but he paid them himself.

If someone wants to buy, the policy now is if you want to go out and buy a vehicle over the limit, you pay the difference yourself. Also there is a type of vehicle that you are limited to purchasing. We are not asking for Buicks or Oldsmobiles.

Mr. Leonard Evans: A question of the clarification, does it not make a difference to the operating or maintenance costs of these vehicles? Obviously it does, depending on the kind of vehicle you get.

Mr. Ducharme: I know we are having a lot of trouble with a lot of the four cylinders, and remember that we have members who are putting on, if you consider the safety features and the costs would probably be related to gas only but, as you know, you are a member from Brandon, when you were in cabinet, we now have quite a few of our members who do drive a lot of miles. For instance, you had Mr. Derkach, who wore out a car and a half and now he is using his own vehicle. We could not keep up with him, but he does put on a lot of miles.

Mr. Leonard Evans: Are there any others on the list?

Mr. Ducharme: I just gave you the ones from 1990 on. I gave you the '90 models. I do not know when they were bought in April, some might have been bought before that, so I gave you the '90 models. No one else has a '90 model. Orchard, Neufeld, Gilleshammer, Derkach and Ducharme are on car allowance along with the Speaker.

Mr. Driedger: I wonder if the member could also indicate what happens to the Leaders of the opposition at this time.

Mr. Ducharme: The same policy follows with the Leaders of the opposition. Carstairs has a Sable, and also, I believe that the Leader of the Opposition (Mr. Doer) is driving a Sable. When their mileage

comes up they are entitled the same way as everyone else. Mr. Doer is driving an '88 Mercury Sable, the same as the Premier. When his mileage comes up, well, then he would be entitled to a vehicle.

We are not anticipating any new vehicles for this year. I think Gilleshammer was entitled to one and he decided to take the car allowance. We usually try to fill in. Praznik now has just been changed. He did not get a new one, he received one of the ones with less mileage on it when someone decided to take a car allowance. McIntosh is driving Doer's old car, which I drove. We are trying to fill in the vehicles that way.

(Mr. Deputy Chairman in the Chair)

* (2310)

Mr. Deputy Chairman: Item 3.(b) Fleet Vehicles: (1) Salaries \$1,462,700—pass; 3.(b)(2) Other Expenditures \$9,689,800—pass; 3.(b)(3) Less: Recoverable from Other Appropriations \$15,229,500—pass.

3.(c) Office Equipment Services: (1) Salaries \$478,000—pass; 3.(c)(2) Other Expenditures \$1,015,400—pass; 3.(c)(3) Less: Recoverable from Other Appropriations \$1,417,800—pass.

3.(d) Purchasing: (1) Salaries \$1,326,400.

Mr. Leonard Evans: Mr. Deputy Chairman, this is the area which the minister touched upon, I believe, in his opening remarks with regard to the new policies in discussing the freedom of trade between the provinces.

I note in your annual report you do have a group of people in your Purchasing branch who have been involved, who have participated in a number of meetings with regard to the reduction of interprovincial trade barriers. This area has been very interesting in terms of, in past policy there is one argument to be made that if you have some preferential purchasing policies, a government, any provincial government, could have an impact on accelerating or enhancing industrialization of the province. This not only includes government departments, but also Crown corporations.

I appreciate the corporations are beyond your purview or your jurisdiction but, nevertheless, I just wondered if the minister could comment then, to what extent do we have a sort of an open purchasing policy? Do we give no preference whatsoever now to Manitoba producers?

Mr. Ducharme: First of all, we do not give any preference to any provinces in western Canada, that when we are purchasing through the WPIN series of computers, you know, the system that we have now where each province knows what the other provinces are asking for—there is a computerized program now that all the purchasing costs for the western provinces for all government goods—we do not give any preference. However, someone who has not signed that agreement in eastern Canada or United States or offshore, we do have a preferential treatment. Usually, the guideline is around nine. Usually, we have looked at it. We have a calculation that it is for people who are manufacturing in Manitoba.

I do not know what examples I can give you, but, okay, I will give you one. I used it the other day, and it would be the cement. Inland Cement was second on a tender to a United States firm, and we showed that the results of the tax back from Inland doing business and manufacturing in Manitoba, we get back more than the amount of the difference in the tender, so we awarded it to Inland. I am just using this as an example, because it was probably the largest one that we did have. If that would have been someone in western Canada, there would not be that preferential treatment.

Mr. Leonard Evans: To clarify then, there is no discrimination against B.C., Alberta or Saskatchewan suppliers because they have signed an agreement with Manitoba, but we do have a preferential clause that kicks in for any other jurisdiction.

Mr. Ducharme: If they are manufacturing. If they signed the national agreement that is kicked in, then there would be no preferential treatment also.

Mr. Leonard Evans: Can the minister indicate which provinces have signed the national agreement then?

Mr. Ducharme: The only provinces that have not signed are Nova Scotia and Quebec.

Mr. Leonard Evans: It seems to me that over the years Quebec singularly has been very protective of its industry, and while there has been pressure on Manitoba not to discriminate in favour of Manitoba producers, nevertheless, some provinces—and I single out Quebec, because it is a fact—have tended to be very protective of their own suppliers. It was very difficult for our producers, our manufacturers, to sell in the province of Quebec.

At any rate, the whole point of it is that at some stage—and I know it takes a lot of calculation—but at some stage, at some level, buying locally does enhance employment. As long as you are not paying excessively additional, there is maybe a difference. The minister mentioned tax calculations and so on. It is not only the direct tax calculations from the company, but it is also the tax that is paid by the employees who are working in Manitoba and who may not be working otherwise. So I can tell you that I would hope that the minister would continue to look very carefully at this, because I think we would all be agreed that we want to maximize jobs in our province.

Mr. Ducharme: When you sign an agreement, an agreement is an agreement and you hope that the other provinces also will co-operate. Your manufacturers locally tell us that they do not want to be protected by boundaries because they do most of their manufacturing outside the province. Even your heavy construction manufacturing—when I was with the City of Winnipeg before, any trade within your provinces came forward. They were against awarding—not awarding to out-of-town people because they felt that they do most of their work out of province, and they do not want to be tied to that.

I agree with the member that there are times, as I just mentioned earlier in my example, the one I mentioned, that we saw that someone who was supplying was benefiting those 80 employees locally who were manufacturing, the only manufacturer of cement in Manitoba. So that was a decision that the department made and recommended that we purchase that product with the second tender, not the lowest.

Mr. Leonard Evans: Maybe the minister just slipped up on a word or two, and I am just asking this by way of clarification. He said most of the businesses manufacture outside of Manitoba anyway, or do you mean most of the Manitoba businesses sell?

Mr. Ducharme: Most of our Manitoba people who are producing, sell to other provinces.

Mr. Leonard Evans: You said manufacturing.

Mr. Ducharme: Okay, I am sorry. Seventy percent of our purchases are from Manitoba firms.

Mr. Leonard Evans: I have just one other question. Does the department or has the department worked at all in the last year with the

Department of Industry, Trade and Tourism in this area? I know that department has always been very gung ho, very, very concerned about maximizing industrial jobs in this province.

Mr. Ducharme: Regularly, and I used some information I obtained from them on that large cement contract. I used I, T and T to find out and I got information from them before. I made a recommendation on whom we should be buying from. We do it on a day-to-day basis.

Mr. Driedger: Mr. Deputy Chairman, I certainly do not want to upstage the Minister of Government Services. Having had the privilege of being a signatory in the agreement that was signed between the four western provinces in terms of removal of trade barriers between the provinces, and this was sort of in conjunction with the Free Trade Agreement that was signed, the intent was that we should try to remove some of the barriers between the provinces before we actually got into agreement with the Free Trade Agreement with the States.

I am very pleased to indicate that my signature is on that document where the four western provinces signed an agreement together with the Minister of Industry, Trade and Tourism at that time, where the provincial purchases between the four western provinces—like where at one time it used to be a buy-Manitoba policy. If the tax consideration was a benefit to Manitoba, then we would buy Manitoba.

Since that agreement, many changes have taken place basically between the four western provinces and I think Manitoba and the western provinces have been a leader, where the Maritime provinces are looking at following the example of what has happened here, as well as the federal government. I think we have the privilege of accessing a lot of the purchases that the federal government is doing through the system that has been established, allowing Manitoba manufacturers to tap into some of the potential competitions that are coming forward.

* (2320)

I have to indicate that I believe, and maybe the minister can correct me, but it was basically only the governments that were involved. The Crown corporations were not necessarily involved. Am I correct? I am looking at staff there of the minister. I do not think Crown corporations necessarily were part of that agreement. It was basically the governments that were doing it, but I think it was a

very big initial step where this kind of barrier removal has taken place.

I have to indicate that in my Highways department right now, our contractors used to bid on Saskatchewan contracts, and because they had that barrier that was there at the time, our contractors, even if they were low bidders, did not get the contracts. That has changed.

For our contractors in highways, our construction contractors are bidding in Ontario—or Saskatchewan, I should say. Also, in our bidding this year, we have up to seven and eight contractors who are bidding in highway projects in Manitoba, partly because I think there has been a cutback in the construction program in Saskatchewan, and so we have a lot of bidders in there. I think it is a healthy thing that I think everybody was trying to establish in terms of removal of barriers between provinces.

I think precedent was set when we did this. I want to compliment all the staff in Government Services that have been working at this for a long time and continue to and are now leaders in terms of getting other provinces to come—the Maritime provinces to basically try and follow the example we have here.

I think the biggest thing we are trying to achieve is to try and be able to tap into some of the federal contracts. The four western provinces only get a small percentage of actually the contracts that are being let by the federal government, and that is a tremendous—you know they are the big operators in terms of contracts. I think we are making progress to allow our manufacturers to tap into the federal system as well. I think a lot of progress has been made. I want to again compliment people like Gerry Beresuk, who has played a major role in this aspect of it in terms of making sure that at least in Canada we do some of the removal of the trade barriers.

I have to indicate during the time that I was minister that any time a contractor came forward from Ontario—and then we take the tax consideration, because if they had not signed that contract, we would not take them. We would look at the Manitoba advantage. Any time a western province was involved in this, then you know we would look strictly at the price of it. I think a lot of progress has been made. I think that is very important in terms of allowing Manitoba manufacturers to get involved in some of the major

bidding; government is basically the bigger buyer of many things. So I think a lot of progress has been made.

Mr. Leonard Evans: Just one last question or request. I enjoyed listening to the former minister's glowing account of the advantages of what he did or the department did.

Is there any attempt you know to do an economic analysis or an overall monitoring of what has happened from the agreement?

Mr. Ducharme: The only monitoring we are doing and we are looking at is a level of expenditures between mainly the western provinces right now to find out how it is fluctuating and what is changing with the system now. That is the only thing we are looking at.

Mr. Leonard Evans: That is fine, because the agreement has been signed with the western provinces. It seems to me it would be in the interests of the government and the interests of the people of this province to satisfy yourself what has happened. In terms of your department, it could be that you are always getting lower prices, but the trade-off against that, as we have said before, is job creation in the province. I guess maybe in a way it goes beyond this department.

Mr. Ducharme: Maybe I should also mention that we are providing that information to I, T and T, and they probably have more of the expertise to compare that to the other people that are purchasing and manufacturing in Manitoba. We are providing what is changing interprovincially on provincial purchasing.

Mr. Deputy Chairman: Item 3.(d) Purchasing: (1) Salaries \$1,326,400—pass; (2) Other Expenditures \$237,900—pass.

3.(e) Material Distribution: (1) Salaries \$803,500—pass; (2) Other Expenditures \$4,896,700—pass; (3) Less: Recoverable from Other Appropriations \$5,221,400—pass.

3.(f) Telecommunications: (1) Salaries \$596,000—pass; (2) Other Expenditures \$2,148,100—pass; (3) Less: Recoverable from Other Appropriations \$1,756,800—pass.

3.(g) Postal Services: (1) Salaries \$660,900—pass; (2) Other Expenditures \$227,100—pass; (3) Postage \$4,853,000—pass; (4) Less: Recoverable from Other Appropriations \$4,718,200—pass.

3.(h) Land Acquisition: (1) Salaries \$1,491,800—pass; (2) Other Expenditures \$209,000—pass; (3) Less: Recoverable from Other Appropriations \$1,511,600—pass.

Resolution 61: RESOLVED that there be granted to Her Majesty a sum not exceeding \$386,100 for Government Services (Supply and Services) for the fiscal year ending the 31st day of March 1992—pass.

Item 4. Accommodation Development \$2,173,400. Provides planning of the space requirements for the department and agencies. Provides project management, architectural and engineering services in the construction programs for government-owned or leased accommodations.

4.(a) Salaries \$2,003,200—pass; (b) Other Expenditures \$670,200—pass; (c) Less: Recoverable from Other Appropriations \$500,000—pass.

Resolution 62: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,173,400 for Government Services (Accommodation Development) for the fiscal year ending the 31st day of March 1992. Shall the resolution pass?

Mr. Leonard Evans: You are just passing 62. I have a question on 5.(a). Are you on to there yet?

Mr. Deputy Chairman: I am not quite finished here yet. Shall the resolution pass? The resolution is accordingly passed.

Item 5. Land Value Appraisal Commission \$56,600. Determines and certifies amounts which represent due compensation with respect to the acquisition or expropriation of land by any authority. (a) Salaries \$69,000.

Mr. Leonard Evans: I wonder, can the minister tell me who is on the commission at the present time? Who is the chairperson and the others?

* (2330)

Mr. Ducharme: The present members and date of appointments: Cameron Harvey was appointed July '90—Cameron Harvey is a law professor; vice-chair Helen Unruh, real estate agent, July '90; Stephanie Barnett, former realtor, July '90; Colin Campbell, pharmacist, July '90; George Sawatsky, credit union manager, July '90; and Leslie O'Brien, real estate broker, April '91.

Mr. Leonard Evans: Have there been any changes in the policy of the Land Value Appraisal Commission in the last year?

Mr. Ducharme: Not to my knowledge.

Mr. Leonard Evans: These appointments that the minister referred to all relate to July '90. Now perhaps some of them are reappointments, but is the minister telling me that this is a completely new board, or were some of these reappointments?

Mr. Ducharme: The only one I was involved in was the one in April of '91. The others, I can tell you whether they were on the board. The present members were appointed by council in 1990, and so I guess I take it that they are all new members as of—Cameron Harvey, I am told, has been on for awhile.

Mr. Leonard Evans: What I was concerned about was some continuity and experience and that sort of thing.

Mr. Ducharme: Yes, there has been, apparently. The chairman has been there for quite some time, apparently.

Mr. Leonard Evans: Is the chairperson full time? Is that a full-time job?

Mr. Ducharme: He is a university professor. Is that a full-time job?

Mr. Leonard Evans: I do not know. So the minister is telling me there has been no change in the policies of the commission.

Mr. Ducharme: No, none.

Mr. Leonard Evans: The minister has no difficulties with the operation of that body at this time?

Mr. Ducharme: No. In my short term I have had no problems with it.

Mr. Leonard Evans: Pass.

Mr. Driedger: I appreciate the opportunity to make a few comments here. The Land Value Appraisal Commission, in my view, is a very important board, irrespective of the members who are on there, whom I think are all qualified. Under my department, in Highways and Transportation, when we do expropriation and when I sign the expropriation papers, by and large, you know, people think it is a fait accompli. It is not necessarily the case.

What happens in a case like that, and I recommend to all those people who cannot necessarily come to an agreement with the Land Acquisition branch, that they should appeal to the Land Value Appraisal Commission for an evaluation, because I have found that invariably if

they do that rather than go to court and challenge the court action in terms of the value of their properties, whatever it is, that they would be better off and save themselves money if they made an application to the Land Value Appraisal Commission. I think they get a fair assessment of it, because the cross section of the people that we have on there are, I think, very capable. At least my experience was that, and I wore the two hats, both with Government Services as well as Highways and Transportation.

I would suggest to all members of the Legislature, when they are not happy with government when they expropriate land, instead of going the legal route where they hire a lawyer and go to court, that they should take the first step. They do not have to accept the assessment of the Land Value Appraisal Commission. They can take that. It is binding on the government, but it is not binding on the individual. They can still take it to court.

I throw this out as something that I think all people who basically get affected with government taking over land or property somewhere along the line, I would recommend to members of the Legislature that if people come to them about these things that they recommend that they try the Land Value Appraisal Commission first and, if they are not happy with that, they still have recourse through the courts. In most cases I think it would be a lot cheaper and more economical for them, and they get fair treatment if they went that route.

I raise that only, Mr. Deputy Chairman, because in my Department of Highways and Transportation invariably we are always involved with land acquisition and expropriation and, even if all 30 members along a road all say they want that road, by the time it comes time to make settlement with them, invariably we have one or two whose land all of a sudden is worth more money. Then we go through the expropriation system, and I sign those papers, and I have to go back to cabinet to get expropriation done. The member for Brandon East probably knows this. It has to go through a system that is not done that lightly.

Many people then go to court. When we talk of the North Portage development, they have been in court for five years. They go to a lawyer and their lawyers start playing games with it. It costs them an arm and a leg by the time they are through with it and invariably—I just raise this, and I think it is a money-saving venture that basically people could

do. Instead of going through the legal route and challenging these things in court, they should try the Land Value Appraisal Commission first. They invariably, in my view, have been a very fair group.

Mr. Minister: you are looking at me with some trepidations and I am very sincere about this. I think that it is a lot more economical route to go, and I suggest members, if people come to you about that, that you suggest they use that route first. They still have the court option to them available at a later time.

Mr. Ducharme: To the other members, I can hardly wait until the Minister of Highways comes forward and is not very pleased of what we purchased some land for through this committee.

Just to give you some light on this, the committee meets, a work flow dictates from once a week to every day of the week. They give you some ideas of what—the chairman receives \$30.06 per hour for each hour spent on the business of the commission, the vice-chairman receives \$73 per day. Last year the commission held 57 hearings and meetings in regard to approximately 185 freehold properties, including the leasehold interest of two tenants; a total of 185 certificates of compensation were issued. The commission also reviewed 379 properties in a category of settlements of less than 5,000. There were 19 landowners who could not reach settlement with the expropriating authority that proceeded to have certification by the commission.

They had public hearings in Brandon, Dauphin, Glenella and Winnipeg, and they met dealing with departments as Agriculture, Government Services, Housing, Highways, Urban Affairs, Natural Resources, et cetera.

Mr. Deputy Chairman: 5. Land Value Appraisal Commission (a) Salaries \$69,000—pass; (b) Other Expenditures \$60,600—pass; (c) Less: Recoverable from Other Appropriations \$73,000—pass.

Resolution 63: RESOLVED that there be granted to Her Majesty a sum not exceeding \$56,600 for Government Services for the fiscal year ending the 31st day of March, 1992—pass.

6. Disaster Assistance: Co-ordinates the provincial role in civil emergencies occurring within Manitoba, as well as communicates government policy on disaster assistance, makes decisions respecting payments for disaster claims, and

investigates and reports to the minister on disaster assistance matters.

Item 6.(a) Emergency Measures Organization:
(1) Salaries \$490,400.

Mr. Dewar: I would like to ask a question on Disaster Assistance Board. Can I ask that now?

Mr. Deputy Chairman: That is the place. This is Emergency Measures.

Mr. Ducharme: Disaster Assistance is 6.(b).

Mr. Dewar: I can wait then.

Mr. Leonard Evans: Under Disaster Assistance—

Mr. Deputy Chairman: We have not dealt with that one. We are still on the Emergency Measures. -(interjection)-

Mr. Leonard Evans: That is what I say, EMO. Emergency Measures Organization is referred to as EMO.

I am just wondering if the minister could tell us what involvement his department through the EMO has had in St. Lazare. Could he give us an update on what they have been doing there?

* (2340)

Mr. Ducharme: First of all, our job has been to co-ordinate all the departments in regard to that disaster from the time first notified. We are the ones who co-ordinate, along with all the other departments, and we are the ones who supply the communications, the ones who work with the different government departments. The person who is the director of that is Mr. Zeggil. The persons who have been on site from the start are Tim Prawdzik and Bill Davidson. For instance, they are the ones who get the—they have worked for Environment, they have worked with Health, Highways and Agriculture. They are the ones who worked with—first of all, in this particular case, St. Lazare did not have a plan.

Normally, municipalities will have a plan of action before the disaster, like has just been recently passed in Brandon. What they will do is, generally, EMO will work with the municipality, draft up a plan. It is approved by the municipality and it is put in place. In this particular case, there was no plan so they worked with the council. They would work with the council in getting ready to get Birtle to accommodate the people when they move them, mostly involved in co-ordination of the total project, so they have been involved as the principal of this particular disaster.

I guess another case, you could call them and they would be the site commander of the disaster.

Mr. Leonard Evans: Is this the organization that would give the go ahead to people to move back or to leave their residences in the first place?

Mr. Ducharme: First of all, to move back would be a decision by the task force. That would be Health, Environment, CN, everybody would be involved in the committee, and that committee would decide whether it is now safe for these people to move back. We would give the direction, but it would not be solely our decision. It would be based on a consensus of the task force.

Mr. Leonard Evans: Is the EMO person the chair of the committee?

Mr. Ducharme: That is correct.

Mr. Leonard Evans: At any rate, I do not have any criticisms of the way the thing has been handled. I was more or less concerned as to the role that EMO played. I knew it played some role, but the minister has more or less clarified this, saying it is essentially doing what it is supposed to do, and that is to organize people and all the agencies and all the departments and jurisdictions and the police and everyone else concerned. I would imagine the CNR is on this task force as well, is it or not?

Mr. Ducharme: Yes, they were. As a matter of fact the member was Phil Reiser from the Canadian National. That is who was involved, and there was another individual on the site.

Mr. Leonard Evans: Does the minister and his senior staff get constant updates as to—I am using St. Lazare as an example. There could be other cases, as well.

Mr. Ducharme: Yes, any disaster that is happening, we get brief updates on a daily basis. For instances, these are from updates just from St. Lazare on a daily basis and sometimes twice a day from them, every time they give us updates along with whenever the task force meets also. So the communications are very, very important, as you can probably appreciate, because there are a lot of the relatives and friends away from the area who are wondering what is going on.

That is why our communication person, as I mentioned earlier, Cindy, was on board and she understands. She has been working with EMO and she understands the type of communications that people want to hear. She works with the press to

make sure the correct information is getting out so that people are not frightened that these people are not being accommodated, et cetera. They work with the RCMP on finding the people in the area, working to get them out of the area, establishing the site. We have a command centre placed right on the site. We are out there by eleven o'clock that night with the command centre that works as a central point along with our communications structure. They are the visual point that is there. Their whole idea is probably I guess best to be like a quarterback. That would be the best way to put it.

Mr. Leonard Evans: What authority does your EMO official have on the spot? Can he order the RCMP to tell people that they must leave their homes if that is what is required for the safety of those people? I would imagine in most cases it is a matter of co-operation and just requesting, but does the EMO office have the authority, the legal authority, to tell the police, for example, or whatever group that this policy must be followed?

Mr. Ducharme: If it is declared a disaster in this particular case, an emergency disaster, we could have those powers. In this particular case, it was more of co-operation with the city hall and the councillors and the mayor.

Mr. Leonard Evans: I would imagine in just about every case one can think of that the essence is co-operation, because everyone wants to accomplish the objective of eliminating the emergency. On the other hand, there are sometimes differences of opinion and so on, and sometimes you could get conflict.

I wonder if the minister could tell us how many—St. Lazare, unfortunately, did not have a plan or did not have an agreement with EMO. You said Brandon just recently has an agreement. I take it then when they sign an agreement it is because they have developed an emergency plan and that plan has been approved by EMO. Is that correct?

Mr. Ducharme: What we will generally do is at the request of the municipality we will work with the municipality to establish a plan. The council will draft that as a resolution or whatever they pass at their council meeting and that sets the plan in place. It sets the total who can declare emergency. It declares who your co-ordination is. It declares all that and everything is all set in place so there are no questions asked, that when something happens, there is no one who can turn around and say, well,

you do not have the authority. It states all that in that plan. It says who can declare it a natural disaster, who can do all that. It gives all that information.

Mr. Leonard Evans: Mr. Deputy Chairman, I think there are roughly 200 municipalities in the province of Manitoba, give or take a few. Could the minister indicate how many have signed agreements with the province?

Mr. Ducharme: First of all, of the 258 cities, towns, villages, rural municipalities, and Northern Affairs communities, 82 percent have completed plans, 11 percent are in the planning process and 2.3 have indicated an interest. The remaining 13, or 6 percent have not indicated any action. St. Lazare, unfortunately, was one of those. However, because of the volunteer work and Birtle and the people in the area, they did very well. Birtle had a plan, so probably maybe they were able to use some of Birtle's information.

Mr. Leonard Evans: It is a matter of personal interest. My son-in-law happens to be a new councillor in the town of Birtle, so I will have to compliment him.

Mr. Ducharme: As a matter of fact, I guess someone will soon will go on record as really congratulating not only the town of Birtle, but the town of St. Lazare, the federal government, the provincial government, CNR, your councils, everyone who was involved in that, they did a tremendous job in regard to this.

As a matter of fact, when I was out there, I said to the fellow from St. Lazare, I guess you did not have a plan yesterday. You do not have one today, but I am sure you will probably ask us to produce one tomorrow. He did mention that they were fortunate. They had volunteer people and probably the town of Birtle was very, very helpful.

Mr. Leonard Evans: Just getting onto another example, firefighting is a big area. Disasters, unfortunately occur, particularly in the forested areas and appreciate the fact that Natural Resources would be a key player in that area. Nevertheless, I want to ask this question: How does EMO tie into firefighting or does it tie into firefighting, because as far as I am concerned, it is a category of disaster that we have unfortunately when we get dry weather in this province?

* (2350)

Mr. Ducharme: It becomes a noncontrollable situation, where mainly our process is always involved in evacuation.

Mr. Leonard Evans: I see. So the fire fighting itself is probably done through Natural Resources. They are the responsible department, but EMO as such organizes the evacuation.

They, therefore, would have been responsible for the fire, I guess, of a couple of years ago, the large number of fires we had in the North and people were brought down. I know Brandon received quite a few people—quite a few hundreds, I guess, from northern Manitoba. So this would be all organized by the—

Mr. Ducharme: You have to remember that EMO in a case like St. Lazare was probably the co-ordinator of the task force. In the fires in '89 they would be the co-ordinator of the Natural Resources and the different departments, Health, that would be involved in that one. So they would be the co-ordinator.

Mr. Leonard Evans: I have a couple of questions, but they relate more to the payout of funds. So I imagine—well, I will ask it here. I could ask it under Disaster Assistance Board maybe, I am not sure.

In the case of St. Lazare, I suspect there are going to be claims certainly against the CNR by some of the residents for having been put out of their homes, having to live in motels or whatever costs they may have. Is EMO involved in that aspect, you know, where the individuals—maybe this is after the fact. The emergency is over. Nevertheless, there are real expenses that individuals or even governments, municipal governments, may have incurred. Is EMO involved in that?

Mr. Ducharme: No, EMO will only be involved in the co-ordination up to the time that everything is finalized. Then the Disaster Board takes over. In this particular case Disaster Board is not involved, because we do not anticipate payouts from the Disaster Board. That would be by CNR. In the forest fires we got involved because that was under Disaster Assistance from the provincial government. In this case, the Disaster Board has not even been on the site and will not be on the site. We will claim back—EMO will claim back our expenses to the CNR.

Mr. Leonard Evans: I had some other questions here on Disaster Assistance. I believe my colleague from Selkirk had some also.

Mr. Dewar: Are we dealing with the Disaster Assistance Board?

Mr. Deputy Chairman: You want to go to there? Okay.

Item 6. Disaster Assistance (a) Emergency Measures Organization: (1) Salaries \$490,400—pass; (2) Other Expenditures \$188,000—pass.

6.(b) Disaster Assistance Board: (1) Salaries \$170,300.

Mr. Dewar: Mr. Deputy Chair, a few weeks ago Selkirk was the unfortunate victim of above average rainfall, and we had several flooded basements and other associated problems. I was wondering, has the Town of Selkirk applied for assistance from this board?

Mr. Ducharme: I have to apologize. The chairman of the Disaster Assistance Board is not here this evening. I know there were several that they have gone out to look at, but there has been no formal application from anyone in regard to that. There is some surrounding areas I know.

What I can do is I can get back to the member who has made those attempts to recover some monies as a result of—you are talking about the heavy rains. There were about four or five areas that my Disaster Board has been out looking at. As far as numbers and concerns, I do not have those numbers with me today, but I will get back to the member.

Mr. Dewar: Thank you.

Mr. Leonard Evans: On the item we are discussing, Other Expenditures \$23,400, I would take it from that, this information before us, these dollars have no have no reference to the payout from the Assistance Board, either that or they are not paying out any money or are not expecting to pay out any money this year. Where can we get a handle on the amount of money that the Disaster Assistance Board is paying out?

Mr. Ducharme: It is, you are probably aware, Vote XVIII.

Mr. Leonard Evans: Vote XVIII? Whereabouts is that?

Mr. Deputy Chairman: I do not have a clue.

Mr. Ducharme: Vote XVIII is a sum of money set aside at the beginning of the year under Emergencies.

Mr. Leonard Evans: Excuse me then. Where precisely? What page is it on in these Estimates.

Mr. Deputy Chairman: I do not think it is in here. It is under Finance probably.

Mr. Ducharme: It is not in our Estimates.

Mr. Deputy Chairman: It is on page 161. It is under Emergency Expenditures, which does not fall under this department.

Mr. Ducharme: That is why we did not call the person in from the Disaster Board. If the committee so wishes and you want to get the details based on that, I will call that member in. The chairman is Mr. Syd Reimer, but that was not under Government Services. It is a separate vote in itself. I can call him in and he can go over that information with you.

Mr. Leonard Evans: I wonder, to facilitate matters, I am not sure under which minister we would discuss this, whether it would be the Premier (Mr. Filmon) or the Minister of Finance (Mr. Manness) or whoever.

Mr. Ducharme: It would be under this minister, but to give you specifics we would be dealing with that separately. That was not called today.

Mr. Leonard Evans: Just by clarification, Mr. Deputy Chairperson, so that would be an item that would have to be called at some subsequent time for Estimates review?

Mr. Ducharme: Yes, that is correct.

Mr. Leonard Evans: Okay, just to expedite things, I wonder if the minister could just provide us with an updated list, could take it as notice and give us a copy of a list of payouts?

Mr. Ducharme: That is scheduled, and it is scheduled in the House. I do not know when. It is second last in the House. Maybe next year we could make sure that it comes up right with Government Services and have it at the same time in the committee room, but it is scheduled to come up in the House and, if we do not get to that in the House, then I will get the chairman to provide that information to the member. I will get the list of payouts provided if we do not get to those in the House.

Mr. Leonard Evans: Thank you. It is appreciated if we could get that. You eventually get that information in Public Accounts, but it is always late and it is not necessarily in the order that you might like. From that list I would take it we could then get some idea as to how much was paid out because, say, of flooding, and how much money had been paid out because of other disasters or whatever. What I am not sure of is, why would we pay out for

flooding and maybe not some other cases, like you mentioned, the St. Lazare? It is deemed that the CNR is responsible, so any of that disaster assistance is paid out by, if I can use that term, the CNR.

Mr. Ducharme: To expand on the member for Selkirk (Mr. Dewar), who mentioned about the water conditions and the heavy water, that is another gray area. Some areas can get five inches of rain and not be affected, others are affected. Then there are some cases where insurance companies will pick up different types of coverages where they will not in one area or the other. So the water is a very, very tough one for the Disaster Board probably to deal with because, you know, you can go to a case where someone has been able to buy it and has not bought it and in some cases in areas where they cannot buy it at all. That is what makes it very difficult.

Mr. Deputy Chairman: Item (b) Disaster Assistance Board: (1) Salaries \$170,300—pass; (2) Other Expenditures \$23,400—pass.

Resolution 64: RESOLVED that there be granted to Her Majesty a sum not exceeding \$872,100 for Government Services (Disaster Assistance) for the fiscal year ending the 31st day of March 1992—pass.

Item 7. Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets - Government Related \$21,609,100.

Mr. Dewar: Just once again, I would like to go back to that point of the Highways building in Selkirk. Again quoting from your capital construction project detailed list, it says: Due to extreme overcrowding, budget approval has been obtained to relocate two of the departments from the building, Highways and Agriculture.

Then it goes on to say: Highways received Treasury Board approval to include these items in the 1990-91 Estimates.

I was wondering, when will Selkirk obtain that additional space?

Mr. Ducharme: It is the same old story that there are a lot of people who come forward with different projects to Government Services or other departments, and when you get to the Estimates process and you get to Treasury, there are things that are deferred, and that happens to be the case in those ones.

* (0000)

Mr. Dewar: You are saying that additional space in Selkirk has been deferred?

Mr. Ducharme: That is correct, the same as additional space in a few other places in other departments that have been deferred. We are still working. We have not given up on it, however. Each one comes forward and does their selling job.

Mr. Dewar: I would like to ask the minister if he could provide me with an updated list of the capital construction projects in this department as his predecessor did?

Mr. Ducharme: I can provide that, but you have to realize that of that total, what have you got? Of \$25 million, about \$18 million of it is one project, so I will provide you with the other \$7 million.

Mr. Dewar: Yes, that is what I am interested in.

Mr. Ducharme: They are scattered all over the province. There are not any large projects when the Remand Centre takes \$18 million of the \$25 million.

Mr. Leonard Evans: That was my question, Mr. Deputy Chairman, on this. We do not intend to drag this out. As a matter of fact, the Minister of Highways and Transportation (Mr. Driedger) has been taking more time than us in the last hour or so when he was here. At any rate, that was enjoyable. We enjoyed his comments.

On the Remand Centre, what was the budgeted amount for the Remand Centre? Are you way over budget or is this within—

Mr. Ducharme: The total budget for the Remand Centre was \$25,865,000, and the only amount that we are over would be the \$500,000 for the filtration system because of the soil contamination and the process that we are using. The system that we are using is in the vicinity of that, and that is the only amount that we are over so far.

Mr. Leonard Evans: Mr. Deputy Chairman, can the minister tell us when the date of opening or when the date of completion of the project is expected?

Mr. Ducharme: I mentioned in my opening remarks we are hoping that it is some time in, probably, the late summer or early fall of '92.

Mr. Leonard Evans: Okay. I have another question related to my own constituency. I am not clear on the building that has been spoken of to house government personnel in the decentralization program. There has been some criticism in the community that the government decided to construct, or to be involved in locating people, in the

periphery of the city instead of in the downtown area of Brandon where there is lots of vacant space. There is a downtown development organization. A lot of money has been spent by businessmen, by the City of Brandon and indeed by this government.

This government has been prepared to put up money, as the Minister of Rural Development (Mr. Downey) will tell you, showing a commitment of this government to downtown development. Here was an opportunity to really do something effective, which is to put jobs in the downtown area. So I was wondering what involvement does this department have in this specific project and how are you involved in this project?

Mr. Ducharme: What we do is, we receive the proposal calls and we look at the proposal calls. In this particular case, I have to, memory is—the one that was downtown, there was a lot more money involved than the one that was in the fringe area that you are talking about. Generally, we have tried to accommodate in downtown areas, but if there is quite a cost difference, well then the proposal calls will relate to that and come back and we will make a decision. If the amount is quite a bit more to move in a downtown area, of course we will not go there.

Mr. Leonard Evans: Well, under the proposal call, the building will be owned by a private company and the government commits to lease for a certain period of time. Can the minister tell me what the terms of the lease are? What period of time is it to be rented for and what are the taxpayers of Manitoba paying for this building?

Mr. Ducharme: Okay, if you could give me the project that you are talking about, I can give you the list and supply you with the amount of square footage. If you want to know generally what we are looking at, we are looking at a lot of 15-year leases, 10 to 15 years because we are finding that we are getting good prices right now. So that is the time to rent for longer periods of time.

Mr. Leonard Evans: Mr. Deputy Chairman, for the information of the department, the location is first in Richmond in the city of Brandon.

Mr. Ducharme: Okay, I will get the member and again, I will give him the copies of who they were. I will supply him that, but I again ask him that once he gets that, he not divulge the amount per square footage because we are leasing all over the place.

Mr. Leonard Evans: Mr. Deputy Chairman, you mention the option of building in the downtown area

would be more costly. What about the option of renting existing space or utilizing existing buildings? The downtown, unfortunately, is filled with a lot of empty office space and other kinds of space.

Mr. Ducharme: When it comes to building or buying or leasing, you take that into consideration. We would look at that, also. Proposal calls would be—remember, when they come in, it is either the person will give you a proposal or I will lease one of my existing buildings or it could be a project manager who will build and lease back. So that is all consideration when you are doing your proposal calls.

Mr. Leonard Evans: I want to make a point here and we are not dragging this out. I want to make a point and that is: In the early '70s, the Schreyer government had to make a decision on the location of the provincial government building, which is a major building in the city of Brandon on 9th Street. The minister of Government Services at that time, the Honourable A. R. Paulley, no relation to the former Premier, was very concerned that we minimize the costs by utilizing what was referred to as the old jail site in the east end of Brandon, because the government of Manitoba owned the land. He was quite adamant that the provincial building be placed there, the major building, the building that you see now, this large building and there was enough land apparently.

I was able to argue successfully in cabinet that, fine, there may be some cost saving in the short run for the government simply because of the land, not the construction costs, it would be the land cost, but that this would certainly be a disservice to the development of the city and perhaps even a disservice to the Westman area. It would be far better and logical and more convenient to have a building in the downtown area. We finally got a good deal with the railway who owned the land. It was not unduly unreasonable and the decision was made. So I guess the plea I am making is that sometimes you have to look at some of these additional factors.

I appreciate we want to be always cost efficient; I am not saying we should not be cost efficient, but nevertheless there are these other factors. There was a great deal of disappointment. Yes, people want the jobs. The Downtown Business development—well, if the Minister of Northern Affairs, or Rural Development (Mr. Downey) keeps on harping about this, talk to the downtown

development organization, just do not talk to me, and you will see that there was a great deal of disappointment, Mr. Deputy Chairman.

* (0010)

Mr. Ducharme: Maybe I could add to that. I agree there are times that you would consider the downtown area. We did that in Housing in the last two and a half to three years. I know that the land we probably built on was maybe costing a little bit more.

I know that the Minister of Rural Development (Mr. Downey) has worked with the downtown redevelopment. I know that he has had recent grants in the last couple of budgets that worked with him, so we have not ignored the downtown area. In this particular case, proposal developments come forward, and we can also be criticized by people saying that why did you by-pass on No. 1, and you have gone to No. 3 or 4. I think in this particular case, there was quite a bit of difference, and you will see that when I give you the figures. You cannot always satisfy the downtown area, but we have no apologies to what we have done in the downtown area in the last three years.

Mr. Leonard Evans: As long as we get a commitment from the minister that he will give us a report showing the comparative costs. I am not going to dispute or argue at all with the minister, I am just asking for that information. So if we get the commitment to get that in the near future or the next few days, that would be appreciated.

Mr. Ducharme: I will get you that report.

Mr. Leonard Evans: Okay, pass.

Mr. Chairman: Shall the item pass—pass. (b) Vehicle Replacement \$3,435,000—pass; (d) Departmental Capital \$249,900—pass.

Resolution 65: RESOLVED that there be granted to Her Majesty a sum not exceeding \$25,294,000 for Government Services for the fiscal year ending the 31st day of March, 1992—pass.

The last item to be considered for the Estimates of the Department of Government Services is item 1.(a) Minister's Salary. At this point we request that the minister's staff leave the table for consideration of this item.

Item 1.(a)—pass.

Resolution 59: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,497,300 for

Government Services for the fiscal year ending the 31st day of March, 1992—pass.

This concludes the Department of Government Services.

The time being 12:12 a.m., committee rise.

SUPPLY—LABOUR

Madam Chairman (Louise Dacquay): Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Labour.

Would the minister's staff please enter the Chamber.

We are on item 2.(g) Pension Commission, page 122 of your Estimates book, (1) Salaries—

Mr. Paul Edwards (St. James): Sorry, I am asking—

Madam Chairman: I am sorry.

Mr. Edwards: We are on the pensions?

Madam Chairman: Yes, Pension Commission, 2.(g), page 122.

Mr. Edwards: Thank you, Madam Chairperson. One of the consistent problems which is raised with me on the pensions issue, The Pension Benefits Act in Manitoba, is that it deals with pension splitting in matrimonial cases in a different way than other jurisdictions and indeed differently than the federal jurisdictions, so that if someone happens to be employed even within Manitoba in a job covered under the federal act, as opposed to a job covered under the provincial act, when they divorce or separate, their pensions are dealt with differently. There has been consistent complaints from Manitobans on that distinction which does not seem fair.

When are the pension laws in Canada going to become standardized? It seems to me to be a ripe area for standardization coast to coast. Is that in the works presently, and can this minister give us any indication as to when that might be achieved?

Hon. Darren Praznik (Minister of Labour): Madam Chairperson, we have a two-tracked or two-pronged strategy on this issue. One is that I have written to my federal counterpart to urge a standardization of federal legislation with ours provincially. That is on the one prong of that attack. Secondly, I recognize fully the situation that the

member refers to, as I am sure the member appreciates if he sat—I am not sure if he was on the committee the last time we looked at pension benefits legislation. I remember Jeri Bjornson from one of the women's advocate organizations was in it making presentation. I am sure he appreciates there is a great deal of sensitivity to that particular provision.

What I have done is had the opportunity to meet informally with some of the people who were leaders in bringing about those changes, the credit splitting in our current legislation. I have presented them that dilemma which has been faced. Many of the presenters, in fact, at that particular committee meeting raised that issue. I think everybody associated recognizes that there are some injustices created by our current scheme because, as you have rightly pointed out, some situations are such where there are pensions in the federal scheme which are not split, while another pension is in the provincial scheme and is split. What happens is one spouse ends up with three-quarters of the credits and the other ends up with one credit.

I do not think that was ever the intention of the advocates for the credit-splitting provisions of our act. What I have done, very informally I admit, in meeting with some of those individuals is to ask them to provide me with some advice on a drafted amendment that could be brought forward that would alleviate that particular problem. I really wanted to take the tact of working with the groups that had promoted the pension-splitting provision of our current act in order to ensure that, since we all recognize there is an injustice created, it was not viewed as an attack on that particular provision. I think this Legislature has adopted and believes in that principle, but we had a wording change that would accommodate that injustice and, at the same time, keep the principle intact.

I look forward to those commentaries that I have requested, as I said very informally, those people discuss it within their groups. I would hope that when we bring forward—I have also asked the Pension Commission to look at that in their deliberations. I hope, when we have some final recommendations and I have some possible wordings from various women's organizations, that we could look at some amendment to our act that will avoid that injustice while, at the same time, maintaining the very essential integrity of the pension-splitting provision.

Mr. Edwards: Madam Chairperson, I look forward to further reports on that from the minister.

Another issue that has been brought to my attention, in this case by a private company—I do not think there would be any problem in naming that company. The FIAT company wrote me back in March of this year. I think they also wrote—in fact, I am sorry, the letter I have is a copy of a letter to Premier Filmon, and I assume that the minister would have received a copy of it.

One of the things that it indicates is they were having a problem because there was an issue that had been created due to the lack of pension legislation in Manitoba for multiple-employer pension plans. I wonder if there has been any furtherance on that issue, if the minister can give us an update as to what has happened.

In this case, it was particularly tragic because the author of this correspondence, a Mr. Bradley, the general manager, indicates that this posed the major problem in coming to agreement on a collective agreement. He said it was necessary that the government become knowledgeable to the situation, as it appears that it should be corrected as soon as possible in order for Labour and employers of Manitoba to finalize agreements containing multiple-employer pension plans.

* (2010)

I know there are concerns about multiple-employer pension plans, but I wonder if the minister can give us an update on what might be done in Manitoba to accommodate companies like FIAT so that we can avoid those situations if, in fact, it is just a question of studying something and providing in our legislation for the multiple employer pension plans that other jurisdictions seem to have.

Mr. Praznik: Madam Chairperson, I am very aware of that particular problem at Fiat, and I understand a lot of it is centered around the liability part of the company offer. As I seem to recall, it was for a certain amount to be paid in a pension plan, and there was concern about that particular multi employer pension plan and what kind of additional liabilities would be assumed if that plan became insolvent or was in a bad financial situation. What I have done is, I have asked, particularly Fiat—I referred their increase to our Pension Commission and it is an area in which the Pension Commission in their working paper has identified a host of those issues, has heard some submissions, I gather, will

be looking at what has happened in other jurisdictions and will be making some recommendations to me when their final report comes forward.

I certainly appreciate this question because I am looking forward to those results; and, if I have them in a relatively timely fashion in the fall from the Pension Commission, I would have no problem sharing them with my critics because this is an issue that I think goes well beyond politics in developing pension plans. I am hopeful that we will be able, with their recommendations and some discussion between us, to come forward at possibly the next session of the Legislature with a fairly significant set of amendments to The Pension Benefits Act which will address some of these issues. Needless to say, there is a fair bit of work, and I would welcome the member for St. James' input as we develop that legislation.

Mr. Edwards: Madam Chairperson, again, I look forward to further reports from the minister on that front.

Madam Chairperson, it has come to my attention as well that the Civil Service Superannuation Plan, and I realize that we are not in Estimates for the Civil Service, but I believe this is the same minister, and I would like to ask specific to the pension plan, which is administered for provincial government employees under the Civil Service Superannuation Plan. It appears that several years ago the provincial government stopped paying into the plan to match the contributions of the employees. This would mean that only the employees' portion builds in the plan, which, of course, results in surpluses. Presently, I am advised that there is somewhat in excess of \$50 million in the plan and that the superannuation insurance liaison committee would like to improve the plan, but instead the government has decided they will simply use it to save money on their part in not paying into the plan.

My question to the minister, Madam Chairperson, is: What can the minister tell us about that complaint which comes to me from an individual who would know well the details he speaks of, why are the additional revenues only being paid into by the employees? Is there in fact that surplus, and why is that surplus not being used to improve the plan?

Mr. Praznik: Yes, Madam Chairperson, the member for St. James' description of the situation is

relatively accurate. There are a few details that I will fill in. By and large, going back to 1960, in fact, in Manitoba even going back to the 1940s, late '30s, early '40s, decisions were made on the part of governments not to fund the employer contributions to the plan.

In fact, I believe the government of Premier Bracken of this province passed an initial commitment recognizing a debt contribution, that they would own the plan at an interest rate, and the government has paid the interest on that note each year.

In the early '60s, the government of Premier Roblin, following on the heels of other governments across the country, decided to use what would have been employer contributions for major capital works across the province and committed the government to pay the current pension liabilities, so for over 30 years, we have paid our annual outlays for pensions paid, but have never contributed to the fund.

Consequently, the government is now in arrears of over a billion dollars of liability, which is very concerning to me as pension minister and certainly should be concerning to all of us as legislators because within probably 20 years, and I do not have my director of the Pension Commission here, but within a 20-year period, the current liabilities in the pension fund, talking 20 to 30 years, could be crippling to government if we are paying them on a current annual basis, just the draws on that fund. We have a major, major problem to deal with in the area of pensions.

I am not quite sure just how we are going to do it. I know the Minister of Finance (Mr. Manness) and myself and people at the superannuation fund are going to have to put our heads together as to how we, over the next 30 years, refund our portion of the pension fund.

To your specific question, yes, there is a surplus. I am not sure if it is \$50 million or thereabouts, on the employees' side within the fund. I have met with representatives of the liaison committee. They have a host of benefits that they are proposing. I would be wrong in saying that the government is prepared to jump into those. We simply do not have the money to match them. Many of the proposals we have had are for obviously improvements that would have to be funded on both sides, so for us to improve the plan at this time in a joint manner is just

not on the table, simply because we do not have the money, plain and simple.

However, there has been precedent with that fund to improve certain aspects of it for employees, using their accumulated surplus without matching, and I hope to get into those kinds of discussions and negotiations because it certainly is their money. If there are improvements they want to make with it, I do not think we have any objection to it. We would love to be able to improve our fund. We just do not have money to do it. Your observations are very correct with the addition of those few little details.

Mr. Edwards: Just to expand or make sure that I am clear, the \$50 million which is there in the employee fund, the minister has indicated it is the employees' money. Is it earning interest which then is left in the fund? That is the first question.

When the minister says the government may have in 20 or 30 years a billion dollar liability, that confuses me slightly, because it is my impression that the government and the employees were originally going to pay half each, which would mean that the government should probably have some \$50 million in there or at least whatever matches the employees' side.

Madam Chairperson, where does the billion dollars come in? Is the government adding to their debt to the fund not just the principal amount which they have not paid in, but interest on that principal amount?

Mr. Praznik: Yes, a very complex area, and I appreciate this questioning because it certainly allows me to confirm in my mind, as I work it out for the member for St. James.

By and large, you could view government pensions since 1960—and I look to my head of the Pension Commission to ensure I am on the right track. You can divide it into two ledgers. One ledger would be the employee contributions which go into fund, are invested, provide a return. I say to the member for Thompson (Mr. Ashton), far better to know I am giving you the correct information than not, particularly when we have such expertise in the gallery.

That fund is invested. It pays half the pensions that are each year paid to recipients out of the pension plan. Since 1960 or so, on the government side, we have not paid our share to the fund. What we have paid, as if Mr. Edwards was drawing a pension of, say, for argument's sake, \$500 a month,

\$250 would come from the employees' investment pool. The other \$250 would be paid out of general revenue of the Province of Manitoba for that year. So in essence, since 1960, all we have been doing is paying the annual liabilities of the fund, i.e., the pensions, our half of them, out of the fund. We have not been taking money as a contribution, matching the employees' contribution and putting it into an investment pool that normally would have yielded revenue with which to pay those liabilities.

* (2020)

Now if you look at the growth of the public service, you look at the growth of the contributions in those 30 years, you look at the age of our civil servant, and you say to yourself, within about 10 years or so the growth in our annual liabilities to our former employees who are drawing pensions, our half of the liability, will be a huge amount of money, far more than it is now, within 20 years or so it can be crippling to the annual expenditures of the province.

It has taken us 30 years, the billion dollar-plus unfunded liability that we have just for our own public servants. In total, I think, government's unfunded liability is in the neighbourhood of about \$1.7 billion, because there are a variety of pensions.

That is the money we should have been putting in to match the employees' contributions and never did. So if we were to refinance our pension scheme, we would have to come up with, in total, somewhere over \$1.7 billion, and I may be a little off on that figure, but \$1.7 billion to re-fund our share of the pension fund. The \$50-million surplus that the member refers to is the surplus on the employees side of the ledger. That \$50-million surplus is on the employees side of the ledger, and it represents a surplus of assets over the potential liabilities of the fund. They have, because they have gotten higher than expected returns, to match their obligation of half the pension fund, half the pension liability. They have a \$50-million surplus, and they are proposing a number of improvements.

Now, the question becomes for us, if they are improvements that we have to match funding on, we simply do not have the dollars. If they are improvements and there is precedent where it has happened before where they have made, if I am not mistaken, where they have made some improvements to their fund that have simply been employee-paid-for improvements, and they have used their surplus to provide those improvements.

So those are the type of negotiations I expect to have.

I think I have said at our table, not at my table, but we had the discussions that I do not think it is anywhere in the cards for the government to match those ongoing obligations by making those types of improvements to the pension plan, but we certainly would not be opposed to employees funding entirely some improvements that they would like.

Mr. Edwards: Well, I cannot imagine the government would have a problem with the employees themselves funding improvements to their own pension plan. I guess my question finally to the minister, and I will not belabour this more, but my final question is, if there is a 50 million surplus on the employees' side and government acknowledges that it is going to have extensive obligations down the road, would it not be wise to start paying into that in the short term in order to avoid a crisis and a crunch down the road, given that the liabilities appear so extensive?

While true, this particular year may not be the best to start doing that, we cannot be sure that in 10 or 20 years we will be in any better position to do it. Is the government going to start committing some funds to this so that we can properly ensure the pensions for our civil servants?

Mr. Praznik: Madam Chairperson, I think the member for St. James (Mr. Edwards) has very accurately described the situation for this year. It was not something that we could address this year, but the Minister of Finance (Mr. Manness) and myself intend to, with the people from the Superannuation Fund, look at a plan. We have to explore the variety of options that are available to us to at least start the process of refunding our pension plan from a government perspective, because both of us being younger members of this Legislature, I do not think it is far out to say that if something does not happen in the next couple of years, and it may be a 30-year solution.

It took us 30 years to get here. We may have to have a 30-year plan to get out of it. If we do not, within a very short while, the member for St. James and myself are probably going to be looking at a pension plan that a government of the day, whoever it is, will not be able to match the annual—pay out the annual draw on those pension obligations.

We have a real problem, and hopefully revenues will be such in the next couple of years that we can

start addressing it, but I appreciate his concern because it is one that if anything does keep one from sleep at night, that is one of those issues.

Madam Chairman: Item 2.(g) Pension Commission: (1) Salaries \$247,900—pass; 2.(g)(2) Other Expenditures \$58,200—pass.

Item 2.(h) Pay Equity Bureau: (1) Salaries \$186,900.

Mr. Edwards: Madam Chairperson, I am going to start with a general question. Can the minister just give us an update on the progress of pay equity generally in Manitoba? I understand that not only is this particular branch responsible for implementing the pay equity policies of government, but also implementing and encouraging private sector employers to turn to pay equity principles.

Mr. Praznik: Madam Chairperson, as the member for St. James (Mr. Edwards) is probably aware, the major initiative in the previous few years has been to do the bulk of the public service. The Pay Equity Act, introduced by the previous administration, identified 23 institutions in the non—in health care. Of those non-23 institutions, in terms of nursing in some other areas, extension took place in the recent agreement with MNU this winter. There are still some areas that have to be addressed in our health care facilities.

The major initiative in the last year of the Pay Equity Bureau has been the voluntary extension of pay equity to school divisions across this province, and we have assigned—it has become a major initiative of our staff in that particular bureau. With some regret, our director of the bureau has left us to take up, I think, a very senior job, vice-president of administration at Trent University. Although we were sad to see her go, it was quite a promotion for her and one can understand her departure.

In terms of school divisions, we offered what would end up being, I think, somewhere in the neighbourhood, eventually, of about \$50 million in assistance or 50-cent dollars in assistance. To date, we have 16 divisions committed to the process, 27 actively working with the bureau on the issue, and we have had only six indicating to us that they were not particularly interested at this time, but I do not think they indicated no interest at all.

By and large, the major initiative of the department at this time is the completion over the next couple of years of the extension of pay equity into school divisions across the province. We have, from time

to time, inquiries from various private sector people about using information on pay equity. I think there are about six, my deputy tells me, in the last year or two where we have had inquiries. One thing I am finding is in contract negotiations and organized shops, pay equity is obviously an issue.

One particular union, the United Steelworkers of America, developed a tremendous job evaluation system. I know we have had some negotiations with them about buying their system for use in school divisions, so a fair bit of it is going on by way of collective bargaining at this time. Exactly how much, I do not necessarily have a handle on that at this time and often would not as those collective agreements are private documents, but the major thrust is in the area of school divisions.

Mr. Edwards: Madam Chairperson, it is always sad to see senior people who are very competent leave, although the minister indicates that, in this case, she has gone to Trent University and that is one of the best. It happens to be my alma mater, so I say that absolutely unabashedly.

* (2030)

In any event, Madam Chairperson, the minister indicated the MNU contract, and I remember it being an issue in those days when they were on strike. What has been the result of gains made in that contract? Are there extensions going on? Is there presently work going on still in the health care field within the Pay Equity branch?

Mr. Praznik: Madam Chairperson, this member may be aware that The Pay Equity Act that the previous government brought in included only 23 health care facilities. The difficulty in the MNU negotiations, and of course there was a perceptual argument whether it was part of the negotiations or not. The government made a policy decision long before the strike, actually, that it would be extended to those facilities by way of negotiation, much simpler than doing it by way of legislation since all of the evaluations, et cetera, were in place and had been completed.

So in the MNU offer the pay equity was there as part of those negotiations, I do not think so much as a negotiating tool—opinion may differ—but it was there saying, here, we are extending it in those institutions. So that is underway.

All of the non-23 in terms of nursing staff covered by the MNU were brought up to whatever their fellow employees were receiving in the 23 institutions as

the base year, which would have been January 1 of this year. All increases both in pay and pay equity increment were then taken on that base.

So by and large that is in process of being paid at the current time, and there are still some areas, I understand, in the health care area in those non-23 institutions, some of them in my constituency, where we have still to negotiate those. These would be non-MNU members, and those will take place through normal collective bargaining. They are not part of the Bill 70. I believe pay equity was excluded from Bill 70.

Mr. Edwards: So what health care institutions are going to be left that were not covered in the initial act and were not covered in this most recent round of negotiations? Can the minister give any indication as to what type of institutions those are and how many there are and maybe how many employees are covered if he has that information?

Mr. Praznik: Of course all MNU personnel are covered now by pay equity pursuant to that agreement. The 23 institutions were the largest of the health care institutions in the province. If you would like a list of what were covered, what were not, we would gladly provide that to you from the Pay Equity Bureau.

Mr. Edwards: I would appreciate that list in due course. I recall, and maybe the minister can help me on this, there was a dispute which went to the Labour Board. I believe the Health Sciences was involved, or other major health care institutions. It revolved around the act, which put a cap on the amount of their payroll that they had to use for pay equity in any year. The irony of it all was that the New Democratic Party, the supposed champions of pay equity, had placed a cap on the amount that these institutions had to pay, which in effect meant they did not have to go the full nine yards on pay equity.

Can the minister give me any update as to what has happened since that decision? Have the pay equity top-ups simply been done in the normal course in those institutions which were unable to make the full pay equity payments based on the act, which only required a certain percentage? What has happened in that regard, if anything?

Mr. Praznik: It is a very topical subject for us in the Department of Labour with pay equity. The crux of that particular issue was in the pay equity legislation that the New Democrats brought in. They capped

the dollars available for pay equity at 1 percent of payroll a year for four years. The pay equity adjustments were to be funded out of those capped dollars. In the vast majority of institutions, that cap was sufficient, more than sufficient in some cases, to provide dollars to fund the pay equity adjustments.

In the Health Sciences Centre—this is the case I believe we are talking about. In some facilities, particularly the health care area, that cap did not provide a sufficient pool to cover the identified pay equity gap that had to be covered. One has to appreciate that the payroll of a company may be very, very large, and 1 percent for four years could be a huge pool of money, and yet the number of people who qualify for pay equity may be very small, so there is more than sufficient dollars available. However, in other institutions the number of people covered by pay equity may be the substantive part of the labour force, and that cap may not provide what is necessary, but it was felt that it would give a reasonable control on growth of that expenditure to cover pay equity.

Consequently, I believe that there is a court challenge coming as to the constitutionality of that cap because of those circumstances, and I believe that is going to be proceeded with. I am not privy to the decisions of the side that is pursuing it. It will likely go before the courts, and, of course, as the member for St. James has probably, I assume, identified, the issue is going to be one around whether that is discrimination based on sex by putting that cap in place. Time will tell, and the courts will decide obviously whether or not that is a discriminatory package. But that is basically what the issue is, and that is where the current status of it stands.

Mr. Steve Ashton (Thompson): In terms of pay equity, I have raised my concerns. Previously we had an extensive debate last year on pay equity in the private sector, and if I had the time I would engage in it again, anytime, anyplace. It is a significant issue, and I anticipate this debate will be continuing on an annual basis with the minister and myself and the Liberal Labour critic.

Of course, in this case, I am debating against both of them because I know both other parties have rejected pay equity in the private sector in terms of legislation at least. I know the Leader of the Liberal Party (Mrs. Carstairs) has been fairly clear on that, and I am not taking anything out of context.

-(interjection)- Well, indeed, the Liberal critic says, why did we not do it? If the member would look, that was clearly the next stage. We had that mapped out quite clearly.

That was always indicated, and the member knows that. I think the action subsequently in Ontario, where the NDP in that province—of course, the Liberal Party is part of the accord in 1986 and to something of a pay equity in the private sector and is currently working on the implementation of a full program.

I do not wish to continue the debate, necessarily, in terms of that legislated pay equity, but I do want to ask, since the minister at times has suggested, well, it may be taken care of in the voluntary sense, and I realize there have been some companies that have introduced voluntary pay equity.

I was wondering if the minister could indicate, how many companies and how many employees in the private sector have used the resources of the Pay Equity Bureau and have introduced what is essentially pay equity in the private sector?

Mr. Praznik: I appreciate the preamble of the member for Thompson. It is a debate that we may have from time to time on an annual or semiannual basis, and I appreciate our agreement to disagree. I certainly respect his position on that particular issue, although we have different points of view as to what government should be doing.

I would just tell him I will endeavour to have staff in the Pay Equity Bureau provide to him whatever information we have on that particular topic. It would be global information. I do not have it specifically with me. I would say to him that since we last met in Estimates I have had the opportunity to speak with some of the unions that bring this to the bargaining table, the United Steelworkers being one of them, and there is a very big push in unionized workplaces on the pay equity issue, a great deal of responsibility on the part of the steelworkers, just a tremendous evaluation system that we have looked at buying from them to do the school divisions. So I am very confident in that particular sector it will develop and ultimately will lead to, I think, a competitive position where those who do not fall in will have to, particularly when we are out of the recessionary period.

I would be very glad to commit tonight to whatever information we have, as I am sure he would appreciate. Much of it we may not have simply

because we are not privy to every collective agreement in the province.

Mr. Ashton: Indeed, I am aware of the Steelworkers. They have an extensive background, going back to CWS, which essentially is the groundwork for any pay equity system. It is based, of course, on an assessment formula, as is pay equity. There are various possible forms of pay equity, but it is consistent with that and really just moves it one step further into then applying male-dominated and female-dominated classifications. It is a very similar process.

* (2040)

Of course, the difficulty, and it is no offence to steelworkers—I am a former steelworker—the percentage of women employed with steelworker-affiliated unions, union locals, is relatively small. There are a number of women who are steelworkers. I know in my own constituency a small number. There are Steelworker locals that represent other workers, government workers, where there is a high percentage of women, but generally the percentage is relatively low in Manitoba and that is where I commend the Steelworkers in terms of their pioneering efforts in terms of CWS, and the co-operation of many companies. It has been in place in INCO, for example, in Thompson since the '70s. I was employed at INCO when they were making some of the changes. Unfortunately, the position I used to hold on a regular basis at INCO was eliminated thanks to CWS, but what can I do about that? Those are the breaks, but I do indicate once again that I believe in the importance of it moving in the private sector.

Regardless of the legislative role, I believe there are many companies that could benefit, not just in terms of pay equity, but could benefit from the advantages of a comprehensive wage evaluation system which the CWS is, which pay equity entails, whether it is the Hayes System or other systems. I think it has rationality to wage systems and rates in companies, and I believe incidentally, and I have argued this before as well, and I have seen this in my experience.

I have had the opportunity to see pay equity introduced in Manitoba Hydro, or at least the initial stages of it, and pay equity in fact helps male-dominated classifications as well, indirectly. We ran through an analysis there and the majority

of the female-dominated classifications were underrated, but there were also a couple of the male-dominated classifications that were underrated as well, and I think it helps in evening out those barriers generally.

In fact, that is to my mind, the ultimate conclusion of pay equity is not merely comparing male-dominated and female-dominated classifications. That is the mechanism by which pay equity is introduced, but that deals with pay equity that is gender based. I believe one of the main advantages of pay equity is it introduces a comprehensive evaluation system that results in equity across the board if all the analysis that is used is followed through in terms of wage scales. I think it makes a lot more logical sense in terms of bargaining, and it also takes out a lot of the subjective difficulties that one gets within a company between employees, because it objectively indicates what they are worth.

I think the minister is fully aware that sometimes a lot of the pressures that develop even within a bargaining unit are based on, well, this group is overpaid or underpaid relative to us, and I realize that you cannot quantify everything in an employment sense. In terms of any system, there is some subjectivity built in, but the systems I have seen used, the Hayes System or other systems are, I believe, well used enough and well developed enough to be quite reliable in the general sense. You are always going to get some complaints about specific evaluations, and there still is a role for subjectivity in terms of those doing the evaluation, but they are still fairly good systems.

So I would certainly encourage this section of the department to be implementing pay equity, not just in terms of the public sector but doing an educational role with the private sector, because I believe in the long run pay equity in the private sector, whether it is legislated or not, is in the interest of the private sector as much as it is in the interest of the private sector employees.

Madam Chairman: Item 2. Labour Programs (h) Pay Equity Bureau: 2.(h)(1) Salaries \$186,900—pass; 2.(h)(2) Other Expenditures \$93,500—pass.

Item 2.(j) Apprenticeship and Training: (1) Salaries.

Mr. Ashton: Madam Chairperson, in terms of apprenticeships, I have a number of concerns about

apprenticeship training and it relates to a couple of changes made by the government. One is in terms of its move to college governance and the privatization of the community college system. The second is in terms of some specific changes that were made by the Department of Education in terms of programs and courses operated by community colleges at present, in particular, reduction of a number of very important apprenticeship programs in northern Manitoba at Keewatin Community College. I want to address a number of questions to the minister.

One is in terms of whether he will be involved in ensuring that the new system in terms of community colleges continues to provide the apprenticeship training that the community colleges have been quite effective at in the last number of years.

The second question I have is in regards to the specific budgetary cuts that took place, because they targeted the trades, Madam Chairperson, and I think that is unfortunate.

The third question I have, too, is what programs or plans this department has to work with other departments in light of the upcoming Conawapa project, which will be subject, of course, to environmental reviews. Assuming it goes ahead, which I assume is the case, I am wondering if there is going to be any follow-up to the Limestone Training programs which, while certainly not without fault, did bring in a significant number of Native and northern apprentices into the system, a record number, and a significant number of journeymen carpenters, electricians, et cetera, either trained—there were about 45 that resulted from the program—or were at second or third level. So with additional training opportunities and work opportunities at Conawapa, they would be able to deal with that and achieve their second or third levels and become journeymen.

I would like to ask the minister what plans the department has in these regards, because this section of the Department of Labour did play a very key role in working with the Limestone Training authority before, and I really commend it for its work at the time in bringing in a record number of northern and Native apprenticeships into the system. So I am asking questions on community colleges, specific program cuts that took place and also Conawapa.

Mr. Praznik: I have just asked the director of the Apprenticeship and Training branch to come down, Marilyn Kenny. So I will introduce her to the committee when she -(interjection)- Well, I will just say to the member for Thompson, I always view his questions and those of the member for St. James (Mr. Edwards) very seriously, and I like to have the best expertise available in the department to answer their queries and ensure they have the best information possible.

First of all, with respect to budget reductions in this particular branch, we had no reductions in staff in this round of the budget. It is an area—I think he will certainly agree—one that has been very tight on its staff side and has had a very major role to play with very limited resources. One of the things that -(interjection)- Marilyn Kenny, our director of the branch.

With respect to the reductions at the community colleges, what we have done or are in the process of doing now is negotiating some temporary provisions with the South Winnipeg Technical institute to pick up some of the slack. We have also looked at some private trainers to pick up some of that particularly training.

I want to indicate that one of the concerns that has been made to me as minister over the last year, and the member for Thompson may be interested to know that I have spent a fair bit of time in the apprenticeship and training area, not I would say at this point, time, in terms of direction, as to where we should go, but more familiarizing myself with the issues and with the direction that the stakeholders wish to go. I have had some informal round tables here at the Legislature with groups of people from the stakeholder community, the Manitoba Federation of Labour, various building trade components of the organization, various employers, Inco, et cetera, who are our greatest users of our tradespeople.

* (2050)

One of the complaints that has come up from time to time is the inability of many of our institutions to be on top, on the leading edge in terms of their curriculum in those specific areas that they teach. It is a problem—you know, I do not point any political fingers—it is something that happens in all institutions. One of the reasons why the Minister of Education (Mr. Derkach) is going to college governance is to increase a link with industry just to

do that with the stakeholder groups, to have a greater input into the development of curriculum and into the area of courses where we have great demand. We may debate whether that will achieve it or not and only time will be the judge of it. I think everyone involved in the community has recognized that we have fallen behind somewhat in our educational institutions in being current, up to date, leading edge on the development of the skills that our work force requires today and into the next while.

Before I deal with Conawapa, one of the things that has become very evident to me—and the director of my branch smiles, because she said we have only been trying to tell this to governments I think for a long, long time and one day the light went on with me after several meetings—is, it is very important, I think we would all agree, that in our provision of education in this province we really have to be moving towards an education-for-life theme.

Let me just expound on that for a second. Today if you go to Lord Selkirk Comprehensive School and take a trades course in power mechanics, et cetera, often you will not be encouraged to take 300 Math. When you complete that you may get a job fairly quick and you may make fairly good money for an 18-year-old coming out of high school, but you quickly find that you have no credit, if you go into apprenticeship training, for what you have learned in high school.

If you go to Red River you are likely, if you have been an apprentice—will get no credit, or very little credit if you are becoming a technician, for what you have done in apprenticeship. Ultimately, if you go on to university, you virtually get no credit for what you have learned as a tradesperson or a technician working in the labour force and spending maybe years developing those skills.

The Minister of Education (Mr. Derkach) and I have had some preliminary conversations. I know our staffs have been working together at looking at an education-for-life type of theme for all of the provision of education, where you are given credit for what you learn at a certain level when you go to take another level of training or switch over into another part of that field, but you get credit for what you have already learned, and in order to do that, it is simply not a matter of recognizing credit.

I know I am a little bit off from the question asked by the member for Thompson (Mr. Ashton), but it is just simply not a matter of recognizing or giving credit. It is a matter of co-ordinating our curriculums from high schools to community college, to apprenticeship and training, to ultimately universities, so that where we have legitimate overlaps in curriculum, we are recognizing those and giving credit when people move on. Nobody in the high school level, say, who chooses a trade, et cetera, gets into a trade or does training in high school, should find at the end of the day or when they are 35 or 40 and maybe want to go to university, that what they have done in the past, they have to start at the beginning.

So that is of great concern to us and that is the direction, I think, we are going to be trying to move in, in co-ordinating that curriculum and certainly working with the community colleges, with our universities, with the Department of Education to have that curriculum.

If I may address Conawapa for a moment, specifically, to date, I am advised that we have completed our skills inventory. A community survey to determine the level of training will be underway this September, and we also intend to link community projects over the next five years with Conawapa skills development. So we have those three particular initiatives from our department underway at the current time, and we intend to work very closely with Manitoba Hydro, the Department of Education, the Department of Northern Affairs, to maximize the skill level that is there and build upon the skill level that was developed in previous training opportunities.

Mr. Ashton: I agree with the minister in terms of the lifelong training philosophy. I think the Canadian educational system generally, in the post-secondary sense, is significantly lacking in that regard compared with various European models, and there are differing ones. I look, for example, at the English system, which is far poorer than Canada in terms of access to university education but is, to my mind, quite superior in terms of technical training because one is able to be trained as a tradesperson or a technician or as an engineer there and be able to flow through.

I know that from direct experience because my father, who is from Wales actually, was able to work and complete night school and essentially attain his qualifications which eventually became equivalent

to university qualifications in that process. It is a concern of mine that we do tend to dead-end people very early on, and it is ironic because our school system tends to be more fluid up until about Grade 9, Grade 10, Grade 11. There is far more opportunity to shift around in terms of interests, but I think we are lacking. That is one the reasons, I believe, why we have such a shortage of trades periodically in this country, because we do not have a real long-term perspective on training, and we end up having to periodically import tradespeople.

We also run into the problem with technicians. A lot of it is the inability to shift, because in many European countries there is a flow through; as I say, there is a component between tradesperson, technician and then an engineer. Nothing stops you from being a tradesperson to being a technician, as far as more training, to being the equivalent of what would be university training here.

It is ironic that we do have many opportunities in our system for mature students in a straight university sense, but our community college system is still based on the idea of short-term training. Everybody comes in at the same level, they then output it out, and there is no component training. So I fully agree with the minister.

By the way, it is a particular problem in northern Manitoba. I hope at some point in time to see a polytechnic in northern Manitoba, in rural Manitoba, because I think it is going in the same way because that is more suited to the needs out there, where you have limited opportunities, but also where people cannot necessarily commit themselves to the full length—we have a lot of mature students—to a full four- or five-year program, but could still benefit from a two- or three-year training program that can later be extended to that four-year period. So I fully agree with the minister on that. That may be the only time we agree during these Estimates, but maybe this is one area where we can work on jointly.

Mr. Edwards: Madam Chairperson, I have appreciated the conversations which have flowed from the questions of the member for Thompson (Mr. Ashton). I really do not want to add much under this heading, except I would like to ask the minister about the requests for legislation which come from trades and professions, were coming at the time that this matter was referred to the Law Reform Commission. I would like to ask him for an update on that, and also to comment specifically on the

case of the technicians and technologists, an issue which continues to be before us.

I was recently at the annual meeting of the Manscett. We went to the meeting, and what was fascinating to me is that the engineers who were represented at that meeting appeared on the surface not to have any problem with the technicians' and technologists' requests for right to title in legislation. The engineers were there, and I heard them say at the podium that they did not have a problem with that. Now, they may still have a problem with other aspects of the legislation. The member for Kildonan (Mr. Chomiak) was there with me as well, and I think the government was represented, I am trying to remember by whom—I cannot offhand. That is one example.

Is there a report the minister can give on what the progress of the Law Reform Commission is in that area? I think it does fall into this area generally, in terms of trades and professions which are on a regular basis asking for a legislated framework. Can the minister give us an update?

Mr. Praznik: That particular issue, and I am familiar with it from my days in the upper benches prior to appointment to cabinet, lobbying for that various right to title, does not come within the purview of the department, but the commentary I offer to the member, obviously there is importance to various groups and there are turf wars between them as to what type of title.

I speak very much as an individual here as opposed to a member of cabinet. When I was faced with many of those requests to bring forward legislation, I thought that this Legislature should develop some policy as to where we give title or right to title and under what circumstances. That may be an area the House leaders may want to do some work on, and I would strongly suggest it. I have to my House leader, because we get from time to time, I know as noncabinet ministers, requests for that kind of legislation, get caught up in the turf wars between various organizations. It may be a very good idea that we develop some sort of policy with which to deal with it.

* (2100)

Sorry I cannot get more specific on the issue. It is not one that comes within the purview of my department, but I offer those personal comments to a frustration that I felt when I was in the situation of being asked to bring forward that type of legislation.

Madam Chairman: Item 2.(j) Apprenticeship and Training: (1) Salaries \$979,300—pass; 2.(j)(2) Other Expenditures \$126,900—pass.

2.(k) Manitoba Labour Board: (1) Salaries.

Mr. Edwards: Madam Chairperson, I recently became aware, because I was directly involved in the case, of a written decision coming from a member of the Labour Board. I do not intend to name the chairperson of that panel, but the decision took—I believe it was close to two years to be handed down. It was perhaps exceptional circumstances, and I know some of the circumstances. I believe the individual went off and was having a child, but the fact is that the decision was only 13 pages long. Agreed, 13 pages can take a lot of time and effort, depending on what is in it, but it was not a mammoth decision, and it took a very, very long time.

Can the minister indicate what the average length of time for the issuance of written reasons is from the Labour Board? If he does not have that, maybe he would be willing to get that for me or speak to Mr. Korpesho who is with us now as to if there is any information that could be given as to the average length of time it takes to issue written reasons.

I think that was a unique case that I was involved in. I am sure it was but nevertheless, it provoked in me the desire to ask that question. I wonder if the minister has any information in that regard.

Mr. Praznik: Madam Chairperson, I would like to introduce to you some more staff we are bringing in: Tom Farrell, who is the director of the Workplace Safety and Support branch of the department, and Mr. John Korpesho, who is chair of the Manitoba Labour Board.

The specific case that the member for St. James references, in conversation with Mr. Korpesho, tells me that must have been a very rare and exceptional situation. They happen from time to time. Currently, our average days for decision are somewhere between 45 and 60 days for decision. A couple of the things—and I would like to thank both my critics for the support of their parties on the amendments to The Employment Standards and Payment of Wages Acts. That legislation could reduce our caseload significantly, perhaps 25 percent-plus at the board. That obviously should bring down our average period for decision as well as the provision of that act which allows for single-member panels to sit in appropriate cases.

That will allow us to, I think, expedite some of those, particularly, cases involving smaller amounts of money, issues that are not necessarily precedent setting, et cetera. We should have some ability to reduce that even further.

Mr. Edwards: Madam Chairperson, can the minister indicate—I see at the bottom of the notes here that one of the expected results is the publication, distribution of it, and then there are a number of things listed here. Of course, the annual report is issued once a year. Guide to The Labour Relations Act is also an annual. Compendium of Grievance Arbitration Decisions, quarterly report of Activities of The Manitoba Labour Board and the topical Index of Written Reasons for Decision with annual updates and practice notes—are those presently all being published? Are any of those remaining to be established as regular publications, or are all of those now being made available to the public?

Mr. Praznik: Yes, Madam Chairperson, all of these publications are in fact published, and the Labour Board is very pleased that the quarterly updates rather than annual are now the practice. We put them out four times a year instead of just annually. The first one of those quarterly reports has just recently gone out.

Mr. Edwards: I am not familiar with whether or not the Labour Board travels throughout the province or members of it do. Can the minister give us some indication of whether there are regular sittings in outside communities and which communities those are that they regularly visit?

Mr. Praznik: Yes, the Labour Board does sit outside the city, Brandon, Dauphin, The Pas, Thompson, Churchill, as is required. One problem that we found, and hence the proposed amendments, was that our rate of people who do not show up, which is about 50 percent employees, 50 percent employers if you split it down, is rather high from time to time and this will allow us to—the current provisions allowed for the chair to sit as single member panel but this will expand it somewhat to allow again for our travelling to be a little less expensive and onerous, particularly when we have a fair number of people who are no show. Yes, there is extensive travelling of the Labour Board.

Madam Chairman: Item 2.(k) Manitoba Labour Board: (1) Salaries \$485,000—pass; 2.(k)(2) Other Expenditures \$217,800—pass.

2.(m) Workplace Safety and Health: (1) Salaries \$2,778,100.

Mr. Edwards: The note says that four staff years reflect the fact that four vacant positions were eliminated. Can the minister indicate which those four vacant positions were?

Mr. Praznik: I am going to preface this remark by pointing out to the member, as he was not my critic in the last Estimates, that we consolidated our administration and support services in the department which curbed before last year had been in each particular branch. We consolidated them into a central unit and that freed up three people in our department, in Workplace Safety and Health, who before had been doing primarily administration work to return to the field as inspectors. I just want to preface that was part of last year's Estimates. I referred to it then when the member for Kildonan was my critic and I wanted to put it in perspective.

Although we have lost four positions, we in essence the year before had freed up three people, who had been doing admin work, to be doing inspections. I put that by way of preface. Of the four positions we lost, one was a director of legislation and policy. This particular individual had left her employ, I think retired or—she transferred to the federal government and consequently that was a vacant position.

* (2110)

We had one safety and health officer based in Winnipeg. The functions of this particular position, again vacant, were allocated to other field officers through a reassignment of responsibilities in area coverage. Again, I point out that we freed up the year before three additional people for inspection load.

One of our industrial hygienist positions based in Winnipeg—we have five other hygienists and a manager who will continue to assume responsibility for support to the inspection unit.

I would point out to the member for St. James (Mr. Edwards) that we had this year, I think, two vacancies among our industrial hygienists, one of which we have eliminated and the other we have now put out to hire. We have a difficult time to fill those positions because there are so few people who are occupational hygienists. I know in

conversations I have had with people over at the MFL Occupational Health Centre who are there, that they—I think it is Kit Galvin who is there as an occupational hygienist. She was recruited out of the United States after I think a very substantive search.

So they are very, very difficult to get and we, as I said, had two vacancies. I do not think we have hired yet. We have put out and we are hoping we can fill one of them if we are really lucky. The other one we have eliminated, and so although it has been gone, it may not have been possible to even fill that position, just because of the shortage of occupational hygienists. So I put that caveat to it.

The fourth position was a mines inspector position based in Leaf Rapids. The reduction in the Leaf mining activity and closure in Lynn Lake has reduced the demand for that particular position. Thompson, Snow Lake and Flin Flon inspectors will now cover Leaf Rapids.

I know when I was up in Thompson this winter with Mr. Farrell we had an opportunity to speak with our mines inspectors. There was a general sense that it would not be too difficult to cover that particular area, given the fact that we had eliminated this vacancy.

I would just remind the member that in 1990 we only had one fatal accident in our mine. That was due to a very unfortunate set of circumstances. I believe the member will recall where an individual was crushed by a train going through the mine. It was not a matter of faulty safety equipment or construction of the mine.

The frequency of lost-time injuries from mine operations has decreased from 60 lost-time injuries per million man hours in 1985, to 55 in 1989, and 46 in 1990. So our general trend has been down. The position that was eliminated, as I point out, was a retirement, a vacancy. It had been vacant for some time. Other staff had been covering it, and it was felt, again with the reduction of the mining activity in that particular area, that we could more than cover it as we had been doing prior to its elimination.

I appreciate the member's concern.

Mr. Edwards: Is it the policy of the branch to only prosecute employers under the penalty offence provisions of the act?

Madam Chairperson, my question is under The Workplace Health and Safety Act. As the minister will well know, there are offence provisions and

there are also penalty provisions. The act allows a prosecution to go forward under that act either against an employer or an employee or indeed I believe another party if they are responsible in any way for an accident which has occurred.

Can the minister indicate whether or not if it is the policy of the branch—let me put it this way—to under no circumstances prosecute employees?

Mr. Praznik: Madam Chairperson, in consulting with my staff, they confirmed to me what I had thought was the case and it is in fact the case that we have no such policy. We prosecute or we recommend prosecution to the Department of Justice where we see a violation or suspect have strong evidence of violation. The Department of Justice ultimately makes the decision to proceed with the prosecution or not to proceed with the prosecution. I have been advised by the director of the department that there have been instances where employees have been prosecuted for violations of the act, not any that have come to our attention recently simply because the circumstances that have come to the department have not warranted such recommendations of the Department of Justice, but there is no such policy that the member refers to.

Madam Chairman: Item 2.(m) Workplace Safety and Health: (1) Salaries \$2,778,100—pass; 2.(m)(2) Other Expenditures \$719,500—pass.

Item 2.(n) Worker Advisor Office: (1) Salaries \$395,000—pass; 2.(n)(2) Other Expenditures \$50,500—pass.

Item 2.(p) Employment Standards: (1) Salaries \$1,373,200—pass; 2.(p)(2) Other Expenditures \$137,200—pass.

Item 2.(r) Labour Adjustment: (1) Salaries.

Mr. Edwards: Madam Chairperson, well, this is a head which the minister and I have had some substantial conversations in the past and what some might call spats in the House, all in the good faith of legislative debate. My question for the minister is, if he can give us an update on what the department has done this year. In particular I would be interested to know how many times they were called in to set up Labour Adjustment committees and participate in their relocation, retraining of the work force.

Mr. Praznik: Madam Chairperson, I have been waiting for this line in the department and the questions from the member for St. James with bated

breath, because I would like to put on the record for the member for St. James where he has made reference time and time again to two cents per worker in the province, we did some calculation on our budget and the number of people who we serviced. In terms of our operating grants and salaries, our expenditure per client is \$348 per client, not two cents per worker. When one includes the POWA dollars that we have spent, we are over \$800 per client. I think all members would agree, what is important is the number of dollars we have spent per person. Even more so, what is more important is the kind of success rate that we have.

The member for St. James (Mr. Edwards), I believe, has asked me the number of people who have been involved. If I may introduce Ms. Claire Clement, who is the head of this particular branch of the department and the ministry.

I am advised, Madam Chairperson, that we have dealt with over 30 adjustment committees in the past year, and we have had almost 2,000 clients served, approximately 1,842 from the numbers that I have given. So we have had a fair number of people or companies in closure situations that have come through this particular branch.

Mr. Edwards: Madam Chairperson, I thank the minister for those comments. As he will recall, the comment was that there was approximately two cents per Manitoba worker in new funds. Now, if you take the new funds, it is roughly \$11,000 just over, 6,837 up to 6,953. By my latest statistics—and these are not absolutely current, but we have somewhere in the neighbourhood of a labour force of 530,000 to 540,000 people—that is about two cents a worker. If you divide \$11,000 by 540-whatever thousand workers, that is where that comment comes. It is accurate.

Now, Madam Chairperson, I think that is woefully inadequate. I think we have a major task to do in labour adjustment. I do not say that this branch's mandate encompasses anywhere near what I perceive labour adjustment to mean and what I think labour adjustment should be doing. Obviously, with this kind of staff level, they cannot be doing the kind of things that I would suggest we should be doing and we should have been doing for some time.

* (2120)

That being the case, let me just focus in on what this particular branch does in its annual work because the larger debate is a debate I have had

with the minister before. I am not sure resolution is possible, given that I think we—we in my party, as opposed to the government—have a fundamentally different view of the Free Trade Agreement and what it will mean for Canada and Manitoba in the coming years. Indeed, that likelihood extends to the free trade agreement-tripartite agreement with Mexico if that is something we are going to enter into, and it appears that the Conservative government in Ottawa, supported by the Conservative government here, do seek to become involved with Mexico in a continental free trade agreement. I think that is a great step backward. I think the initial free trade agreement was a great step backward but, obviously, we are in disagreement on that point. The government continues to support, unabashedly and in an unqualified fashion, the free trade agreement. I think they are making a mistake.

Flowing from that difference, is our different view of what the Labour Adjustment branch can and should be doing. In any event, with respect to the work of this branch in this last year—it is indicated here that there was work with approximately 30 employer-employee groups representing some 3,000 workers—can the minister indicate what has happened with those 3,000 workers? Are there any statistics as to how many of them were re-employed? If they were, was it at a lesser rate of pay or a higher rate of pay? How many went for retraining? How many left the province? How many remain unemployed? Is there any detailed analysis of what happened to those 3,000 people?

Mr. Praznik: Yes, Madam Chairperson, just to preface my remarks, and we have had that exchange—my argument of course is, if a worker is employed, spending money on labour adjustment is not what counts, it is those who are affected by changes in their work force. I am sure we will continue to have that debate in the House.

What I want to just clarify for a moment, and I understand and I appreciate where the member for St. James (Mr. Edwards) is coming from, work force adjustment issues, in the large sense from which he approaches this, are very important. They are going to involve a much larger focus than this tiny little unit in the Department of Labour. Obviously, the comments and the exchange the member for Thompson (Mr. Ashton) and I had on apprenticeship and training and leading-edge employment, the Minister of Education (Mr. Derkach) and our

educational system, the Minister of Industry, Trade and Tourism (Mr. Stefanson) and niche markets, all of that has to be part of it.

This particular unit, and I just want to put it in context, has really one function, and it is to be a unit that goes in where there is a problem, a specific problem where an industry is in trouble or has announced layoffs and we have people who are unemployed or about to be unemployed. How do we get them back into the labour force? It is dealing with very specific people in a very, very micro situation as opposed to the macro issues of shifts and changes in our labour force and education.

I think if we can agree, the member for St. James (Mr. Edwards) and I, that this is a part of an overall strategy, we can have the larger debate on work force adjustment in that context. This particular unit is not there to solve all those problems, but just to deal with those specific situations.

We are getting some examples, and I would be prepared, as I know time is somewhat limited, to have the department, the branch share with you some of our case examples and those type of numbers. One I can give you right now, from LynnGold mines, I am advised that only 13 of that 196 people who lost their jobs there are yet unemployed. Not all of that, of course, is the result of the unit, but much of it is, a good portion of it is. Mr. Farrell, I know was the chair of that particular committee. We have, I believe it was Campbell Soup in Portage, East-West, Best Brand in Winnipeg. I think we had 120 who registered with the program, and we now have about 100 or so in training or in jobs.

We have a fairly large success rate where we are involved with those particular situations. I would welcome the honourable member for St. James (Mr. Edwards) to spend some time—we can arrange it for him to go into the unit, and I would be more than happy to show them some of the work, particularly, and I referred to it in the House the other day, a company, for example, we have a company—I had the opportunity to see their new product line, a particular company where our committee assisted them to get into two new product lines, camper shelves and shower inserts, and basically have saved jobs and a technology that otherwise would have been lost. So I would more than welcome an opportunity to sit down with the member for St. James and staff and go through some of these examples in greater detail.

Mr. Edwards: Well, Madam Chairperson, I would like to know, for instance, how many of those who became re-employed were re-employed in Manitoba? How many had to leave the province to become re-employed? I know in the case of LynnGold there were all kinds of provisions available to people to assist and it was with the assistance of the federal government in relocating in Ontario and other provinces. I would like those kinds of statistics. I guess if a meeting would be the best way to achieve it, then so be it.

If the minister could provide, even in written form—I am sure the branch must track, of the 3,000 people they dealt with in the last year, what happened to those 3,000 people. How many were employed in jobs that paid them the same, or less than, or more than the jobs they have previously had? Were they employed in Manitoba? Did they have to leave the province, those kinds of statistics. That would be very interesting to all of us, I think, and I wonder if that information is indeed available.

Mr. Praznik: Yes. I am advised that usually the majority of people are re-employed in the province. It varies percentagewise from occupation to occupation. In the case of LynnGold, I am advised that about 60 percent of those people were employed in Manitoba but one has to appreciate in the mining industry there is a mobility across the country as to where the work is and you know, from time to time, as the member for Thompson (Mr. Ashton) well knows, new finds, new mines, et cetera, attract people. It is a fairly mobile work force, or traditionally has been. I am very happy that 60 percent were found work in the province.

Madam Chairperson: 2.(r) Labour Adjustment: (1) Salaries \$277,300—pass; (2) Other Expenditures \$418,000—pass.

Resolution 102: RESOLVED that there be granted to Her Majesty a sum not exceeding \$15,149,900 for Labour, Labour Programs, for the fiscal year ending the 31st day of March, 1992—pass.

Item 3. Labour Special Programs (a) Payment of Wages Fund \$570,000—pass.

Resolution 103: RESOLVED that there be granted to Her Majesty a sum not exceeding \$570,000 for Labour, Labour Special Programs, for the fiscal year ending the 31st day of March, 1992—pass.

At this time, I would request that the minister's staff please leave the Chamber.

Madam Chairman: Item 1.(a) Minister's Salary \$20,600.

Mr. Praznik: As is traditional, I just point out that both critics are indicating they would like to discuss Workers Compensation. Although that is not an item of the budget, it is not technically within the purview of the Minister of Labour, I would welcome their questions at this time under Minister's Salary. I would just point out that under the proposed amendments, this will be the last time we will do this, should those be passed, because the Workers Compensation Board will then be answerable on an annual basis to a standing committee of the Legislature.

Mr. Ashton: Madam Chairperson, I intend to ask a number of questions, make a number of points on that. I also did not make comments earlier on Workplace Safety and Health because I want to deal with these items generally. So I appreciate the flexibility we are showing currently.

* (2130)

Of course, I want to indicate in terms of Workers Compensation that we obviously have had some debate thus far in Workers Compensation through the bill that the minister introduced which indexed wages and anticipate within the next day or so we will be having further debate on the comprehensive overhaul of Workers Compensation. I will be dealing with a number of the technical and policy issues that the government is introducing at that point in time. I will be dealing with that, Madam Chairperson, in the context of the bill. I do not intend to deal with those issues now. I am just indicating that because, first of all, in terms of our rules, really, it is not appropriate; and the second, I want to focus in on other areas.

In terms of Workplace Safety and Health and Workers Compensation, I believe the two are interrelated. I believe that one of the weaknesses in the bill, without getting to specifics, is that there is in it, to my mind, apart from a couple of change I consider positive for working people, something of bottom-line mentality. I would appreciate a costing from the minister. If that is impossible, I will ask it in this context of this discussion because it is not really in order in debate to do that other than rhetorically.

I would like to ask the minister for a costing of items both positive and negative because I want to

indicate, Madam Chairperson, I know that information has been developed as much as possible. I was involved in an internal review committee, when we were in government, as a legislative assistant to Minister of Labour at the time. I know at that time there were some general cost figures attached to some of the changes, some of which are in the bill and some of which are not in the bill, many of which are not in the bill that we were looking at it, and others which are in the bill in a revised form. So I would like to ask that question of the minister.

Once again I feel there is a bottom line. I believe this is the bill that will save the Workers Compensation Board money, from my calculations. Specifically, the gross-net shift will save the board money. I am concerned about that because I feel it will benefit some workers, it will penalize others. It will generally reduce the amount, and I would like to ask the minister if that is indeed the case with item by item in terms of other items.

I also feel that the long-term key in terms of Workers Compensation in this province has to be tied into Workplace Safety and Health, Madam Chairperson, because I believe that Workers Compensation is essentially an insurance system. It is an employer insurance system. It is really the employer protection system and the trade-off initially, many years ago, the Workers Compensation was in terms of time of which people would have to go through and the prospect of going through the court system, that was the trade-off for employees, at least theoretically, whereas the trade-off for employers was protection against law suits.

There have been a number of legal cases that clearly established the fact that Workers Compensation claimants, other than in exceptional circumstances, cannot go to the courts. It is truly a no-fault system. It is ironic in a way that workers who are injured on the job are subject to a true no-fault system, whereas the Autopac system, which is a quasi no-fault system, is in fact not really a no-fault system in the truest sense of the word, because it still allows court action and the courts still assess a degree of damage that is related to fault. I have seen that in terms of specific cases where legal assessments are considered over other assessments. I say that because I want to indicate to the minister that I am looking very seriously at reviewing the act myself as critic, and I have been

considering moving amendments to the act or a wholesale review of the act, and I believe the minister should be looking at it in terms of the act itself.

We had a review in the 1980s and some significant provisions were put in place. There have been some other developments since then, the WHMIS system which I questioned quite extensively last session and would appreciate the minister's comments on as well. These two areas are interrelated. So in order to ask the minister that question, I will repeat again, in terms of the costing figures, whether he could provide that, and I have some further follow-up questions.

Mr. Praznik: Madam Chairperson, I appreciate the commentary and the questions of the member for Thompson. I think I would agree with him again tonight, an area we found agreement, that a key component of the compensation system in our province is Workplace Safety and Health and Safety in the Workplace. There is no doubt about that. Fifty thousand workplace accidents, or claims to the Comp Board in a year, tell us that we still have a long way to go. We have lots of work to do; there is no doubt about it.

If I may just on that point, one thing that I have asked to take place under my stewardship in that department—when I became Minister of Labour there was a decided lack of, I would not say co-operation, but there was a coolness between Workplace Safety and Health division and the Workers Compensation Board. Myself as minister of one of those components often found myself, you know, defending Workplace Safety and Health with concerns from Comp Board.

Comp Board, I think, found themselves in a little different situation in February when I was appointed minister of both, and I have used that opportunity to push them to work together on a much more close basis, particularly with the provision of data from the Comp Board to Workplace, Safety and Health so we can be targeting the work we do and identifying where we have real problems, where we have repetition of accident, not only types of accident, but particular work places that have very bad records and are worthy of repeated inspection by that branch and much work by that branch. So I am trying to marry the two to some degree to make better use of information. We have a long way to go in that regard, but at least we are on that particular area.

With respect to The Workers Compensation Amendment Act and the costing, I do not have that with me, as the member can appreciate at this time, but I would be certainly willing to provide some of that to him when we get into committee. I do not have a problem with raising that to some specific questions. There is a saving on the net to gross primarily because we had at the upper end of the income scale some very large overpayments as a result of that particular scheme. In fact, staff tell me that with some of the top-ups that were available, we have people who were receiving as high as 130 percent of their net wages while on compensation. Besides the monetary problem there, of course there is the issue of whether or not that is a disincentive to return to work. I am of the belief that when someone is taking home—not their fault, it is the scheme that is set up—but substantially more on comp than when they were working, it does tend to drag out the duration of recovery time somewhat. I think that is human nature.

The Federation of Labour, and I respect their opinion, disagrees with that. That is their role to make that argument on behalf of employees in the province. I respect that difference of opinion, but I do believe that there is a problem there, and we will get into that particular costing when we are in committee to the best ability of the resources that I have to provide that to you. I would also point out that I am a great believer in costing, because every time we make any changes at the Comp Board it is critical that we do a costing of them, so we know exactly what we face.

* (2140)

Whether an employee or an employer, one thing that we cannot see happen, I think, is to have the compensation board in a financial situation that threatens its operation. The board in Ontario, and I do not say this as a criticism of a partisan nature, for many, many years of operation without getting some control of its operation through governments of three different political parties, is now wrestling with about a \$10 billion deficit. They are looking at average rates in their province of some \$3.30 per hundred compared to our average rate of about \$2.30 per hundred, so they have some real problems and perhaps a pox on all three parties because it was a deficit that was run up under three administrations, no one really getting a handle.

Saskatchewan, on the other hand, under Premier Allan Blakeney began a series of reforms, many of

which ours are modelled on, that I think updated their system and got some perspective on their costs. They, I believe, basically have no deficit in Saskatchewan today. So I just point out the need to update, modernize, and get some control of that particular area.

With respect to a comment that the member for Thompson (Mr. Ashton) made about Workers Compensation being an employee protection system, yes, that was a component of it when the legislation was initially introduced. I am advised by legal counsel that probably 90 percent of the claims to the board would not be successful if they were pursued through a tort system, through the courts. So, by and large, workers comp has been by far a greater beneficiary to employees than it has to employers. I would put the caveat on that that with the growth of industrial disease, et cetera, that may mellow out over time in terms of what that ratio would be. Those are the kind of numbers. It has been a benefit to both.

I again will undertake to provide the costing information when we are at committee, when I have the appropriate staff with me to review it with the member for Thompson.

Mr. Ashton: Thank you, and I would appreciate it on the various items. I disagree with the minister in terms of the assessment of it not being an employer protection scheme. If one were to look at the overall costs, many employees would receive significantly greater awards in the court system, particularly in the last 10 or 20 years, because there has been an increase. That is one of the reasons why insurance has increased generally, whether it be automobile insurance, liability insurance. Generally, I think it is related.

What I also wanted to deal with is the question of service issues. Manitoba Federation of Labour recently conducted a survey of Workers Compensation claimants, and I can confirm many of their findings in terms of service issues. It depends on when you take the reference point, which year, whether you take it 1986 or 1988 or '89 or '90 or '91. We can play games with statistics. That is not what my intention is. Nor is it my intention to directly or indirectly be critical of Workers Compensation staff.

About the only thing I would suggest to the minister is that when criticisms are made, that perhaps the Workers Compensation management not take it quite so personally, and I think the

minister knows what I am referring to. There is an element of, I hate to use the word, but paranoia there and as one—well, the minister now is quite used to, I think, the criticism as a minister, and I think we all are in politics. I think sometimes that reaction is not the most productive because in this particular case, the Manitoba Federation of Labour and Workers Compensation clients have some legitimate policy concerns and some legitimate process concerns and some legitimate concerns about lengths of delay in payment.

Indeed, there may have been improvements. Essentially what happened a number of years ago was the whole system was essentially shaken up. It got significantly worse for a period of time, has gotten better since to a degree, and I am not engaging in the selective or objective use of statistics. I am just saying, there are still Workers Compensation claimants who have legitimate concerns about Workers Compensation in the general system.

I have had this happen to me before, where I have made statements like that and then been accused of criticizing the Workers Compensation staff. I do not know how many times I have to say it, but I am not criticizing the staff nor some of the progress that has been made. What I am saying is there is a significant amount of work that still has to be done, if that can be taken in a way that will not be construed. I would hope it would be, and I think the minister knows what I am referring to, and I hope the minister will deal with these issues.

I know ministers, generally, have not dealt with individual cases and the minister, I think, will confirm that I have not raised individual cases with the minister, because I do not think that is fair to the minister or the process. I have many a case with Workers Compensation, and I have seen many a Workers Compensation claimant that I feel is justified in receiving compensation and is not receiving it. I think the main reason for that, though, is there are some problems with some individuals, not generally staff, but I have real problems with one or two of the medical staff and their consistent ruling against other medical staff. I think the minister probably knows what I mean there, and I do not mean to pick on individual names or get into any personalities, but I have particular concerns there.

Beyond that, a lot of cases the concerns relate to the law itself. I can point to a number of recommendations in the Legislative Review

Committee that if they were enacted my opinion would deal with some of the particular claimants' problems I have had, but I understand the frustration of Workers Compensation claimants. I have been frustrated myself in dealing with the Workers Compensation system.

I used to feel I understood the system. I am not sure anymore when I deal—every day I find a new twist. Every time I get a new case, a new call from someone, there is a different twist on it. I just wanted to raise that issue, and I realize we are fairly short of time if the minister has any comments.

The intent of that and I think the intent of the MFL as well, was to be critical of overall policy but not to be critical of the staff. At the same time as being critical, I think it was constructive criticism in the best sense of the word. I anticipate, by the way, at committee to see much the same process, and I anticipate sitting down, by the way, with the minister.

I would like to be able to do that before the committee process to sit down and discuss a number of concerns I have about a bill he has introduced on a clause-by-clause basis, because regardless of some of the matters we will disagree on there are a number of areas that can be approved in that way. I wish we had more time to deal with Workers Compensation, but I know the Liberal critic has some other comments. I would like to have a couple of minutes to sum up in terms of Labour.

Mr. Edwards: Madam Chairperson, I will not be lengthy on Workers Compensation. I do want to echo some of the comments of the member for Thompson (Mr. Ashton) with respect to criticisms which he and I, and others, levy at the board. They are not intended in any way to belittle the staff who are there. They are, I believe, high calibre but the board has had numerous problems.

Let me say that I think since this government took office—I know the member for Portage la Prairie (Mr. Connery), former minister responsible, put a lot of effort into it—there has been improvement.

I know that as a sitting MLA serving constituents, the regularity and the frequency with which I received complaints from Workers Compensation of a Workers Compensation nature has dropped off. They are still there, but I can tell the minister, and I am sure he is aware, that in those first years, '88 and '89, there was not anyone who was pleased with the Workers Compensation Board. I became convinced that there probably was not a person in

my constituency who was having anything to do with the board, who I had not spoken to, who was not upset with the board. So that has dropped off and that is good.

I want to express to the minister—and I think sometimes I understand the system but find out, inevitably, that I am not sure I do. I think it is a very complicated system. Even though they draw little charts on the back of their letters, it is quite a complicated system for people to come to, and that is why it is good there is a Worker Advisor Office.

Can the minister indicate what improvement has been made, and whether or not he is satisfied they have now reached the stage where the appeals are being dealt with in a fashion which is efficient enough for the minister's standards? Are we now at a stage where appeals are being heard, both at the first level by the medical review panel and by the board itself, within time frames that the minister is satisfied with? Can he give us—does he have any idea of what the time frames are for the adjudication on those appeals?

Mr. Praznik: Madam Chairperson, the simple answer is no, I am not satisfied yet with where we are at. We have reduced it significantly but we still have a ways to go. I do not have that information with me as he can appreciate. I do not have even my briefing book with me on those numbers. I would be glad to share it with him at committee. We do have a ways to go, and I appreciate the comments of the member for Thompson (Mr. Ashton); I take them in the right—the way they are put to me because many of them I agree with, but we do have still a ways to go on both of those areas.

Mr. Edwards: A final comment, one of the things which saddens me most is to see someone whose doctor tells them they cannot work. They go and the Workers Compensation Board says they can work, and there is a dispute, and they appeal it.

They are really caught because their doctor may be telling them—and in most circumstances is—you cannot work, if you work, you are going to get worse. They are then cut off and put in a position where they have to wait for their appeal to be heard, and many have turned to welfare. They simply do not have any money, and they do not have any way to meet their obligations. They are put in the position of choosing the Workers Compensation medical expertise, as opposed to their own, perhaps a doctor they have trusted for some length of time, risking

their own health or putting food on the table for their family. It is a very difficult situation.

* (2150)

I wonder if there is not some way that, at least for a first level of appeal, we could bridge people so that they do not have to make that choice. Is there any discussion going on? If we got the appeal periods in a time frame that was compacted and far less than what it has been in the past, if it was a reasonable time period, then perhaps that would be available. There might also be some provision whereby funding could be granted up to an appeal. If the appeal is unsuccessful, there could be some pay back over time if the person goes back to work.

There may be ways around that absolute cut off. When a person is faced with conflicting medical evidence, they are not doctors, they do not know which to choose, and they are told by at least one, if they go back to work they are going to get worse. Is there any discussion to try and—because that to me, that was the consistent problem. People were cut off, were appealing, were frustrated how long it was taking and had no money. It is a consistent problem. Is there any discussion at the board or at the policy level as to what might be done to assist people through that bridge period?

Mr. Praznik: Madam Chairperson, that is an area where I share that concern. It is one that comes to me through my constituency office and has on a fairly regular basis. Two parts to that, very briefly, is one in the area of the disagreement between medical professionals. We have some work to do there. I know we have been trying to work with the College of Physicians and Surgeons on a more regular basis to use physicians off a list as opposed to board-employed physicians. At least it gives the impression, I think rightly so, of greater impartiality, also speeding up our appeal process and our medical review process.

The bridging area is one that I would like the board to pursue. Once we have completed the legislative package, my commitment has been to spend some more time over there come the fall to work with the board on some of these issues. I appreciate that advice, it is something we should be pursuing.

Mr. Ashton: Madam Chairperson, I would just like to make a brief concluding comment on both the Workers Compensation and the Labour Estimates and indicate to the minister that we have had some discussion on the Department of Labour. It could

warrant much more, because even though it is a relatively small department, as government goes, it has impact on many Manitobans and has many policy issues that are inherently involved in its activities.

Part of the reason in a way I think that we are spending a little bit less time than we might normally on Labour and Workers Compensation is because Labour and Workers Compensation issues are, in many ways, dominating this session, whether it be Bill 70, The Civil Service Act, whether it be The Workers Compensation bill and the more minor Workers Compensation bill that we dealt with previously and the Employment Standards and the Payment of Wages items and the worker investment fund that is also a part of this package.

I want to say to the minister and stress once again that we are very concerned and hope that the minister will accept the concern that we express both in the political sense about some of the issues we are concerned about, but also in terms of the general trends in this province. We see a period of unprecedented labour unrest coming, Madam Chairperson, as a result of the policies of this government. We see unprecedented labour unrest, in particular, as a result of the policies of this government in the public sector.

I want to say, Madam Chairperson, we are seeing that already in the first six months of this year. We are going to see far more of it in the upcoming years. I look to the Minister of Labour to speak out against many of the changes that are being brought in by the cabinet and in particular to speak out to any further changes to the labour relations legislation in this province that might roll back some of the principal gains of working people over the last 50 years. If that is the case, I can promise the minister it will be a strong fight not just from us, but from working people across this province.

With those few brief remarks, we will pass from our side, the Department of Labour Estimates for this year.

Madam Chairman: Item 1.(a) Minister's Salary \$20,600—pass.

Resolution 101: RESOLVED that there be granted to Her Majesty a sum not exceeding \$404,200 for Labour, Labour Executive, for the fiscal year ending the 31st day of March, 1992—pass.

This concludes the Estimates for the Department of Labour.

SUPPLY—ENVIRONMENT

Madam Chairman (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply will now be dealing with the Estimates for the Department of Environment, page 53 in the Estimates book. We will start with an opening statement from the Minister of Environment (Mr. Cummings).

Hon. Glen Cummings (Minister of Environment): Madam Chairman, I will make a few comments before we get into the details of our Estimates. I apologize to my critics for not having it copied to be distributed at the moment. We have some machinery that is not working in my office tonight.

First of all, I would like to make sure that each member has a copy of the Supplementary Information and also express my appreciation to the department for putting together the information for these Estimates.

Some of the initiatives that we have undertaken and are still working on—one of which will be departmental organization. I am pleased to report that all elements associated with our decentralization which came parallel with our reorganization are virtually complete now. We are waiting to finish the Morden move to Winkler and the finalization of the office. Beyond that, all of the requirements are now in place. In the past year, an additional 16 positions were decentralized to locations outside of Winnipeg. We now are able to provide a full range of local environmental services.

In waste reduction and prevention, I suppose an analogy could be made that the Great Wall of China is now being replaced by another largest man-made structure in the world. It will be the Fresh Kills Landfill in New York. While this province does not have a fresh kills landfill, we do have a commitment to avoid the multiplication of waste in this province, a commitment to sustainable development, and recognize the need to establish a balance between our economy and our environment.

Over the past year we have had some noticeable accomplishments: the proclamation of the WRAP Act, Recycling Action Committee Action Plan, the WRAP Strategy Report, and the reports of our first set of four WRAP committees. Thirty waste reduction projects have been supported, and general community, through the initiatives of community organizations, Manitoba business, we

have had hundreds of projects involving literally thousands of Manitobans. I believe we have started a strong foundation to reach our goal of 50 percent reduction of waste by the year 2000.

The commitment to reduce and prevent waste is an essential starting point for this job, and getting the job done in an era when financial and time resources are scarce requires a significant amount of work in clearly laying out a strategy. Many people have looked at government to step in and solve all the problems associated with waste. If it were that simple, which it is not, this would still be an incomplete approach. Last year's conference advice clearly stated that the basic strategy of an action plan was to be to see that individuals and groups in society accept their responsibility for waste minimization. Government is responsible for minimizing its waste and accounting for ensuring that the rest of us accept our responsibilities.

WRAP Strategy is built around the principle of using our resources effectively and highlights five strategy areas.

First of all: building a co-ordinated approach, with the annual production of a WRAP Strategy Report that will allow the public to judge whether or not we are approaching our goals and meeting our targets. As well, the WRAP Branch will be initiating the systematic monitoring of the waste stream as part of its '91-92 work plan. We want to ensure that distributor responsibility is carried out. We have the power to ensure that happens.

We also have to work co-operatively with industry because we want to make sure that taxpayers are not the only ones who foot the bills, and certainly should not be the main responsibility. The responsibility lies with the producer of the waste. We met with leaders of the industry responsible for the four products that I mentioned earlier: beverage containers, newspaper, lubricating oil and tires. We have directed them to establish plans for reducing and preventing the waste production in their areas.

* (2200)

Thirdly, the promoting of efficient and effective collection and processing projects: part of the successful solutions will be a partnership and innovation. Over 30 projects have been funded from the Waste Minimization Component of the Environmental Innovations Fund. In addition to continuing to fund worthy projects, the department will be proceeding to evaluate the effectiveness of

the projects and assess the strengths and weaknesses of those projects so we can plan for the future.

Province-wide co-ordination is another portion of this strategy. Over the course of '91-92 the department will be working closely with municipalities to establish regional recycling networks with community organizations.

Education and information: over the coming years the department will continue to ensure that materials and information are made available to all Manitobans, in addition to a waste reduction project registry and an awards program.

The Ozone Depleting Substances Act is one of the other priorities that we have followed through in the past year and still have some ongoing responsibilities regarding implementation. The first regulation has now been released for public comment, based primarily on the use of recycling recovery programs to control the release of chlorofluorocarbons and halons into the atmosphere.

As well, labelling will be required for refrigeration and air conditioning equipment to ensure that proper handling of products containing ozone depleting substances are identified, as well as the type of ozone depleting substance contained in the material or in the product. Regulation also requires that service people would be trained in the proper handling and recovery procedures for ozone depleting substances.

Some other initiatives that are being pursued in this particular area today include the development of economic instruments policy options to allow for the effective implementation of programs to creatively apply the polluter-pay principle; inclusion of a strategic planning process initiated in November to review the department's mission and priorities based on the participation of departmental staff.

Under the Environmental Innovations Fund, as indicated earlier, the Manitoba government, through the Environmental Innovations Fund during the '90-91, provided funding to a number of projects including recycling collection projects, composting, education awareness, network support projects involving the commitment of some \$600,000. The listing of specific projects supported was included as an appendix to the WRAP Strategy Report of 1991.

The establishment of an environmental youth corp is a more recent development, commencing fiscal year '91-92 to establish a five-year program with an overall financial commitment of \$1 million to be funded through the Environmental Innovations Fund. The program will provide project sponsors with financial support to encourage the creation of environment-related projects in the communities. They must address environmental concerns relating to environmental protection, enhancement, rehabilitation, conservation, resource management. Eligible projects would include riverbank cleanup, recycling fish habitat, water quality, tree planting, restoring wildlife habitat and rehabilitation of natural environment in local parks. Charitable and voluntary environmental organizations, service clubs, local government organizations will be eligible.

The department is continuing to play a major role with respect to the harmonization of environmental assessment. We chair a national task force group on the harmonization of environmental assessment under the auspices of CCME. As members are aware, the department has recently amended The Environment Act to allow joint environmental assessment with other jurisdictions.

The concept of proponent-funded participant assistance has been adopted by the government and will be available for Conawapa, Repap and north central transmission line reviews. In addition to major projects to be reviewed via joint panels, the department will also be participating in a variety of other projects subject to environmental assessment, as part of the licensing process. Included will very likely be the Abitibi Price five-year course management program.

Provincial-federal joint review panels, with the passage of Bill 24, have become a reality when the proposal requires licensing under Manitoba's Environment Act and the public review, in accordance with the Environmental Assessment Review Process or EARP guidelines, order. With this arrangement, both jurisdictions will select members to serve on a joint panel, agree on all appointments and appoint a member to chair the proceedings. All panel members will be cross-appointed by both ministers to the review panel.

The primary purpose of the joint review panel is to ensure the public review of the proposed development is handled in a manner which is

responsible and efficient. Co-operative environmental assessments enable everyone concerned to concentrate on one process to fulfill the requirements of both federal and provincial legislation.

The joint process is designed to bring together the best of both systems to one effective process. '91-92 has anticipated that at least three important projects will commence environmental assessments which will be subject to the joint review process. There will be projects, specific agreements between Canada and the province of Manitoba, that will be drafted and will be the subject of public meetings held in The Pas, Flin Flon, Thompson, Winnipeg in April—pardon me, I am referring to the north central transmission line.

Agreement for the Conawapa project has been signed and other agreements are now being finalized. The Conawapa panel has been appointed and panel members have begun their work. Once the other agreements are signed by both environmental ministers, further joint review panel appointments will be made.

The department is continuing its negotiations with Ontario in respect to the management of Shoal Lake, the goal being the protection of the water quality and the source of the drinking water for half of Manitoba's population. As well, the department will, in conjunction with all affected jurisdictions, undertake to sensitize all available information and develop a comprehensive action plan for the long-term protection of Shoal Lake water quality and hopefully the long-term basin management plan.

Legislation and regulations—we presently administer and enforce five acts and 42 regulations. I am expecting to make extensive amendments to the following regulations during this fiscal year: the gasoline and associated products, private sewage disposal systems, waste disposal grounds, biomedical wastes and incinerators, livestock production and swimming pool regulation.

Regarding acid rain, we continue to be very much involved in the sulfur emission limits; we continue to have concerns about the operation of Hudson Bay Mining and Smelting in Flin Flon and its impact on local air quality. Manitoba will shortly be making an announcement, I hope, in regard to that facility.

We have taken a polluter-pay approach on air quality monitoring. The department has a condition that new licences issued will be requiring

proponents to undertake specific air quality monitoring action. They will also be required to fund the department's cost associated with auditing the results of such enhanced monitoring activity.

The State of the Environment report, which was tabled recently in the House, we have become the first province, or we were the first province, that has a legislated State of the Environment report, one of the first provinces across Canada to publish an English-language version of the State of the Environment within our jurisdiction. Quebec and the federal government had previously issued State of the Environment reports.

* (2210)

On the Red and the Assiniboine Rivers, the department will complete the setting of water quality objectives and guidelines for protection of existing water uses in the Red, the Assiniboine, and their tributaries, and downstream of the city of Winnipeg. These are being established through the public hearing process and will be used to afford long-term protection to the rivers through the environmental licensing process. The Government of Canada is proposing, as part of the Green Plan, a joint study with Manitoba and Saskatchewan, water use sources and effects of pollutants, soil conservation, and wildlife habitat in the Red and Assiniboine Rivers. Those negotiations are still ongoing.

Zebra mussels: we have worked with the Department of Natural Resources, the Department of Tourism, to continue to promote the practice of stopping the spread of zebra mussels. We are, as a department, along with Natural Resources, tracking the spread of this costly little invader and we will maintain a proactive, public awareness initiative on this item.

Hazardous waste management: we continue to focus substantial effort on the management of hazardous wastes. We have reviewed the specific site proposal expected to be received from the Manitoba Hazardous Waste Management Corporation this year as they go through their proposal regarding the siting of the facility.

We are actively encouraging the use of land farming and bio-remediation as a viable means of treating and disposing of contaminated soils and sludges. We have participated under the federally funded Contaminated Sites Program and deal with a number of abandoned and contaminated sites.

We are completing a bio-medical waste strategy for public and affected interest groups' scrutiny.

We have established minimum standards respecting the storage of chemicals, and those standards will limit and prevent pollution as we can best enforce them at this time.

Addressing the issue of financial assurance to ensure that proponents have the necessary financial resources to deal with these problems.

The Council of Ministers of Environment continues to be the central focus for national environmental initiatives. A number of significant activities concurrently underway include the completion of the National Packaging Protocol, finalization of the NOx-VOCs Management Plan on air quality, continued development of a National Action Plan on Global Warming, the common principles for undertaking environmental assessment, co-ordination of efforts toward the elimination of CFCs, adoption of Stage I vapour control and gasoline distribution systems.

In gross dollar terms the department budget has increased by 5.9 percent, but this department should not expect to escape the overall impact of limited resources throughout government, and we have, as a result, reduced our overall staffing complement by a total of 10 positions. Two of these were program positions, one being a term funded through Environmental Innovations Fund to undertake outreach activities; a term position established to carry out ecological monitoring, but that project has also been completed. The other positions were three vacant: two in the administration of the Technical Services Laboratory and two positions attached to the Manitoba Environmental Council, which are now funded under a different mechanism.

Manitoba Environmental Council funding is provided now as a grant rather than providing staff as we did before. There is one grant which has very few conditions attached to it, so that the Environment Council can continue its independent position and can move forward for the near future, knowing that they will have a certain amount of funds to deal with, a guaranteed amount of funds, but they will have to deal with them and spend them the way that they deem the most appropriate and on the staff that they might choose or not choose to have, if they wish to use the funds for other reasons.

Madam Chairman, I think that wraps up my general opening comments, and I will await questions.

Madam Chairman: We will now have the introductory statement of the critic for the official opposition, the honourable member for Radisson.

Ms. Marianne Cerilli (Radisson): I guess I want to start off by saying that since becoming the Environment critic, I have gone through a real process of dealing with a couple of things.

First of all, I am really disturbed by the way the government of the day is controlling information, particularly with respect to the environment. I requested a number of weeks ago, from one of the communications staff, to be sent some pamphlets on classification of development on the reports of the WRAP Strategy, on a variety of public pamphlets. As the critic, I would think that this would be sent to me perhaps through the minister's office, perhaps telling the minister that I had requested this, but to this point I have not received any information.

It is the same approach that was used when the State of the Environment report was issued, and again the opposition was barred from the press conference. We were not given the report until after the minister had had his say, and the media had the information "in the can," as the phrase is known, and we were expected to reply with some few minutes notice, and I, quite frankly, was not prepared to play that game.

I am coming to the conclusion that the government, quite frankly, is terrified. I would think they would have every right to be terrified. I have had quite an education about the horrors in this province in terms of the environment since being elected and becoming the critic. As I go around the province and meet with what I term would be the experts in the field, the activists who form volunteer groups and band together to do research and do things that I would say the department should be doing, but is not. Over, over, time and time and again we are having to rely on science professionals or lay people or people who are just interested in natural habitat and natural wild species.

I would also say that the approach that the department is taking in terms of environment protection has become a joke, inadequate. There is hardly any staff doing what we need to have done. I see how much time and money is spent on

producing materials and how little time is spent on actually doing research and educating people, and the way that people that do have information are kept from getting that information out to the public. I would say that this had better start changing, because there really is a movement out there where people are starting to make the kind of connections that need to be made to truly protect the environment.

I spent a bit of time over the last couple of days at a youth environment conference where some 30 or 40 young people got together with some local environmentalists and were trying to develop a Manitoba perspective or Manitoba position that would go to a national conference and then would go from there to the, hopefully, Brazil conference.

I was once again impressed by the extent and understanding of young people that I would say ranged from 17 to perhaps 24. These people had the kind of understanding that was linking poverty, Third World development, First World economic gluttony, international trade symbolized by the Free Trade Agreement that we have entered into. They are making the links between the power structures in our society. They are making the links with the sociology and the psychosocial state that all of us find ourself in, characterized most dramatically by denial, which I think we all have to have a pretty good dose of so that we can survive in the world that we are all in.

You know, I do not want to sound like a doomsdayer or a fearmongerer, as the government so often calls us when we talk about the realities and the horrors going on out there. I must say that being with the group in Gimli over the weekend gave me a lot of hope that things can change.

I would also like to say, the other thing that disturbs me is the way that the public and environment activists have been treated by this government. These people have shown so much commitment, and they are eager to work with the government of the day no matter what their political stripe, and they are either maligned or they are not believed or they are manipulated or they have their opportunity to present at committee hearings, limited or disrupted.

I was just leafing through the State of the Environment report, and I came to a page talking about chlorine fumes. That is something that is a potential reality with the St. Lazare spill.

* (2220)

I just want to read from here, again this symbolizes to me or is a good example of the kind of attitude that the government is taking with the public and with environment activists, where it says, each year Manitoba Environment's emergency response team fields nearly 500 calls a year on environmental accident hotline. People phone in from all corners of the province to report on spills, leaks and fires, involving pesticides, fertilizers, fuel and other chemicals. Good, I would say.

A handful of calls prove to be false alarms. As in the case of a woman who rang at midnight in August of 1990 to report that acid fumes in their backyard were so strong it was impossible to open windows in the house. She wanted to know if she and her husband should evacuate. The cause: Her husband had added too much chlorine into the swimming pool.

Now the usefulness of putting that kind of a statement in a state of environment report which belittles the public, I do not understand. I do not understand why that would be in there. To me, that is not the kind of message that the government should want to be sending out. I think that we should be encouraging people to phone no matter what their concern, no matter what their level of education or understanding or expertise. We need for people to be aware and to be concerned. We do not need to produce this kind of material which placates and makes it sound like everything is okay.

When I read more and more into the State of Environment report, something that, as I have said, the government did not want us to participate in the news release or the press conference of, I can understand why that was. It is clear that this may be useful to a Grade 5 or 7 science class, but it certainly is not a very good listing of the state of the environment, the problems that we are facing, and the road or the solutions that we need to follow to deal with those problems.

One of the other things that I want to talk a little bit about is the glaring evidence that what needs to happen if we are going to deal with the environment crisis that we are in, is we need to change our business and government ethic. This government shows no sign of doing that. If it is with respect to agriculture, if it is with respect to forestry and logging, pulp and paper, if there is a mining consideration; I do not think there is one industry

where this government is showing that they are taking a leadership role in trying to address the problems that are there.

That is one of the approaches I am going to take in these Estimates. I am going to try and do things a little bit differently than I did last time. I am going to ask the minister some specific questions with respect to the main industries that make up the Manitoba economy.

The environmental crisis that we are in points very clearly that we have the wrong notion of economic development and civilization and progress. It shows that we have the wrong notion if we think that technology is going to be the sole thing that is going to solve the problems that we are in. The way that we have gone about our economic development, which concentrates industry or seems to think that industry that is bigger and faster can deal with the problems that we have, industry and development that concentrates population, that relies on megaprojects to create employment—all of these approaches are being shown very clearly to be completely in the opposite direction and completely the wrong way to go.

I have listed a number of areas or current issues that are, I would say, at the forefront of environmental problems in Manitoba. The problem of workers in a variety of industries or workplaces who are probably aware daily—and oftentimes we get some phone calls, and it is very difficult to do anything about it, because if you try to set the process in motion where the authorities will go in to do the testing that is necessary, by the time that happens the industry has been tipped off, and they will flush the problem into the river or down the sewer or deal with it in a way that is not going to help the situation.

That is a major problem that we are dealing with. Employees who work in these industries are frustrated and afraid for their jobs. They are caught in quite a bind. That is one of the things that I would like to see a government try to address.

Another problem that we have in the province is we need to protect our drinking water, as the minister has indicated in his opening statements. To me, it was quite ironic that the day that the State of the Environment report was issued was the day that we had a nonprofit, volunteer environment group who had to fundraise to do research on our water supply that the Department of Environment

should have done, I would think, even if it is in Ontario. That same day, we had the State of the Environment report, and my comment was, this situation showed the state of the environment, where we have to have a volunteer organization do this kind of job by raising their own funds.

The St. Lazare disaster where, once again, we see the relationship between short-cut economic policies that are dealing with deregulation and short cuts in terms of starting to use roll-by checks with railway and how the disaster occurs and we move in to clean it up, and we do not even know the effects of the chemicals as they mix and how that is going to impact on the environment, the long-term effects on the people who live in that community.

We are dealing with, again, technology and chemicals and man-made materials that we have not, in a lot of cases, got the clue about what we are dealing with, and no where is that more apparent than in terms of nuclear energy. That is another issue where right here in Manitoba we have a situation where nationwide we could be used as a hazardous waste burying ground. I do not know if this government has taken a position on that, but other places around the world are moving away from nuclear energy, and in Canada we are trying to sell our old reactors.

Again, these are complex issues, but over and over again it points to—we have to take a different approach and really take a look at our value system and really take a look at what we think is development and what we are going to trust in terms of technology.

I had an interesting conversation today with one of the members across the way because over the weekend I had a chance to go to Brandon and spend some time with the group that is opposing the Assiniboine diversion. I learned more about how that would affect the downstream areas on the Assiniboine River, particularly between Portage la Prairie and Winnipeg. It was interesting that all of this argument to spend all of this money on building dams and building diversions all is, so the member said, so that we could have bigger potatoes, so that we could have longer French fries, so we could compete with the U.S. in selling French fries to Japan.

* (2230)

Now again, the irony—it just seems so ridiculous that we would have to go to the great expense of

that kind of development so that we could grow a certain kind of potato to meet a market demand.

The pesticide use on the farms, in that southern Manitoba area where those potatoes would be grown, would mix with the water that was used irrigate, would then drain off and pollute, to an even greater extent, the very rivers that are drying up, that can no longer supply the farmland down in that end of the province with the water that they need.

I could go on. There are a number of issues I have listed. Conawapa, the need for yet another megaproject. We are going to hear a lot of talk about how we need those jobs, and we are going to hear a lot of talk about how we do not have any alternatives and the lights are going to go out, and yet we have not, with all the talk of sustainable developments, developed a way where we can join together environment impact assessments with the process that looks at the economic and hydro needs of this kind of development.

Some of the other issues that I have listed, I will just go through. The Niverville fire which occurred this year, which I do not think we ever did ask questions about, but there was certainly a lot of concern; the ongoing problems with our forest industry, and again, I do not see any moves from this government to move away from clear cutting, to move away from the kind of damaging use of chlorine bleach which we had avoided in the province up till now; the issues around ACRE, which have been raised in the House a number of times.

Something that I have spent a fair bit of time on is the whole idea of pesticide abuse and use, and all the problems that farmers and their neighbours are suffering because of spray drift in terms of pesticides, the effects pesticides have on soil, contamination and runoff, the whole area of household garden weed and pest supplies that are sold in grocery stores throughout the province, right next to people's milk and food and how that is completely unregulated, how cashiers or staff in grocery stores or area stores that sell this material go home sick or afraid when bags of chemicals are opened and spilled in the store. Then there is the whole issue of hazardous waste.

To end off, I will go back to issues around this government's policy with respect to funding environment groups and funding interveners who are trying to raise concerns and send out a few flags of warning, and how this government seems to have

adopted the policy, in terms of funding these groups, that they will only contract with these groups, they will only fund groups that they feel are going to do something that they agree with. That is what it seems, because all of the groups that had gotten funding in the past, that were doing things that were, it seems, not in keeping with the government's plans or perspective are no longer receiving funding.

On that note, I think I will turn it over to my Liberal colleague, and as I said, I would like to try to take a bit of a different approach with the Estimates this time. I hope the minister will agree to answer questions in a more broad way. Quite frankly, I find that the way the department is organized and the way that the Estimates books are prepared is really inadequate and frustrating to try to get a clear picture of the department.

As I said, I feel like I have been denied access in getting information, even public information, from the department. I have with me the phone book from the government, listing all the staff, and I hope that will help to guide us as we try and understand the way that the government has changed the department. It seems that again, with so many departments this government has changed, they have put more of an emphasis on creating a communications branch or a media relations branch so that they can have some more control over the message that gets out, so I have some questions about that. Thank you very much.

Madam Chairman: We will now have the introductory statement from the critic for the second opposition party, the honourable member for St. James.

Mr. Paul Edwards (St. James): Madam Chairperson, I do not intend to speak at any great length in the opening statements. I think we want to use our time in the Estimates process as effectively as possible. We have numerous opportunities to pontificate to one another about how we feel about the larger issues. I would like to get to some pointed questioning of the minister in this department.

It has always been interesting to me, Madam Chairperson, that this department, I might say like the Department of Labour, is a department which actually is relatively small. In fact, the Department of the Environment is quite small in terms of the funding that it receives from the general revenue fund, yet the impact, I think, far outweighs what the numbers would reflect. I said that earlier today

when we commenced the Department of Labour Estimates. I think that it true in that case as well. It is certainly true with respect to the Department of Environment.

That is because the Department of Environment is primarily a regulatory department. It is a department which is there to give leadership on developing regulations and legislations that affect environmental development, and the way things occur in Manitoba, what occurs in Manitoba, that impacts on the environment. It is also there to enforce and make effective the regulatory regime it establishes. So the Minister of Environment is called upon to lead, and I think the Department of Environment is called upon to lead in the community in terms of being at the cutting edge of what the community expects of us as custodians for future generations of our environmental habitat.

We are stewards for future generations. I have said that, I think, every time I have done the—actually this is only the second time I have done the Department of Environment Estimates, but I have said that on numerous occasions prior to that. I think that this minister, this government and whatever future governments there may be have to take a view of the environment that, where will it be in seven generations. I do not pick seven because it has any magical purposes, but I think it is an appropriate symbol that, in seven generations, none of us will know who our descendants will be or what will be happening in this province or whether it will be a province. One thing we will know is that they will still need air, clean air. They will still need fresh water; they will still need the trees, rocks. They will need it. If they are going to live here, they are going to need it.

Madam Chairperson, we in Manitoba, as stewards of this piece of the Earth, have a particular responsibility. Why? Because we are blessed with an abundance of all of those things I have mentioned which are necessary to sustain life. Not only that, there is a pleasure in experiencing our wilderness and the pleasures that our province offers, the wonders of geography and of our lakes. We have only one million people in an enormous tract of land, and I think that gives to us both the ability to take advantage of those resources in a responsible way but also the obligation to protect it, not just for Manitobans, not just for Canadians, but as our commitment to environmental protection around the world.

* (2240)

It starts at home, and that is probably more true in the area of the environment than anything else, because if everybody took care of their corner of the Earth, then none of us would feel the effects of environmental degradation at the hands of industry, or man-made pollution, because the one thing we know about environmental degradation is that it travels. You cannot restrict it. No border restricts air pollution or water pollution or the destruction of ecosystems. The destruction of the Brazilian rain forest is a problem for all of us, Madam Chairperson. If we are polluting our rivers and streams in Manitoba, it is a problem for all of us around the globe.

We cannot say that we have restricted environmental problems when 400 oil wells are burning out of control in Kuwait and when the rain forest is being destroyed in Brazil. That is not the way it works, and it is an interesting situation because, if there is anything which should force us to become a world community, it is that. It is of necessity.

We can build borders and keep food and money inside borders. We can do that, but one thing we cannot do is hold off, keep ourselves away from, or build a wall between us and some other part of the world that does not care about the environment. It does not work that way, and very tiny nations with very small pieces of the globe can do an enormous amount of damage for all of us, Madam Chairperson.

That is the interesting thing about pollution and about destruction of the environment. It calls us to be internationalists like no other governmental concern, I believe, fiscally and in terms of our systems. Our justice system, our system of family services and education, all of those things, we deal primarily with Manitobans; issues of the environment, I do not think we do. I think we are called upon to go beyond the concerns that are provincial, and I think that we are called upon to subscribe to a vision of stewardship of the environment.

If we are going to go to the 1992 World Conference of United Nations leaders, of every nation that attends, the leader of that nation, the head of state, must attend at the 1992 United Nations Conference. One of the fascinating things is that Maurice Strong, a Manitoban, is organizing

that. What a proud moment that will be for Manitobans to have a native son at that level of influence and at that level of authority on those issues. How tragic it would be if he went and was there organizing that conference and right here in Manitoba we were not leading as he would have us on issues of environmental concern.

Madam Chairperson, I think that we in Manitoba have an opportunity to lead, and we have every reason to lead. What I am concerned about is that this government has the willingness to lead. I think it is unmatched in this nation. For sure, it is unmatched in the history of this province, but probably unmatched in this nation in terms of pumping out nice-looking, nice-sounding environmental rhetoric. That is what a lot of it is.

It comes out in recycled and recyclable stuff. It comes out with the little flecks so everybody knows that it has been recycled, and the stuff looks great, including the state of the environment report, nice looking book, pictures, all kinds of stuff. You know, when you cut right through that and you get to the substance, it is my view that we have done some things, but we have not come close to matching the rhetoric yet. The rhetoric is there. That is perfected, and that is quite an achievement, but at some point, somebody is going to say, well, what have you actually done to improve the environment? Where are we now in terms of leaving seven generations down the road what we now know as Manitoba? What is the state of the water? What is the state of the air? What is the state of the land and those things that are on the land? The forests and the rivers?

Madam Chairperson, I do not think that we are anywhere near where we should be. We have the round table, and we have the Environmental Council, which the minister says now has a grant. So he cast this as they now have control over their budget and they should be happy with that. Well, they are not happy. They are far from happy, and they had their budget cut. The minister cannot say it any other way. It is right there. It was cut.

They had two staff positions, they do not have two staff positions. I would be interested to see how he calls that equivalent or an increase. I do not think that he has called it an increase, I think he said that they were not cut. They were cut. That is akin to the Premier saying in defence of Oz Pedde's raise, it is not an increase, it is a decrease. Figure that one out.

Madam Chairperson, those are some brief comments. I look forward to a line-by-line analysis, but I want this minister to know that I have faith that he is the minister to do it in this government, I really do. This government, I do not have a lot of faith in, Madam Chairperson, but let me tell you, if somebody is going to be the environmental conscience of this party, it is going to be this minister because when we get through a lot of the rhetoric, which I think emanates not so much from him as from the Premier, I mean let us face it, the Premier is far better at that than this particular minister, something he should be proud of.

I think that we need some leadership, we need the minister to perhaps tone down his Premier and start speaking to his cabinet colleagues not in terms of dollars and cents because this department is not about dollars and cents. Not in terms of, well, what are we going to do in Pelican Lake? What are we going to do down in the southern part of the province with our water problems? Not in terms of Repap, not in terms of Conawapa, those are important, those are facing us and those are what we are going to talk about in the Estimates.

I want him to talk to his cabinet colleagues about what the meaning of environmental stewardship is. I want him to communicate to them the sentiments I have discussed today, which are that we are not alone in this. What we do here will affect the world. Everything that is degraded environmentally will travel, Madam Chairperson.

This is an area that, if we really want to lead in Manitoba, we can make an impact. I want this minister to be the one do it, and I want him to convey those sentiments and speak up for them on every issue that comes up because, Madam Chairperson, while there may be some that he raises it where it is not totally relevant, my guess is most decisions made if you really look at it have some environmental impact.

There are not many decisions which are made that do not have some aspect of it which could potentially or does indeed affect our environment.

Madam Chairperson, the environment in this province needs a spokesperson and needs a leader. As I say, they know the language and they have got the words. It is time to put action to that. They have got three years, maybe four, to do it. It is with those thoughts in mind that I approach these Estimates. I think we get bogged down on the

details and I think we will have our spats as we did in the last time, but that point is that it those sentiments which I believe should drive this minister, and not so much the things he told us today in his opening statement.

* (2050)

He did not tell us in his heart of hearts what his job means to him. What he told us was something scripted and, yes, we do this, we did this this year, and we did that, but I would like him to tell us at some point what he wants people to say about him as the Minister of Environment for some years, and at a critical time in the history of this globe, if and when he leaves his post.

Madam Chairperson, with those thoughts, I look forward to the Estimates process in detail.

Madam Chairman: At this time, I would request that the minister's staff please enter the Chamber.

Mr. Cummings: I would just like to introduce the Acting Deputy Minister of Environment, Norm Brandson, and our Director of Administration, Wolf Boehm. In keeping with the size of our department, we have a skeleton crew on tonight.

Madam Chairman: Page 53, Administration and Finance (b) Executive Support: (1) Salaries \$275,100.

Ms. Cerilli: Madam Chair, can the minister start off by explaining what is the difference between Executive Support and Planning and Innovation with respect to what is the difference between what these two areas do?

Mr. Cummings: Well, Planning and Innovation, first of all, has a very wide scope within the department. Our department has such a wide range of activities that they can become involved in. I am not sure in the Executive Support if the member is using the same term that I would apply to it, and perhaps I should check the terminology that is used, but Executive Support would be the ministerial office and the personnel that are working there.

(Mr. Gerry McAlpine, Acting Chairman, in the Chair)

If the member is interested in what I have in my office, there are two secretarial support, and I have a special assistant and an administrative assistant.

Ms. Cerilli: So the Planning and Innovations branch is in a sense the departmental research area. Is that correct? Executive Support is staff who assist the minister, yet it says that it is

co-ordinating departmental communication activities, provides overall policy direction for the departmental programs, and to promote, analyze and implement new policy project ideas. So I guess maybe explain then the relationship between the staff there and the staff in the Planning and Innovation department.

Mr. Cummings: The Planning and Innovation, first of all, their objectives would be to promote, analyze and implement new policy and project initiatives, to actively promote environmental protection and sustainable development.

I can get into some the specifics of what that involves, which would be planning and co-ordination regarding the support to the Canadian Council of Ministers, of strategic planning, issue management on issues that may come up from time to time and community liaison where they work on an ongoing basis with a number of community groups that are looking for information and support.

Development and innovation is also part of the responsibility. The Innovations Fund project review and evaluation is done in that sector. Environment and economy—sustainable development policy is developed there as part of our new policy developments. Economic impact assessment, waste reduction—the WRAP strategy is administered in that group, basically was organized by them, and does industry consultation and promotion of waste reduction and the enforcement, as well, that would fall under the WRAP act.

I do not know if the member wants to get into it at this point; there are a number of things that we expect will come out of the branch, a rather impressive list, considering the size of the branch, but a lot of these projects are underway or have started, and they will be following through.

For example, we are doing policy papers on management information, technical papers, impact assessments related to policy. An example would be the WRAP legislation—ongoing management of the Innovations Fund, as I stated earlier, liaison with the Department of Finance regarding environmental excise taxes, project management of new initiatives, strategic planning workshop co-ordination, communications strategy, communicate the strategic plan outside of the department, a number of briefing books that have been developed for myself and for the deputy minister. That is a brief

overview of Planning and Innovations. I am going to leave it at that.

Ms. Cerilli: I am having some difficulty hearing. I do not know if it is a combination of my ear set and the air conditioner.

Mr. Cummings: Oh, I thought it was me.

Ms. Cerilli: Or it could be the minister. It could be my ears.

What I am trying to get a clear understanding of is: How does this government come up with policy? Who is responsible for initiating policy? Is it coming from Executive Support, or is it coming from Planning and Innovation, or how do the two work together?

After that, I am going to ask some questions to get a clearer understanding of what the policy priorities are. To start off with, can the minister explain how the various policy priorities are coming about in the department?

Mr. Cummings: I think, first of all, it should be clear that government sets broad objectives and policies for itself across all departments, general thrust of the government and the direction that it wishes to move. Certainly, when we have talked about sustainable development, we have talked about the interrelationship between the number of departments, including this one, and how they can best deliver policy objectives within the broad policy objectives and framework of our government. There are also a number of specific issues that I referred to that are within the department primarily, or where the department takes responsibility for its section of delivering policy on behalf of the government and putting that into programs that effectively can deliver the required service or information to the public.

So, if you are asking me—does this branch develop the environmental policy of this government?—we have set our broad direction through my office and the deputy minister's office. We set our direction as a department, and the policy and innovation branch will bring forward initiatives as well. Certainly, that is one of the things that I encourage, and I think we should all encourage initiatives within our departments. People have ideas, they should feel free to bring forward and promote them, but in the development of policy, it is first of all a general direction and objectives of the government and then we work within that framework. We work closely with Natural

Resources and Agriculture for that matter in how we deliver on the regulatory side.

* (2300)

I think that is another thing that is interesting, referenced by the other critic as well, that we are a regulatory department as well as putting forward direction and initiatives on environmental policy. So there are two sides to what we deliver. This is more focused and has spent a lot of time primarily within this one branch working on our waste reduction strategy and providing initiatives that are more departmental driven than some of the broader initiatives that I am talking about.

There is a connection here that I think needs to be made as well, and that is that we also do a lot of work, I would think more than some other departments as a matter of fact, in working with other jurisdictions, as the environment, as has been stated here tonight, does not stop at the border. We work rather closely with the neighbouring provinces, all provinces really through CCME. We spend a lot of time, the department, deputy minister, and to some extent, myself, spend a lot of time working with other jurisdictions in developing national responses to environmental issues. The Packaging Protocol is another example that is used quite a bit, but it is not necessarily the best example.

One of the things that we have spent a lot of departmental time on is, as a matter of fact, bringing together an environmental assessment process so that all jurisdictions will deal with similar standards across the country. Dealing with legislation, not only our legislation but federal legislation and co-ordinating with legislation in other jurisdictions so that there is, to the best possible way, not a number of environmental ghettos created across the country, if you will.

So your question was, how is policy developed? I think I have answered that. How is it delivered? Through the direction and support through this branch, a lot of the initiatives can be put out to the public. The other side of the department is much more regulatory.

Ms. Cerilli: The point I am trying to get at is, the Department of Environment has a lot of work to do in a government. Think of it as, that you have a team of horses. The Department of Environment is the head horse and is trying to affect particularly departments like Finance, Natural Resources, Agriculture, some of the larger Crown corporations

to try and steer them into a more environmentally friendly sustainable way of leading their area, of setting policy for their area.

I look at the annual report on page 14 from last year, and I see that there are ozone depletion projects, radon, recycling, ACRE and then a few other things. In my mind, we can have policy that is going to deal with government programs, or we can have policy that is going to deal with legislation, and in both of these, what I am trying to get a clearer picture of is, how is the government setting its agenda?

We had hoped that the State of the Environment report would tell us, hey, these are the important things. This is what we have to put our energy in. We have limited resources in the government, but these are the problems we need to address. What I am asking is, how are those decisions being made?

Mr. Cummings: First of all, Mr. Acting Chairman, let us deal with the comments about the State of the Environment report because there has been a reference several times this evening already.

The State of the Environment report is intended to be a snapshot of environmental matters, environmental issues and the environmental conditions at this particular juncture in our history, a basis upon which we will have a benchmark when the next one is put forward within two years time. The question was asked many times whether or not this was to have been a blueprint, if you will, and I think that is the direction the member has been heading. Is this going to be a blueprint for the establishment of government policy relating to the environment.

First of all, there are obvious problems that have been identified in the report. Despite the fact that the member and her colleagues have tried to downplay the importance of the report, you would have to agree that it has been honest in pointing out what we consider are some problems in the environment. Therefore, to that extent, it is an obvious response of this government to need to be able to deal with or know if we have a plan in place to deal with what those concerns and issues are.

If that plan is in place today, we will be able to know if it is working if we see some response to what it is we are dealing with as we assess the state of the environment down the road, or if there are other things that we need to do further in developing an

approach to protection of the environment. That is only one facet of how you develop policy, particularly as it relates to environment.

There are a number of objectives that we are responsible for. We need to first of all exercise our responsibility on the regulatory side. That ultimately leads to, or should lead to, improved environmental conditions. The other side is the promotion of improvements and interrelationships with other departments.

I think one of the rather interesting things that has happened is the fact that with the restructuring of our cabinet, restructuring of cabinet committees, the Department of Environment does have an opportunity to influence a lot of departments. I take full responsibility for whether or not we are judged to be successful in that relationship.

The fact is, Manitoba Hydro, for example, has made some significant changes in its hierarchy as to how it deals with environmental matters. They have had a lot closer contact with the Department of Environment in the last while as we move toward regulatory control of what they are entering into.

The Department of Agriculture, the Department of Natural Resources, the Department of Energy and Mines all sit on the Sustainable Development Committee of Cabinet which I chair. It is a very good opportunity for the departments to influence each other, not just for the Department of Environment to influence them, but to influence each other.

One should remember that Environment was essentially the regulatory part of Natural Resources when it was split off to become a standing Department of Environment. Natural Resources has a significant regulatory role and promotional role to play as well. Agriculture is obviously a high priority. There has to be the protection of the natural resource that agriculture needs to have in order to flourish.

Yes, in terms of influencing other departments, Environment has a role to play. We also have a very significant regulatory role which causes a ripple effect and a reaction through a number of industries. Therefore, ultimately we will be judged, as we have already been judged by some standards.

* (2310)

A few years ago, we were judged as being very low on the environmental rating. Some polls now show us as being somewhere in the middle or above in terms of how we deal with the environment in this

province. I do not place an enormous amount of importance on that type of evaluation. I am more concerned about getting the job done.

(Madam Chairman in the Chair)

If somehow the member is trying to determine how we develop policy, we develop it on the basis of environmental protection and that can be accomplished through a number of—and environmental enhancement. We need to also recognize the very real role the environment plays in sustainable development. If you are going to have development in this country which provides the jobs, which provides the employment—we are a resource-based province in many respects—if you are going to continue to have those resource bases at your disposal for the improvement of your community and the people who live in it, you have to make sure that those resources are cared for.

I happen to have been around long enough that I can remember when the word that was used was "conservation." There is a lot more to looking after the environment than just conservation, but we need to remember that this is the basis upon which our society has flourished to the extent that it has.

Ms. Cerilli: I am going to, perhaps, try to ask a specific question that maybe will deal with what I am after. With respect to agriculture and organic farming, is there any involvement from the Department of Environment and the minister's office with respect to working with the Department of Agriculture to look at implementing any kind of policy or programs or initiatives in the agricultural community to start moving towards organic farming or decreases in the amount of pesticide use or other harmful farming practices in terms of harmful to the environment?

Mr. Cummings: I almost wish the member had not asked that question because the very angle from which she has asked the question I am afraid gives me some cause for concern. It seems to me the question is based on the assumption that the only way to improve the agricultural environment and the protection of the natural resources that we are using there is to go to organic farming in a large way.

If that is the assumption that the member holds—I am not sure that it is, but that is the reading I take from her comment—then I would suggest we might be here for a long time tonight, because I have strongly held views on how we can improve the protection and the enhancement of our

environment. We need not necessarily go back to pulling a one-furrow plow with horses, which is getting back to spreading the seed by hand. You would not want to burn all that fuel going across the fields.

It seems to me that the Department of Environment has had a rather significant ability to work with the Department of Agriculture. Part of it might be because I can work quite well with the minister, but I think the two departments have begun to work together perhaps a little more than they might have previously because of the fact that we do recognize the interrelationship between how we use and deal with our resources and how that affects our overall environment.

The Minister of Agriculture is quite aware of the soil erosion and what that means to water and to the long-range quality of the soil. That is one of the most significant concerns that long-term sustainability of agriculture hinges on. Interestingly enough, there is a large body of thought right now that would say that minimum-till or no-till agriculture will maintain the soil and protect it against erosion more than any other method of agricultural practice. Unfortunately, that probably also requires the use of glyphosphates, which is a chemical, and I take it that the member might be rather critical of anyone who used chemicals.

The fact is that the Department of Agriculture supports the work to find alternate chemicals as agriculture does, because present chemical costs are extremely high. Alternative chemicals, better biodegradable chemicals, are a reality today. They need to become much more of a reality and much more efficient or we will have the scenario that I talked about earlier where agriculture will not be able to remain competitive and we will either resort to only feeding ourselves within this country, or we will not be able to compete on the world market.

I think that is critical in terms of—the member is very prone to talk about the protection of society and those who are unable to look after themselves, whether it is here or around the world. I would suggest, if Canada compromises its ability to put food on the tables around the world at a very reasonable cost, then it has to look at much more than organic farming, it has to look at more cost efficient ways of producing, and some of those, all of those, as a matter of fact, changes need to be assessed in terms of their environmental impact.

There are chemicals that are being phased out today that, if they had applied for licences to Environment or Agriculture Canada under today's regime, they would not have gotten licences, but they were able to attain them a few years ago. As knowledge grows, we are eliminating those chemicals from use, and they are being replaced with more environmentally friendly ones. I think we would all be happy the sooner that we can get to much less toxic materials, or certainly materials that are biodegradable and therefore much less of an impact on the environment.

Ms. Cerilli: I would like to thank the minister for making clear his position on that issue. I do not want to get into too much of a debate on agriculture-related economics, but I appreciate seeing where the minister is coming from.

With respect to Executive Support, I would like the minister to explain then the six staff who are in the managerial area. What are those staff doing? What are their position titles, I guess, in a way that is going to give us a picture of—what are the responsibilities that those staff have in relation to the objectives of the department, of the branch?

Mr. Cummings: Well, first of all, Madam Chairman, this page refers to the minister's and the deputy minister's offices. There are two secretarial support in my office, two secretarial support in the deputy minister's office, and I have an executive assistant and a special assistant, as I indicated earlier.

In delivery of the programs, I have other responsibilities besides Environment that collectively take up the time and the responsibilities of the two assistants who are in my office. I can indicate that the secretarial staff seems to be fully occupied, given the paper flow between my office and the deputy minister's office. The fact is that you need to be able to oversee departmental policies, make sure that you have the proper response to a number of things which come through the minister's office, varying from phone calls on particular questions or concerns all the way through to the implementation of new waste disposal ground regulations.

All that work has to be at some point co-ordinated or directed through these two offices, so it really is a focusing of the implementation of policy and the delivery to the public of the number of programs that we are responsible for.

Certainly on the regulatory side, that is a decentralized service as much as possible in the regions. Where the need is for regulation, then that is done as close to the site as possible, or close to the region as possible. In development of legislation, regulation, and emergency response, all of those types of activities tend to be more centralized in the department and therefore a little bit closer to the deputy minister's office.

In terms of delivering policy, which I think is where the member is still continuing to question—how do these six people help us to deliver the policy?—first of all, in getting the direction from the deputy minister's office through to the department and communication between myself and the deputy minister's office on all of the things that have to move out into the department so that the work can be done, it is strictly as the heading says, administrative support.

* (2320)

Ms. Cerilli: I guess part of the question I had asked earlier was, what criteria, what consideration is the minister using to set the priorities that he is selecting for the focus of the policies that are coming out of the department?

Mr. Cummings: I do not want to appear to be filibustering my own Estimates, but this will take a few minutes to answer. When I came to the Department of Environment, there were a number of initiatives that had been started by the member for Portage la Prairie (Mr. Connery). A number of those were in the early stages, and since then, we have as well developed some additional initiatives through the department to carry out what were the identified priorities of this government. The fact is, we know that waste, using the generic term, is an issue that needs to be dealt with.

First of all, there is the domestic or the municipal waste. More importantly, however, and one which I personally put highest priority on, is hazardous waste and industrial waste that need to be dealt with. We also know that the majority of the responses that we will get in terms of environmental regulation and enhancement within our own province are as a result of regulation.

We know that we need to have properly put together regulations under our act. We are dealing with a new act which was proclaimed by the minister just ahead of me. That, in itself, has been a major thrust within the department, to be able to be in a

position to do the licensing and the enforcement that is required.

The department has a tremendous monitoring responsibility in a number of areas. Monitoring seems like a rather inactive word in and of itself, but the fact is that in order to make decisions, to make recommendations to other departments, to make regulatory decisions, to make licensing decisions, it needs to be based on good information, whether it is water quality, whether it is air quality, whether it is emissions of any other nature.

That work needs to be done. For example, we have restored the water and air quality monitoring and enhanced it to some extent compared to a few years ago. That is an important initiative. Even though it is not one that grabs headlines across the province, it will allow this department and the regulators to make much better decisions that will allow the policymakers to develop further policy in terms of how that is dealt with.

We are the regulator in relationship to environmental licensing. That means we work very closely on forestry even though we do not have foresters within our department. We work with the other responsible departments dealing with the other environmental issues that flow from forestry and the licensing of forestry activities.

In the main sense, the department ends up being the arbitrator in terms of action that it may be as a result of initiatives within other departments as well, keeping in mind the responsibility that they have for environmental protection and enhancement. They are making sure that in the licensing process, for example, that environmental issues are given the proper level of consideration that should be in place. All of that is part and parcel of expanding to fulfill our mandate.

The other initiatives that come from within the department over, I think I listed some of them earlier on. In fact, the department quite some time ago identified that there needed to be more information available on radon and pulled together an information package so that we could do an educational and informational program in the province dealing with radon, primarily to get the facts out there and so that people could make intelligent decisions in their own minds about the perceived risk associated with radon.

The water quality, a fair bit of that is done within our department, but it is also done within Natural

Resources and making sure that information is available to the department.

The other aspect that we have not mentioned tonight is that the department has the responsibility for Ward Lab where there are 40-some employees. We have a responsibility there, a technical responsibility to, not only do our own work, but to be able to provide information as a result of queries that come in regarding certain laboratory and technical services.

The overall responsibilities of the department, therefore, flow not only from the initiatives within the department, they are also at times in response to initiatives that may be from other branches of government as well and in dealing in a responsive manner to those. So Environment has not only a responsibility to move forward in a number of areas of environmental protection but to respond to industry, to other departments of government and to the general public.

Ms. Cerilli: So, just to clarify, I asked the question, what kinds of considerations or things were important to the minister and to the government when it was setting its priorities for policy in this area. From my understanding it is what was in place beforehand, some department research that is being done and the example given was with radon needs, and considering other departments in the government. The minister also listed, I would say, a few priorities then in terms of policy. I would ask the minister to clarify if he thinks I am on the right track or I understood him correctly, and then I would ask the minister, who is he consulting with in making these kinds of decisions?

Mr. Cummings: Okay. Let me try this again. We could take the—and break it down this way perhaps. The set priorities within the Department of Environment by, first of all, assessment of risk—areas of public concern are also another area that we need to respond to, protection of public health. The Department of Environment has responsibility for administration of a section of The Public Health Act across rural Manitoba.

The Department of Environment also has responsibility to take action in areas where there would seem need for preventative action. There is a fair amount of energy expended within our department in dealing with Shoal Lake, for example, even though it is a very small portion of the Shoal Lake watershed that is on our side of the border.

This department has taken the lead and has expended a good deal of energy and manpower, not only in the development of the regulations, which have been the subject of debate between us but in working with the Province of Ontario and working with them to develop management for the future, also in responding to the type of concerns which just magically, as the member happened to say, appeared on the steps of the Legislature the day the State of the Environment report was released. I would suggest, probably magically, appeared there because the former NDP candidate is one of the more active members of that organization.

* (2330)

Ms. Cerilli: Oh, were it that we were that well organized. Oh boy, give us lots of credit. It was a coincidence.

The minister clarified then further some of the other considerations in their approach to policy development in this area. I ask the question again. Whom is the minister consulting with?

Mr. Cummings: Madam Chairman, the primary area of consultation that any government starts with is caucus, priorities that caucus identifies and working through cabinet.

If you want to know how I consult within government—I think the member may be asking, whom do I consult with in terms of the external agencies? Is that the question you are asking? Well, then let us start from the area that I just mentioned. We work with other departments of government.

I guess I sound like a broken record, continually referring to the Sustainable Development Committee of Cabinet, but it has been assigned a significant co-ordinating responsibility and the fact of whether it is me or whoever else may fill this chair, it has been the Department of Environment or the minister responsible who is assigned as the chair of that committee, which gives environment a window into discussions regarding sustainable development, environment-related issues, the number of departments, a significant number of departments.

The Department of Environment obviously consults with the Department of Finance, because there are issues that revolve around what the Department of Environment might want to do, what revenues are available and what other revenue

options the Department of Environment might want to pursue in relation to the WRAP act, for example.

The Department of Environment works—I can give you an example without providing all of the details, because I do not think they have been publicized yet. The Department of Environment worked quite closely through the Sustainable Development Committee with Agriculture in developing federal-provincial consultations and discussions.

So if the member is then saying, well, outside agencies? Before I go to them, let me say, we have another agency within government that is available to all departments for discussion and that is our sustainable development secretariat that I, and members of the department, can consult with. That is why we have policy people within our government who work within the department to work on policy matters and development of policy.

Every time we develop a regulation and/or have a piece of legislation that needs to be brought forward, it is a requirement of our act that we have public consultations, that there be notification to the public and then an opportunity for the public to have input. I think that we do have a significant consultation process that goes far beyond government.

I, also, am a member of the national round table which, interestingly enough, gives me another perspective that I can bring back to the department and, occasionally, gives me some gems of insight that we might be able to start discussion on where we want to be in the long range with our policy. The provincial round table, which has a multisectorial face to it, is another opportunity for consultation and discussion and feedback.

The Environmental Council is available to provide information to the minister. They do it primarily on a written basis. I might add at this point, because I suppose it will be a subject of some discussion, that I have offered the Manitoba Environment Council to have either myself or a member of my staff at every one of their meetings so we can have a direct response back to my office. We have had I think three, maybe four, of our strategies for the province out for public discussion and for feedback. The soil and water, the forestry, and the energy strategies have all been out for public discussions.

I, also, have always tried to practise an open-door policy at my office. I try to make arrangements to

meet with those, whoever, that will want to come forward and give me advice. Of course, there is lots of free advice available via that route.

Madam Chairman: Item 1.(b) Executive Support (1) Salaries \$275,100—pass; 1.(b)(2) Other Expenditures \$84,100—pass.

Item 1.(c) Planning and Innovation.

Mr. Edwards: One of the objectives of this branch is to promote, analyze, and implement new policy and project initiatives. The minister spoke earlier, briefly, about this branch. One of the new policy initiatives which I became aware of was one that emanated from the federal level, and the minister may want to refer this to his intergovernmental and legislation branch, but I wonder if he would be interested in responding to the House of Commons Standing Committee on the Environment's third report on global warming. That report was issued March 25 of this year.

One of the recommendations in that is that Canada should adopt the target of reducing the intensity of energy use in the Canadian economy by 2 percent annually until our emissions of carbon dioxide are reduced to a level which does not contribute to the further accumulation of carbon dioxide in the atmosphere. I wonder if the minister could comment on whether or not the Manitoba government has expressed its willingness to participate in that target.

Mr. Cummings: First of all, let me say that before I respond specifically to that aspect of the global warming issue, Manitoba is an active participant at the National Round Table as well in terms of developing Canada's position internationally regarding the conference '92 and UNCED. So while we certainly have been involved in the discussion and response to the issue, primarily as a strategy, Manitoba works through CCME in terms of dealing with the federal government as to what national strategy should be adopted. The provinces and the federal government have been working on development of a strategy, but there has not been an agreement up to this point in setting specific target levels.

I am not sure what part of that report the member is reading from. Obviously, Utopia is if all contributors to CO₂ become neutral in terms of whether or not the ability to remove CO₂ is not exceeded by the ability to produce it, but CO₂ should not be seen as the only greenhouse gas out

there that we need to be concerned about. Manitoba has certainly been an active player in this, but at the same time, we are also a minor player in terms of the ultimate volumes that need to be dealt with across the country, and we have been prepared to work with the authorities to keep our share of the quota down.

* (2340)

Mr. Edwards: Clearly we are not going to be the major player in reducing national emissions by 2 percent. Ontario and Quebec and other more populous provinces will be that. All the more reason, in my view, that Manitoba should lead. It is easier for us to do.

Can the minister indicate, and maybe he cannot, whether or not this report has been studied by this Planning and Innovation branch? What recommendations have they discussed with their federal counterparts, and in particular, is the 2 percent goal of annual reduction in the emissions of carbon dioxide accepted as an appropriate target by the Manitoba Government?

Mr. Cummings: First of all, yes, the Planning and Innovation branch has been reviewing the report that the member is referring to. Let me just expand a little bit in my response and include the fact that Manitoba is actually seen to be one of the leaders in terms of how we are dealing with SO₂ emissions. While we may have trouble falling right on the deadline with Hudson Bay Mining and Smelting, Manitoba has recognized its responsibilities, Inco and Hudson Bay have both recognized theirs. Those are considered two of the major point of emissions that—well, the only two major point of emissions in this part of the country, and they are considered major sources.

If the member's concern is, is 2 percent a laudable objective, of course, it is. Attainable, perhaps, but it needs to be put in the overall context of how we respond across the country, because what this leads very quickly into is the argument that Alberta has in terms of emissions. The fact is that natural gas is seen to be a very clean burning fuel. Alberta for example becomes a major source of pollution because in the production of natural gas they are giving off inordinately large amounts of CO₂, I believe it is, in the production.

So there is an imbalance that needs to be dealt with in a national strategy as well, because if you put a cap on Alberta for example in order to allow

Ontario to reduce its emissions, what does that do to the development of a national industrialization policy in this country?

Mr. Edwards: . . . Madam Chairperson, one of the examples the minister used of progress on the issue of air quality was the Flin Flon air quality control procedures, which was tight—

Mr. Cummings: In recognition of our responsibility.

Mr. Edwards: Yes, well, whatever. He says, recognition of their responsibility.

I received a press release dated April 30 which highlighted that. Air quality control tightened in Flin Flon, it said. It talked about taking quicker abatement action when sulfur dioxide levels became unacceptable and informing residents more quickly when sulfur dioxide levels reached unacceptable levels.

We have the member for Flin Flon (Mr. Storie) here. Perhaps he would be better to ask those questions. Seeing as he has not, I wanted to pursue that with the minister. What has been the arrangement with HBM&S in Flin Flon with respect to the stack itself and the emissions which are coming out of it? This press release is talking about abatement, talking about what to do when the levels are too high. What action is being taken or is going to be taken to control the emissions themselves before they reach the unacceptable levels?

Mr. Cummings: There has been some remedial—we are talking about Hudson Bay specifically. The bottom line probably is that they would have to shut the plant down in order to control their emissions completely or control them to a significantly lower level.

That is why it is recognized that there needs to be replacement of the smelting facility there. We understand, and I believe the people of Flin Flon understand, that we have to keep the emissions as low as we can to make sure that health issues are protected primarily. I would give the HBM&S some significant credit to the management that has come in in the last six months. They have been more willing and have demonstrated better ability, I believe, if I recall the reports that I have had from the department, to control their emissions and to deal with them. I cannot tell you specifically the actions that they are taking except, to be quite clear, that what I said earlier about the ultimate fix is still to come. We believe it will.

Mr. Edwards: Madam Chairperson, there was discussion for many years about some type of upgrading of the scrubbing equipment, the stack itself, at HBM&S and some kind of means by which that could be financed. I think the government at one point was participating. Are those discussions over? At what stage are they at this point?

Mr. Cummings: In fact, this is a good example of where the Department of Environment has worked closely and, I believe, productively with other departments. The Department of Mines and Energy has the lead responsibility in this area, but we have worked in terms of setting environmental standards that would be required by any changeover, by any new development.

The fact is, we have been saying for a number of months, that we were close to getting these negotiations in place, but I would restate that I believe this matter is approaching a conclusion and that we will have a positive one. I cannot make that statement with any conviction until the Minister of Energy and Mines (Mr. Neufeld) has finalized the negotiations.

Mr. Edwards: I think we all look forward to a positive statement. We can only hope at this point, but it would certainly be nice for the residents of Flin Flon and good for the province.

I am very pleased to hear that the minister speaks well of the management at HBM&S in that regard; it is a credit to them, if they are, indeed, coming to this with an attitude of co-operation and one where they want to find solutions which are both affordable and effective.

With respect to the target of 50 percent reduction in per capita waste by the year 2000, could the minister indicate how we are doing?

Mr. Cummings: I am sorry—I would just add one comment regarding the previous question, and that is the local emissions that are causing the problem are coming out of the mill house and not the stack itself.

On the second question, the matter of how are we doing in terms of assessing whether or not we will accomplish our goal of reduction by the year 2000 of 50 percent, I would say that we have made some progress. We do not have a quantifiable figure that I could give you at this juncture. We have to demonstrate some ability to get materials out of the waste stream, in the next short while, more efficiently than what we have been able to do up to

now. The fact is that in dealing with targets and developing of the regulations under the WRAP act, I have taken, and through the department and through our government we have taken the position that there are certain products that are more obvious and that might be more important that they be taken out of the waste stream first. Whether they will ultimately contribute to this measure that we hope they will, in terms of 50 percent or not, remains to be seen.

An obvious one is tires. An efficient means of removing them from the waste stream and using them will reduce some volume, a significant volume, but it also will provide much better conditions in the waste disposal grounds to get them out of there.

Used oil or any of those types of materials that are occasionally dumped in certain licensed facilities and occasionally dumped in certain unlicensed facilities, it is also very important that we deal with them up front.

* (2350)

Newsprint and recyclable beverage containers, beverage containers are a small part of the waste stream, they really are. They are a litter problem and they are an optical problem for government or for the producers of them, but in terms of actual volume in the waste stream, they are small.

Newsprint is significant. Corrugated cardboard is significant. Newsprint can be—I believe there is almost 30 percent of it. Newsprint and cardboard, I believe, can approach 30 percent of the volume in the waste stream, so if you can have a major impact there you will come much more quickly towards achieving your goals. That is why we picked the four priority items that we did, but I cannot give you a quantifiable assessment of how we are doing except that I hope that by this time next year I will be able to.

Mr. Edwards: I hope so too, Madam Chairperson. What is happening with the Abitibi-Price plant? Does the minister know whether or not we are going to have a de-inking facility there, something to handle the newsprint? Newsprint—the statistic he just gave us is really interesting, in my view. If we are talking about that high a percentage—I think he said 30 percent of the quantity of material entering the waste stream—that would appear to be something certainly to key in on. Have we in Manitoba got some hope that we are going to have an economically viable de-inking facility so that we

can serve our own market, perhaps other markets, and deal with newsprint effectively?

Mr. Cummings: I think the biggest concern is that the long-term viability of Abitibi be preserved. I cannot answer your question directly. Certainly the employee-management group that is looking to take over the corporation is confident that they can do some important things. First of all, they have got to meet national environment standards at the mill. They need to make an effort in that direction. The mill is getting old.

Abitibi, however, has one of the better forest management records around. They have done a pretty respectable job of managing their forestry and, therefore, they have a good supply of raw product that they have husbanded over the last 50 years.

We have some reason to be optimistic with the employees hoping to be able to invest and have the opportunity to keep the plant going in that respect. Certainly, I would want to see an increased ability to recycle. Whether that will be a de-inking facility or some other means is yet to be decided. Frankly, it is not something that I can talk about with any assurance, except to say that those issues that I just named are all the issues the perspective purchasers want to deal with.

Mr. Edwards: Has there been any discussion from the employee-management team as to tapping some of the resources available in the Environmental Innovations Fund for that type of recycling facility?

Mr. Cummings: Well, there have always been questions raised in that respect. Frankly, the amount of money that would be available out of the Innovations Fund, given the size of the fund—it is not a huge fund. Looking for the amount of dollars that they would need, it probably would not make the difference but there certainly has always been a willingness to try and have a closer to Manitoba market for used paper. The Dryden plant is going

to have some significant impact but it is still a long ways away from us.

I, T and T has been the lead department in this area and, of course, they have other programs that would provide the same type of assistance that you are looking at.

Madam Chairman: Item 1.(c) Planning and Innovation: (1) Salaries \$467,800.

Ms. Cerilli: I was talking to the member for Flin Flon (Mr. Storie). I move that we adjourn for the evening.

An Honourable Member: You want to finish this section?

Ms. Cerilli: No. I have a number of questions. Pardon?

An Honourable Member: I just thought you would want to finish this section. She said we can finish this section.

Ms. Cerilli: No, I would rather not.

Madam Chairman: Order, please. What is the will of the committee?

Ms. Cerilli: Rather than get started, I will just ask a few questions and call it twelve o'clock.

Madam Chairman: The honourable member for Radisson is moving that committee rise.

Mr. Cummings: I recognize this is not necessarily a debatable issue just on procedure. I am at the will of the critics. If you wish to adjourn, I am not going to fight. If you want to ask a few questions till we reach twelve o'clock, then please proceed.

Madam Chairman: As agreed, committee rise. Call in the Speaker.

IN SESSION

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 15, 1991

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