

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 25 August, 1986.

Time — 2:00 p.m.

### OPENING PRAYER by Madam Speaker.

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

### INTRODUCTION OF BILLS

**MR. F. JOHNSTON** introduced, by leave, Bill No. 55, An Act to incorporate The Royal Winnipeg Rifles Foundation; Loi constituant en corporation "The Royal Winnipeg Rifles Foundation."

### ORAL QUESTIONS

#### MTS - PUNR, calling of re MTX

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

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the Minister responsible for the Manitoba Telephone System.

It's my understanding that representatives of the government and/or the Crown corporations involved are unable to meet in committee tomorrow morning.

I wonder if he can indicate whether or not the Committee on Public Utilities and Natural Resources will be sitting tomorrow evening from 8:00 p.m. to 10:00 p.m. to deal with the MTS-MTX report.

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

**HON. A. MACKLING:** Madam Speaker, in those matters of arrangements for committees, I defer to the House Leader.

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

**HON. J. COWAN:** Madam Speaker, I had a brief conversation with the Opposition House Leader on Friday afternoon, at which time he indicated that they did not propose a meeting on Tuesday morning, but would rather have a meeting of the committee on Tuesday evening. — (Interjection) — Well, whatever. The Opposition House Leader is now saying that they have proposed Tuesday morning and that we didn't want Tuesday morning.

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

**MADAM SPEAKER:** Order please.

**HON. J. COWAN:** All I'm telling you is that in the meeting in the early afternoon with the House Leader, he

suggested Tuesday evening. I told him I would take that under advisement. It is not our intention to have a meeting of the Public Utilities Committee on Tuesday morning, nor is it our intention at this time to have a meeting of the Public Utilities Committee on Tuesday evening.

However, I would like an opportunity to discuss this further with the Opposition House Leader to determine when a mutually agreeable time might be for that particular meeting. As you are aware and as we've indicated in the past, we have tried to work, whenever possible, on a consultative basis and in cooperation to set those meetings so that they fell in a time period which was mutually acceptable. We've been able to do so in most instances. I'm certain that we'll be able to continue to do so with those discussions this afternoon.

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

**MR. G. FILMON:** Madam Speaker, in view of the fact that a perusal of the preliminary transcript of question period on Friday clearly indicates that, on the record, the Member for Pembina stated a willingness on our part to meet on Tuesday morning, and in view of the fact that, in my understanding, was not convenient for either the government or the Crown corporations involved, can the Government House Leader now indicate what time has been allotted for the next meeting of the Standing Committee on Public Utilities and Natural Resources with respect to the MTS-MTX report?

**HON. J. COWAN:** No time at the present time has been allocated. I will enter into discussions with the Opposition House Leader and the Member for Pembina, if required, this afternoon to determine when a mutually agreeable time might be determined. In fact we can determine a mutually agreeable time, that would be the time of the committee. If we can't, then it is always and has always been the prerogative of the government's side of the House to call the committees, and we will call it at a time that is suitable.

**MR. G. FILMON:** Madam Speaker, I wonder if I could ask the Government House Leader whether or not tomorrow morning at 10:00 a.m. is convenient for the government.

**HON. J. COWAN:** I have already stated that Tuesday is not agreeable to us, either in the morning or in the afternoon. I have also already stated that in the past when there were occasions as to a difference of opinion as to when the committee should be held, the Opposition House Leader and the critic responsible for that particular area have met with myself and sometimes the Minister responsible for that particular area to determine a mutually satisfactory time.

We asked on Thursday or on Friday, we suggested there be a meeting Friday afternoon. The Opposition said that meeting was not acceptable to them. They've

asked for Tuesday. We've indicated that is not a date that is acceptable to us.

In the past, we have suggested meetings in this House that were not acceptable to the Opposition because their critic was not going to be here for whatever reason. We, in those instances, said that is fine, we will have the meeting deferred to a later date so that the critic can be present. We have done that out of a spirit of cooperation and attempting to find suitable times. If, in the event, that is not possible, then it is up to the government side of the House to determine when the committee will be held, and we will make that decision at that time.

However, I don't want to pre-empt the discussions or prejudice the discussions. I look forward to discussions with the Opposition House Leader and the critic, if necessary, this afternoon in order to determine if there is a satisfactory time.

**MR. G. FILMON:** Madam Speaker, again to the Government House Leader, in view of the fact that Tuesday morning or Tuesday evening is not acceptable to the government, is Wednesday morning or Thursday morning acceptable to the government?

**HON. J. COWAN:** It appears to be somewhat difficult for the Leader of the Opposition to understand what is being said to him. I am prepared to meet with the Opposition House Leader and the critic, if required, after the question period to determine when a satisfactory date might be scheduled. That is how we have operated in the past and notwithstanding his maneuvering of this afternoon, that is how we will continue to operate. If in fact it is not possible for a date to be mutually agreed upon at that time, then it will be up to the government side of the House to determine when a date of that meeting will be scheduled and I will announce it accordingly.

**MR. G. FILMON:** Madam Speaker, it appears to be that the Government House Leader doesn't want to recognize that we would like to have the committee meet as soon as possible and are prepared to give a variety of different opportunities. My question to the Government House Leader then is: what dates at this point in time are acceptable to the government so that we can proceed with organizing our timetable for this week to ensure that we know that there will be an opportunity this week to have a committee meeting on MTS-MTX?

**HON. J. COWAN:** It shouldn't be necessary to remind the Leader of the Opposition that when his critic, for this particular committee, was unable to attend meetings, we on this side, in the cooperative fashion in which we have become accustomed to working with the Opposition, deferred those committee meetings so that individual could be present. I remember the impassioned plea by the Opposition House Leader when it was suggested that we would have a meeting - I believe it was on a Tuesday - and the critic would not be available on Tuesday and he rose on his feet on a matter of privilege and he said we can't have that because these meetings have to be scheduled so that they can accommodate members who wish to attend them.

All we are saying on this side is that we are prepared to continue the cooperative process which we have developed, notwithstanding the meanderings and the maneuverings of the Leader of the Opposition today to try to pre-empt that process, that we are prepared to attempt to continue that process whenever possible. If it is not possible, then the government side of the House will have to determine when that committee will be held. That's our responsibility.

But I would suggest rather than him running through a litany, day after day after day in the question period, he allow his House leader, who I assume he has confidence in, and his critic, who has shown himself to be most interested in this area and probably more knowledgeable than anyone else in that side in this area, to meet with the Minister responsible and myself to determine when a satisfactory date of meeting of the committee can be scheduled. If that's not possible, as has always been the case in the past, the government side of the House will determine when that committee should be held.

But I must tell members opposite as well that there is other business of this Legislature that has to be attended to. There are matters of much more importance to the general public in respect to the economy, in respect to The Farm Act, in respect to The Trade Practices Act, in respect to the type of legislation which we are bringing forward to benefit Manitobans, that must be dealt with as well.

#### MTS - venture capital proposal re MTX

**MR. G. FILMON:** Madam Speaker, me thinks the Minister doth protest too loudly.

My question for the Minister responsible for the Telephone System is: does he have knowledge of a venture capital proposal which is in the final stages of approval, in which MTX is proposed to be an investor?

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

**HON. A. MACKLING:** Madam Speaker, I would be happy to inform the House more fully; if the honourable member can give me some details, I will certainly provide the answer.

**MR. G. FILMON:** Madam Speaker, is the Minister indicating that he is not familiar with, has not been briefed on any matter to do with a venture capital proposal in which MTX is proposed to be a partner?

**HON. A. MACKLING:** Madam Speaker, the Manitoba Telephone System is a corporation with 4,500 employees. It has very extensive operations and I do not pretend to be conversant with every matter that is under their consideration at any time. If the honourable member would give me some detail, I'll certainly be prepared to look at those matters and give a fuller response.

**MR. G. FILMON:** My question is for the Minister of Business Development and Tourism.

I wonder if she could indicate whether or not she has knowledge of a venture capital proposal which is

being prepared, in which MTX is proposed to be an investor.

**MADAM SPEAKER:** The Honourable Minister of Business Development.

**HON. M. HEMPHILL:** Madam Speaker, I'd be glad to take that question as notice and provide information to the members opposite when I receive it.

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

**MADAM SPEAKER:** Order please, order please. Order please.

### MTX - access to offices

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

**MR. G. FILMON:** Thank you, Madam Speaker. My question further to the Minister responsible for the Manitoba Telephone System is: on August 14, he announced the suspension and removal of Don Plunkett as President of MTX, does he continue to have access to MTX offices and is he one of the people who has been issued one of the new keys subject to the changing of the locks?

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

**HON. A. MACKLING:** Madam Speaker, the Honourable Leader of the Opposition should recall that Mr. Charles Curtis, the Deputy Minister of Finance, was named Acting Chief Executive Officer for MTX. Mr. Plunkett was not suspended or discharged or removed from office. Mr. Curtis has been placed in charge pending the full audit and all of the investigations which we deem necessary in order that we know and can be assured as to what actions this government might take to provide effective management and to deal with those concerns that have been raised in the committee and in this House.

In respect to the changes of locks in respect to MTS, it's part of their ongoing security operations. It started some years ago.

In respect to the concerns about MTX, the honourable member will recall that I announced in the House my concerns about protection of documents and those measures were taken to ensure protection of all the documents availability for the RCMP and the management audit.

### MTX - re Mr. Plunkett

**MR. G. FILMON:** Madam Speaker, given that Mr. Curtis has been named the Acting Chief Executive Officer replacing Mr. Plunkett in that role, what responsibilities, if any, does Mr. Plunkett continue to have, and does he continue to have access to the corporate offices in which he was located in view of the fact that he has been replaced by Mr. Curtis in that capacity?

**HON. A. MACKLING:** Madam Speaker, the former CEO, Mr. Plunkett, will be assisting in providing Mr. Curtis

with every assistance to ensure the directions that we have set for MTX, including a suspension of any new contractual involvements where there is not existing ongoing responsibility, is carried out.

**MR. G. FILMON:** Madam Speaker, does that mean Mr. Plunkett continues in his role and function, but merely reports now to Mr. Curtis - is that the way it works?

**HON. A. MACKLING:** Madam Speaker, in answer to the Honourable Leader of the Opposition's question, it means that Mr. Curtis will be making the decisions on behalf of the MTX Board, that Mr. Plunkett will assist Mr. Curtis in any information necessary to effect that decision-making process.

### MTX - suspension of activities

**MR. G. FILMON:** Madam Speaker, the suspension of additional activities, or a suspension of activities with respect to MTX, can the Minister tell us, does this mean that MTX will not continue to develop certain projects such as the Line 1 system that they are currently working on? What is entailed by this suspension of activities?

**HON. A. MACKLING:** Madam Speaker, in response to the question of the Leader of the Opposition, it is our concern that there be no new initiatives undertaken by MTX pending the management audit. Where there are ongoing initiatives involving responsibility for completing undertakings, that matter certainly can proceed after review by Mr. Curtis and the board.

### MTX - shredding of documents

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

**MR. D. ORCHARD:** Thank you, Madam Speaker. My question is for the Minister responsible for the Manitoba Telephone System.

Can the Minister assure the House that since the tabling of the sworn affidavit by Mr. Ferguson, that there has been no shredding of documents over at the MTX offices?

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

**HON. A. MACKLING:** Madam Speaker, as the honourable member well knows, I indicated concern in respect to preservation of documentation the same day that I announced that the RCMP were being involved in investigating the allegations contained in the Ferguson affidavit. There is a legitimate concern that in order that the RCMP may be ensured of having made available to it all documentation, that all documents be protected. I'm advised that those measures have ensured the protection of all available documentation.

I'm further advised that the MTX shredder - and there was a separate shredder apparently - is under lock and key and has not been used.

**MADAM SPEAKER:** Order please.

The Honourable Member for Pembina with a supplementary.

**MR. D. ORCHARD:** Madam Speaker, a supplementary.  
Could the Minister responsible indicate to the House which official of MTX has given him that assurance that all documents are now secured and — (Interjection) — none have been shredded?

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

**HON. A. MACKLING:** Madam Speaker, I communicated with the Chairperson of the MTS Board and my concern for the protection of documentation and I was assured that those steps were taken. I'm satisfied that all of the documentation is being protected to ensure that the RCMP and the management on it will have those documents available to them.

**MADAM SPEAKER:** The Honourable Member for Pembina with a final supplementary.

#### **MTX - re Mr. Plunkett**

**MR. D. ORCHARD:** Madam Speaker, I have a new question for the Minister responsible for the Manitoba Telephone System.

Given the suspension of Mr. Plunkett as the Chief Executive Officer on the 14th of August, would the Minister undertake to inquire of Mr. Plunkett whether in fact he was present at the MTX offices in the Trizec Building on Sunday, August 17, from approximately 10:00 in the morning until 3:00 in the afternoon and determine for Mr. Plunkett what was the nature of his time spent in the office on August 17 after he was suspended as Chief Executive Officer?

**HON. A. MACKLING:** Madam Speaker, I will make inquiry of Mr. Curtis to determine what, if any, involvement or what knowledge he has of that matter and will respond in due course.

**MADAM SPEAKER:** The Honourable Member for Pembina with a supplementary.

**MR. D. ORCHARD:** Madam Speaker, would the Minister as well inquire of Mr. Plunkett, who was removed as Chief Executive Officer, as to whether in fact he was at the office on the 17th, three days after his removal on a Sunday from 10:00 until 3:00 in the afternoon and what the purpose? Will he ask Mr. Plunkett that, not Mr. Curtis who wasn't there?

**HON. A. MACKLING:** Madam Speaker, I will ask those questions.

I would like to point out that I am certain that Mr. Curtis, in wanting to be able to be apprised of all of the involvements and all of the undertakings of MTX, would want to be fully briefed and I'm certain that Mr. Curtis will be able to give me that information.

#### **Cadillac Fairview Development re leased space**

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

**MR. H. SMITH:** Thank you, Madam Speaker. My question is directed to the Minister of Urban Affairs.  
I have recently found out that the North Portage Development, that Cadillac Fairview has given preference to national chains in renting space over local firms. I would like to ask the Minister, is he aware of this? If so, what is he willing to do about it?

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

**MADAM SPEAKER:** Order please, order please. Order please.

I have not recognized the Minister yet with an answer, and may I remind honourable members that it's not appreciated to have reflections on the Chair from members made from their seats. In fact, with the noise in the Chamber, I did not hear the last part of the member's question and, as he well knows, asking a Minister whether he is aware of a situation or not is not a proper question. Could the honourable member please rephrase his question and repeat the final part of his question?

**MR. H. SMITH:** Madam Speaker, my question is: what is the Minister prepared to do to give local businessmen an equal opportunity to make money as operating leased space in the Cadillac Fairview Development as national chains?

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

**MR. G. DOER:** Thank you, Madam Speaker, and I thank the member for the question.

At present, approximately 50 percent of the Cadillac Fairview Development on North Portage has been rented; 15 percent of that has gone through leasing arrangements to local business. The North Portage Board, working with Cadillac Fairview, has asked for a mix between national and local chains. There is no preferential rate, obviously, for national chains. It's the same rate for both national and local business. We are attempting to encourage as much as possible the maintenance of that mix in the North Portage development.

#### **International Sports Exchange - re bingo licences**

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

**MR. J. ERNST:** Thank you, Madam Speaker. My question is to the Minister responsible for Lotteries.

Could the Minister advise the house if the International Sports Exchange has a bingo licence operating at the Italian Union Club, 430 Selkirk Avenue?

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

**HON. J. WASYLICIA-LEIS:** Thank you, Madam Speaker.

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Yes, it's my understanding that the International Sports Exchange is licensed to run a lottery game. I will get more information pertaining to the particular licence and get back to the member.

**MR. J. ERNST:** Perhaps the Minister can advise, then, Madam Speaker, if this organization has been under investigation by the government since September of 1985?

**HON. J. WASYLICIA-LEIS:** I cannot say at this point if the International Sports Exchange has been under investigation since 1985. Since I became the Minister responsible, we have had a number of complaints and we are now looking into the situation and doing a thorough audit.

**MR. J. ERNST:** Has the Minister been advised of any alleged misuse of bingo funds or funds used for personal use in this regard?

**HON. J. WASYLICIA-LEIS:** No.

### 1985 Ombudsman's Report re road construction

**MADAM SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. D. ROCAN:** Thank you, Madam Speaker. My question is to the Minister of Highways and Transportation.

Madam Speaker, the 1985 Annual Report of the Ombudsman indicates that the government had to pay to a construction firm \$86,012, because departmental officials had led the firm into believing that a road was going to be built in Northern Manitoba.

My question to the Minister is: when was he made aware that this situation existed in his department?

**MADAM SPEAKER:** The Honourable Minister of Highways and Transportation.

**HON. J. PLOHMAN:** It was very difficult to hear the member, Madam Speaker. I think he was asking whether I was aware that this situation did exist. I've been aware of this situation since I took responsibility for this portfolio. As a matter of fact, the previous Minister had asked the Ombudsman to look at the situation that had been perpetrated by the former Conservative Government in this province.

As part of their across-the-board and callous treatment of work that was programmed by the previous New Democratic Government in this province, there were a lot of projects that were cancelled. In this case, there was a — (Interjection) — hospitals. The Member for Flin Flon is fully aware of what happened in Flin Flon and fully aware of what happened in Dauphin, where these plans were put on hold for many years.

I can say, insofar as this is concerned, Madam Speaker, the contract was let by the new administration, the Lyon Government, and then cancelled before being awarded. That's where the problems arose and it has been dealt with.

**MR. D. ROCAN:** Madam Speaker, a supplementary to the same Minister.

Can the Minister confirm that the Ombudsman made a recommendation to Cabinet on February 23, 1984, encouraging the government to begin negotiations with the company in order to obtain a mutually satisfactory agreement regarding compensation?

**MADAM SPEAKER:** May I remind the honourable member that it is a member's duty to ascertain the truth of a statement that he brings before the House. The Honourable Member for Gladstone.

### CRISP re social assistance payments

**MRS. C. OLESON:** Thank you, Madam Speaker. My question is to the Minister of Employment Services and Economic Security.

Is it the policy of his department to require CRISP payments to be deducted from social assistance payments?

**MADAM SPEAKER:** The Honourable Minister of Economic Security.

**HON. L. EVANS:** Madam Speaker, that is a policy that has been in existence for many years.

**MRS. C. OLESON:** In view of the fact that the City of Winnipeg social assistance allows these payments to be exempted, will the government stop penalizing low-income families and allow similar exemptions?

**HON. L. EVANS:** Madam Speaker, I would remind the honourable member, when I said this is a policy that has been in existence for many years, it pre-dates our government and goes back to the Lyon years when that same policy was in effect. Under the Lyon Government, the Lyon Government deducted the CRISP payments as well.

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

**MADAM SPEAKER:** Order please, order please. Order please.

**HON. L. EVANS:** I would say, Madam Speaker, that we have a very generous social security program in Manitoba which compares favourably right across the country.

With regard to the specific question, I'll take the honourable member's question as a suggestion and we will consider it for some future action.

### Manitoba homes - radon gas

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

**MR. A. KOVNATS:** Thank you very much, Madam Speaker. I would pose my question to the Honourable Minister of Environment, Workplace Safety and Health.

As many as 12 percent of homes in the United States may contain unhealthy levels of radioactive radon gas. Can the Honourable Minister advise the amount of

homes in Manitoba that contain unhealthy levels of radon gas?

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

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

I don't have that kind of specific information. A year or so ago, I was made aware, as everyone else in Manitoba, of a federal study across the country, which originated with a study in the mining areas, more specifically, where housing projects were built up close to slag from mining operations, especially uranium. Following that study, the federal department conducted a very limited sampling in a number of cities across Canada. That gave rise to a number of questions. The Federal Government has indicated that it would follow up to substantiate or verify this particular study, but we have received no update report on that particular study at this point in time.

**MR. A. KOVNATS:** To the same Minister, Madam Speaker, does the province have a system of monitoring radon gas levels and what is considered a safe level?

**HON. E. LECUYER:** We have no system of monitoring radon gas, which perhaps the member should be aware of, is a naturally occurring substance in soil. It varies from one location to another, just like mercury or radiation in underground water and many other substances which naturally occur in the soil. At this point in time, there is no established safe level guideline anywhere in Canada.

**MR. A. KOVNATS:** To the same Minister, a final supplementary question, Madam Speaker.

Does the Province of Manitoba have any building code to take into account the protection against unsafe levels of radon gas, and what is being done to correct situations in older homes and older buildings?

**HON. E. LECUYER:** The only information that we were able to glean from that report, Madam Speaker, was that the levels of radon gas anywhere in Manitoba were not of a level which one should consider serious.

There are a number of measures that an individual can undertake to seal cracks in concrete where the radon gas seeps through; and it is up to each individual to ensure that his basement is properly sealed.

At this point in time, Madam Speaker, we do not have the resources to conduct in-depth studies of the level of radon gas which would be very costly and, as I said before, all indications are that this does not pose any significant health threat in Manitoba.

#### **Manfor Ltd.- financial affairs**

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

**MR. J. DOWNEY:** Thank you, Madam Speaker. I have a question to the Minister responsible for Manfor.

To the Minister, Madam Speaker, the report of Manfor was completed several weeks ago. At that time the Minister committed to give us an interim report of the

financial affairs of Manfor; does the Minister now have that report ready?

#### **Manfor Ltd.- layoff of personnel**

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

**HON. J. STORIE:** No, Madam Speaker, but I will undertake to provide that before the week's end.

**MR. J. DOWNEY:** Madam Speaker, there was a massive layoff at Manfor. The question to the Minister is: why are there no supervisory staff laid off in the cutting part of the mill? Why is it only employees who are below the level of supervisory capacity? Why are no supervisors laid off at the mill?

**HON. J. STORIE:** Madam Speaker, I don't know where the honourable member is getting his information but I can indicate that, when the layoff is completely in effect, there will in fact only be three supervisory personnel and eight hourly employees remaining; and in fact supervisory employees will be laid off.

**MR. J. DOWNEY:** Madam Speaker, maybe the Minister could give us a little bit of prior information.

What does the Minister anticipate on saving by the shutting down of the mill? What is the savings to Manfor and what is their projected net loss for this year, compared to last year?

**HON. J. STORIE:** Madam Speaker, I believe I've indicated on a previous occasion that the layoffs are not going to substantially change the projected deficit position of Manfor.

I have recently spoken with the Chairman of the Board of Directors and the chief operating officer and can confirm today that the layoff is not anticipated to create any significant change from the projections that were relayed to committee in July.

**MR. J. DOWNEY:** Madam Speaker, is the projected loss still in the neighbourhood of \$12 million, for Manfor?

**HON. J. STORIE:** Madam Speaker, I believe at committee it was indicated that the cash loss would be something like \$5.2 million. If you add depreciation and interest costs, that it would be somewhere in the neighbourhood of \$12 million; but the cash loss would be somewhere in the neighbourhood of \$5.2 million.

#### **Jobs Fund - forgivable loans and grants**

**MADAM SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Madam Speaker. My question is to the Minister responsible for the Jobs Fund.

I think it was three weeks ago I indicated to him that the Jobs Fund Estimates would be coming along and

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my House Leader informs me that they will be some time this week. I asked the Minister for a list of the grants and loans, or forgivable loans that have been issued by the Jobs Fund before the Estimates, and I wonder if the Minister will be providing me with that information.

**MADAM SPEAKER:** The Honourable Minister responsible for the Jobs Fund.

**HON. V. SCHROEDER:** Thank you, Madam Speaker.

I will do my best to ensure that information will be obtained by the member prior to the Jobs Fund Estimates.

**MR. F. JOHNSTON:** I wonder if the Minister would undertake to, while he was giving me the list of the

**MADAM SPEAKER:** Order please.

**MR. F. JOHNSTON:** . . . loans and grants, etc., the projects and, if possible, how many people were employed by them.

**HON. V. SCHROEDER:** If I can get that information beforehand, I will do so.

### Brandon General Hospital - effect of cutback of beds

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the Minister of Employment Services and Economic Security.

Since the announcement recently of the cutback of 31 beds at Brandon General Hospital and the elimination of 25-30 jobs, I wonder what the Minister and his department have done to cushion the impact in our community of the loss of those jobs, the elimination of those jobs.

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

**HON. L. EVANS:** Madam Speaker, I'm pleased to report that the City of Brandon has a very healthy economic situation and its employment rate and unemployment rates compare favourably with the rest of this province.

Frankly, there is no negative impact. As a matter of fact, I understand that particular institution is still hiring people.

**MR. J. McCRAE:** Madam Speaker, I have a new question for the Minister who claims that the elimination by attrition of 25-30 jobs has no negative impact on a community, and remind the Minister that, if extrapolated on the population of Winnipeg, that amounts to some 350-425 jobs.

Madam Speaker, that to me, would be . . .

**MADAM SPEAKER:** Order please. First of all, it's customary to address the Honourable Minister by the

title of their department. May I also remind the member that question period is not a time for debate. Would you like to finish your question?

**MR. J. McCRAE:** Madam Speaker, I apologize if I called the Minister something other than the Minister of Employment Services and Economic Security.

In view of the fact that there's a clear impact on our economy in our community at the loss of 25-30 jobs, if the Minister hasn't taken any steps - which his answer seems to indicate - what steps will he take to cushion that impact in our community?

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

**HON. L. DESJARDINS:** Madam Speaker, this, the hiring in the hospitals, is usually done in a way that conforms with the directive of the Manitoba Health Services Commission.

The situation is that the jobs are guaranteed. If that is the case, there is no layoff. So far, that's the policy of this government. If any hospital, on their own, will hire people over and above what is decided by the Commission, they're doing that on their own. If that is the case, the only people who might eventually lose their jobs would be those people alone; and that is the only way we're going to have any kind of decorum, any kind of order in the hospital, and we're not going to have the larger deficit that my honourable friends are so worried about sometimes. I think my honourable friend from Brandon should remember that.

**MADAM SPEAKER:** The Honourable Member for Brandon West with a final supplementary.

**MR. J. McCRAE:** Madam Speaker, my new question, which wasn't answered by the Minister of Employment Services and Economic Security, but by the new Minister representing Brandon, is the same question, and it goes to the Minister of Employment Services and Economic Security.

**MADAM SPEAKER:** Order please. Members can ask a Minister a question, they can't determine which Minister answers the question . . .

**A MEMBER:** Or whether they answer.

**MADAM SPEAKER:** Or whether they answer, you're absolutely right.

The time for Oral Questions has expired. The last question was a repetitive question.

### HANSARD CLARIFICATION

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

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

I rise on a point of order, having just received Hansard from last Thursday. On Page 3205, you indicated to me that you had already recognized the Honourable Member for Inkster again, so we have passed that order in the proceedings. This was in relation to my request

for yeas and nays on a motion to hear the Leader of the Opposition.

On Page 3206, you, once again, said that apparently I did not hear you call on the Honourable Member for Inkster.

Madam Speaker, I would ask you to peruse Hansard, which nowhere indicates that you had recognized the Honourable Member for Inkster again, and perhaps acknowledge that to the House.

**MADAM SPEAKER:** In fact, the time for a point of order is when the matter arises, and we did deal with that by calling yeas and nays . . .

**MR. G. MERCIER:** You just received that.

**MADAM SPEAKER:** Order please. I recognize that we just received Hansard. I have not had a chance to look at it and certainly I try to conduct the Business of the House in as orderly fashion as possible for the benefit of all the members.

On the other hand, it is not customary to reflect on decisions of the Chair. In fact, it's not proper at all to reflect on decisions of the Chair. Order please. I will certainly look at it and certainly if I have been in error, as I have done before, I would ask all members to forgive me for that. I did in all conscience, I know at the time, think that I had called on the honourable member. We dealt with that situation expeditiously and I would like to leave the matter closed.

### HANSARD CORRECTION

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

**HON. R. PENNER:** Yes, I have a Hansard correction, Madam Speaker. On Page 3073 of Hansard dealing with the Estimates of my department, I'm quoted as saying that a grant to the City of Winnipeg for the Alertmobile was \$2,500.00. The figure should read \$25,000.00.

### COMMITTEE BUSINESS

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

**MR. D. ORCHARD:** On a point of order, Madam Speaker.

I have received, presumably from our Caucus Room, a message to our Opposition House Leader regarding the preparation of Hansard when it deals with the Public Utilities and Natural Resources Committee. I appreciate the extra effort that was made by Hansard staff on two occasions now to provide an unedited draft when we have had a recall of the Public Utilities Committee dealing with MTS-MTX.

Madam Speaker, I wonder if we might be able to come to some sort of an agreement with yourself and your staff that if we are to call MTS hearings say in a circumstance of morning and evening, that we don't recall or reconvene the MTS hearings until we have received an unedited version, at least, of the previous morning's proceedings to check again answers, because always answers to questions tend to lead us

to more questions and often times to reversals of positions on answers given.

So it's sort of important, Madam Speaker, that prior to the recall of the Public Utilities Committee that we at least have an unedited draft of the previous meetings carrying on.

**MADAM SPEAKER:** The honourable member does not have a point of order, and may I remind the honourable member that questions directed to the Chair are not in order. If he has any concerns of that nature, he should address it to the Honourable Government House Leader who then will discuss it with the Clerk's office and thereon.

**MR. D. ORCHARD:** This is sort of like the caste system in India.

**MADAM SPEAKER:** May I remind the honourable member that we have longstanding rules of this House. If he's not satisfied with them, there are appropriate ways for dealing with that.

### ORDERS OF THE DAY

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

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

**MADAM SPEAKER:** It has been moved by the Honourable Government House Leader, seconded by the Minister responsible for Native Affairs . . .

**MR. G. MERCIER:** Perhaps, Madam Speaker, just on a matter of Business of the House, I could indicate to the Government House Leader that we would like to proceed with Private Members' Hour.

**MOTION presented.**

### MATTER OF GRIEVANCE

**MADAM SPEAKER:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker, I rise on a grievance.

Rules permit each member to have a grievance in each Session and I am exercising this option now, Madam Speaker. The grievance relates to the handling of the whole Manitoba Telephone System by this administration.

Over the last several years, we've had a great number of concerns raised by members of this Opposition dealing with the Manitoba Telephone System and in particular it's subsidiary MTX.

My grievance deals primarily with the concern of the employees of the Telephone System, the corporation itself, those who are in charge with Ministerial

responsibility for it and also the government in its collective control over this subsidiary or Crown corporation.

There are three areas of concern that seems to be bothering the government, Madam Speaker, that being the Member for Brandon East, the Member for Dauphin and the Member for St. James. Those seem to be the principle concerns of this administration and their refusal to get to the truth and make sure all of the facts are made public to the people on the handling of public monies and the public business of the Manitoba Telephone System.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Mr. Deputy Speaker, it is important that we clear the air for one of the oldest and long-serving Crown corporations in the Province of Manitoba. It has an important history, that which exemplifies the Province of Manitoba and its evolution from a long time ago. It's played a key part in the development of commercial and the good will in this province. It's been, in many instances, the forefront in development and new technology in serving the community, whether it be in the urban area, the rural area or in the North.

In fact, Manitobans have found gainful employment there, have served the corporation extremely well over the years and, in fact, even though it has been a provider of service and not the innovator of new technology, it has gone beyond what many would expect of people working for a Crown corporation in providing services to the people of Manitoba.

It is those people, it is that history of the corporation, it is the good will of that corporation today that we must ensure is protected, enhanced and returned to its proper place as far as the people of Manitoba are concerned.

The reason I rise on a grievance at this time is that for the last month or two this government has refused to do anything about the employees, about the corporation or, in fact, the service provided to Manitobans. A great deal of uncertainty has now settled in over that corporation. A great deal of unanswered questions now exist. A great number of problems are now emerging and all of these require an answer. But where are the answers? Who is going to provide the answers?

Each Minister, since the New Democratic administration has taken office, has given certain information to this House. One wonders, in light of recent testimony by certain employees, whether before committee or through affidavit, what the particular Ministers were doing when they were given responsibility for the Manitoba Telephone System? Is it they believe that nothing could go wrong? Did they fail to ask the proper questions that one must when you're a Minister of the Crown? How did they prepare for their Estimates? Who was giving them information? I mean what steps were the Ministers taking? Having been asked a series of questions three years ago on certain aspects of the MTX operation, what steps did those Ministers or the Minister of the Day take to ensure that he had the correct information?

This didn't happen once; it happened several times. We've now had a series of three Ministers over a period of time each having been asked the same questions and each providing the same answers, but those answers don't square with the facts as they appear to

be today. In fact, one wonders when you consider how this government has handled all Crown corporations since they have taken office in 1981, just on what basis they felt they could ignore the Telephone System, because in all other instances they have become heavily involved in the day-to-day affairs of the other Crown corporations. All of them have gone on to lose money.

We look at Manfor; we look at Flyer - Flyer was a saleable entity when this administration took over. After many millions and millions of dollars of losses, we had to pay someone to take it off our hands. There is no guarantee that there'll be anything there once the current agreement expires.

Yet this government, who appointed the board, appointed its political colleagues to the board, took a hands-off attitude. At least, that's the appearance. Then what were they doing as far as looking after the affairs of the taxpayers as it relates to this area? Why did they not take a more important investigative role in this particular corporation? Why did they not ask the series of questions that were posed to each succeeding Minister?

As I indicated, I believe that the government, which is now in a position of stonewalling, is hurting an excellent corporation. Now, everyone who works at the Telephone System is being tarred with a brush that should only be touching a few.

In assessing the information that is now coming forward, probably the single most important fact is, who will assess whether the information is accurate and correct? No one in the public certainly will accept a private or a quiet investigation, whether it be by RCMP or by management consultants. Who is going to take the myriad of questions asked over all of these years, and compare the answers to the testimony given today and the testimony given in previous years? Who is going to do the figuring? Who is going to do the tracking? Who is going to be able to lay before the public a true and accurate picture to make sure that the true story of MTS and MTX is spelled out and laid before the people of Manitoba?

It's interesting to note that more information has flowed from the political process, questions in the House, questions posed by the Opposition, questions at committee, questions in the newspaper, than questions being asked by the members of the government. An informed Opposition is one thing. An uninformed government is frightening. It would appear that, if the present procedure being followed by the government is to protect the seats of three Ministers, three Ministers who are vulnerable, three Ministers who, if the truth were known, may have to resign their Cabinet responsibility, is that the price of cover-up in this province? Is that the price of destroying — (Interjection) — no, I'm not. Maybe, if the Attorney-General would like to listen, we'd give him some help in trying to formulate his strategy for his caucus.

It's interesting that the RCMP has been called in to investigate certain allegations. It's also interesting that the Attorney-General who had no part in these proceedings suddenly appeared as defence counsel for the Government of Manitoba at its hearings of the committee last Thursday night. Having known of his prowess as defence counsel for people accused of criminal acts in the past, it's rather interesting that they would appoint the Attorney-General to step into the

breach to take over the defence of the government in these particular proceedings.

**MR. DEPUTY SPEAKER:** The Attorney-General on a point of order.

**HON. R. PENNER:** Yes. It's a serious point of order. I would hope that the Member for Fort Garry has enough good character and good sense to apologize for the remark. He has characterized me as having appeared at the committee as, and I'll even quote his words, "defence counsel for the Government of Manitoba."

I appeared as a member of the committee, as an MLA, having been appointed by our side. I took no part as an advocate for the Government of Manitoba. I participated in no way in that committee in any other way than as an MLA. To impute to me a motive of having attended the committee to defend the Government of Manitoba is not consistent with the record, is not consistent with the role I have consistently played as Attorney-General, is a slur on my character, and he should apologize.

**MR. DEPUTY SPEAKER:** Does the Member for Fort Garry want to speak on the same point of order?

**MR. C. BIRT:** Thank you, Mr. Deputy Speaker.

There was no intention to slur the Attorney-General. In fact, I complimented the Attorney-General when he was in private practice on his good offices of being able to defend those accused of criminal acts. My indication was and I saw the proceedings of the particular committee, that the Attorney-General kept interrupting the questioning of government witnesses before the committee. It had all the appearances of defence counsel in a criminal proceeding.

But if the Attorney-General is worried that this was the impression conveyed, I can do nothing about it. I will though apologize for any aspersions on his character, because I do not intend to cast aspersions on his character. In fact, I have never at any time, either directly or indirectly, intended to cast aspersions on his character. If the Minister has taken it as a personal affront or an aspersion on his character, then I withdraw those remarks.

We have now before us a multitude or a plethora of investigations. We have, appointed by the government, an inquiry conducted by the RCMP as it relates to the alleged criminal activities. So, we have a series of RCMP officers or perhaps it's an officer conducting investigations, interviewing and reviewing the testimony or comments by certain employees. They may or may not lead to criminal charges.

We have, if the information is correct, an inquiry being conducted by certain officers of the Law Department of the Manitoba Telephone System. We don't know on what authority or on what basis the Law Department is conducting its inquiry. One can assume that they are not assisting the RCMP in their investigations, because we were told that the RCMP were conducting their own separate investigations, totally independent from any other activity. So, we have those, the Law Department, who would appear to have been involved in the creation of MTX and some of its dealings, carrying on an investigation and discussion and apparently trying to

uncover facts as it relates to certain allegations within the corporation.

It would appear that they're in a conflict, because they are a party to the proceedings that have led up to the current discussions and problems with MTX. Yet, it would appear that they are talking to staff members, trying to find out certain facts, a clear contradiction, a contradiction too that is not lost on the employees in the Telephone System. They must choose to tell the truth, tell the truth to the RCMP, tell the truth to their employer. But remember, a lot of these were not people who were involved in the final decisions or the political-making decisions. So, they are now being investigated by a second group, namely, the Law Department of the Telephone System.

We also have a legislative committee that is, in theory, reviewing the corporate act and providing information on a whole series of questions relating to the affairs of MTS and MTX. We have employees coming before that committee who are attempting to answer questions that may or may not be within their jurisdiction, who may be attempting to provide answers for their political masters. It makes it very difficult for them. It makes it almost an impossible situation for the employees.

We also have a management audit or a management review being conducted. An extensive area was outlined in the Chamber by the Minister responsible for MTX, and a subsequent press release was announced, outlining these extensive reviews. The question here though is: who will they be answering to? Will they be talking to the same people? If they are, who then will they be comparing their notes with, the Law Department of the Manitoba Telephone System, the RCMP, the legislative committee, because it is important in all of this to uncover exactly what is fact and what is fiction and, no doubt, management is conducting its own internal inquiry.

Now the brunt of all of this inquiry are the employees. Who is to coordinate all of that information to ensure that the true story is coming forward? In fact, what we have is a defensive operation by senior management of the Telephone System attempting to provide their version. It would appear, from the allegations to date, that it is some senior management who have perhaps caused the problem for MTS and the MTX. If they are now involved themselves, or through their agents, in conducting an investigation of certain staff members, where does that place the staff? In a very difficult and almost untenable situation. In all of this, who is going to protect the innocent?

It would appear at the last legislative committee meeting of MTS and MTX, a number of lawyers were present. They may not have been representing the government. I suspect they were representing certain members of the staff of the Manitoba Telephone System. Is it now turning to the point where every time someone gives testimony to any one of a number of investigative processes within the Telephone System, that you need your lawyer present? If that is the process that is now in existence at the Telephone System, then all one can say is a sense of paranoia, a sense of fear is now pervading the whole structure.

How then, under those circumstances, can we get the truth and the facts? How can the public be sure that the correct review of this whole process has been conducted? Who is going to protect the innocent

employee? Who is going to give support to management? None of this will do that. The Minister might say, well, management terms will uncover all of the necessary problems or the RCMP will find out whether there is any criminal activity or conduct; yet what about the total overall operation? No one is there to coordinate it. Maybe it's being coordinated from the political level. If it's being coordinated from the political level, who then is investigating the politicians?

We know that three Ministers are at risk in this government. We know that the current Minister is having problems getting answers to his own questions. Quite frankly, if I was the Minister of the Crown, I would want to know the correct and accurate truth and know whether or not there is any basis to the allegations and I would want to have a true and thorough airing of the whole process.

Quite frankly, I don't understand why this government, and particularly this Minister, is afraid to have a full and open inquiry because the key in all of this, politicians come and go, but we deal in public trust and public confidence and not once has this government done anything over the last six to eight weeks to ensure public confidence in the Telephone System - in fact, they have destroyed public confidence in the Telephone System - and it is important that they reform the system, ensure that all the problems have been examined and solved to rebuild the public's trust and confidence in the employees and the Telephone System.

Now, to further compound the problem of the employees and the protection of their rights is the comment by the Minister of Hydro in the House on Friday when he referred to two employees named in correspondence with the Minister for the Telephone System as hacks and flacks. Could anyone wonder how people will be treated, if they come forward, by the politicians or senior management in this particular so-called review or investigation of the Telephone System? In fact, if they honestly believe there was nothing to hide, then why are they treating employees in that fashion? Quite frankly, it's a shabby display of leadership; in fact, it's an abdication of leadership.

They are disregarding the interests and the rights of the employees because it's not for now, it's the right of those employees, whoever they may be, who would like to throw some light on this whole process, who, quite frankly, might be talking out of turn as far as one of the superiors are concerned and their career might be jeopardized. It's a deplorable state when a Minister of the Crown refers to employees of Telephone System, who are attempting to get to the bottom of things, as accusing them of being hacks and flacks. Does that give confidence to those who are working in the Telephone System? I suggest not.

It's interesting that the Premier keeps referring to a call for an independent inquiry as something akin to a Star Chamber. Well, I recall my history on the Star Chamber when I was attending at law school and I'm sure the First Minister has forgotten his history as it relates to the Star Chamber. In fact, if he has forgotten, perhaps his reading of the editorial comment in the Free Press over the weekend might reacquaint him with the true facts of what a Star Chamber is. He indicates that an inquiry, requested by the Opposition, is similar to that of a Star Chamber or an inquisition. But history will show that a Star Chamber or the

inquisition operated in secret. What's the government doing with their inquiry? They are conducting a Star Chamber. They are operating in secret. They are afraid to open this whole process to public scrutiny.

A Star Chamber acts arbitrarily. Just look at the conduct of this government over the last six to eight weeks. Can you say they've acted with any logic, with any plan, anything but a positive sense? They would and have acted arbitrarily. One day it's up, next day it's down, then we'll do this, then we'll do that, then you can subpoena, no you can't subpoena, you'll get all your information, just give us your questions in writing while we're still getting it. My goodness, Mr. Deputy Speaker, talk about arbitrary! Their conduct gives one more credence to the concept that they are running the Star Chamber. That's why it is so important and uppermost in the Premier's mind. They are the perpetrator of the Star Chamber as it relates to this whole question of MTS and MTX.

The inquisition or Star Chamber relied on torture. I will not imply that this government is indulging in those affairs. But their conduct, their lack of concern for the image of the Telephone System and, in particular, those employees who have worked hard for it, had nothing to do with this affair, in fact would like to make sure that the good name of the telephones are cleared, perhaps that is a form of torture. They are afraid to let the light come in. They are afraid to allow testimony under oath. It doesn't have to be before a judge; it can be before just a general person who has the authority to subpoena, to prepare, to research, who has legal counsel to make sure that the proper decorum of the proceedings are protected and evidence is given under oath.

Now the First Minister was quick to appoint a Star Chamber to clear one of his Ministers for his reputation. He appointed the former Chief Justice of the Court of Appeal to make an inquiry into the affairs of one of his Ministers. According to the First Minister, that's a Star Chamber inquiry with all kinds of public display and all kinds of input and dragging it through the media and everything else like this.

If you look at the activities of the First Minister in appointing a Commission of Inquiry in that instance and you look at the words and deeds of the First Minister in the last two to three weeks, one wonders where his consistency is. He doesn't have any consistency. If a public inquiry is a Star Chamber, then he owes a large apology to the Member for Transcona because he appointed a Star Chamber to investigate him.

But, Mr. Deputy Speaker, the real Star Chamber and its tactics are carried on by the government. We are talking here about the question of public accountability at the political level and at the management level of the Telephone System and at the staff level. I believe that most are honourable people and responsible people. They would like a full public accounting of the words and deeds that went on to make up this whole sorry mess of the MTX-MTS affair.

It's interesting. The government has gone from damage control by moving all their political appointees and Ministers in charge to try and contain this particular problem to one now of burying the problem, stonewalling, attempting or refusing to proceed with a proper, full public accountability process. One wonders

if this government knows anything about public accountability. Perhaps the truth will come out and find that they should be accountable for their actions, or actions conducted on their behalf. Probably that is what they're afraid of, and that is why they want to bury this whole program.

If they have nothing to hide, then why not a public inquiry? That will bring out everything. It will show that there are no problems; it will show there were no kickbacks; it would show that there were no shoddy management practices. Yet, the two inquiries launched by his administration are to be kept secret, to refuse access to the public, to refuse access by the media and to refuse access to other elected officials in this province. So one can only assume, Mr. Deputy Speaker, that they do have something to hide, that they are afraid of the truth and, in fact, the conduct of this First Minister and his party is that of a star chamber in trying to suppress the whole question of MTX and MTS.

Well, as I indicated in the beginning, my grievance rested and related to this government's conduct on behalf of the people of the Province of Manitoba, the ratepayers who provide the sources of revenue for this particular Crown corporation, but more importantly, the good name of the Telephone System, its management and the people who work in it, and nothing to date by this government has done anything to exonerate them and clear the air as it relates to that whole system.

It would appear that there are some problems in that structure, but what steps have they done to resolve them? Nothing. They are covering it up. They intend to keep it hidden and, Mr. Deputy Speaker, I, along with my colleagues, will take every step possible to make sure that it becomes public and those who are responsible for this sorry affair are, in fact, dealt with in due process. That is not deemed a threat. It is merely an attempt to clear the air as it relates to a good corporation and a lot of good employees and to get a lot of bad political people off their backs and allow them to take responsibility for their mismanagement.

Thank you.

**MR. DEPUTY SPEAKER:** There is a motion on the floor that the Speaker now leave the Chair and that the House resolve itself into a Committee of the Supply to consider of the Supply to Her Majesty.

**QUESTION put, MOTION carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Culture, Heritage and Recreation; and the Honourable Member for Kildonan in the Chair for the Department of Government Services.

## **CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES**

**MR. CHAIRMAN, M. Dolin:** Being in committee, we are on Page 80 dealing with Resolution 76, Item 2.(g) Gimli Properties - the Member for Turtle Mountain.

**MR. D. ROCAN:** Thank you, Mr. Chairman.

Could the Minister list the tenants of Gimli Industrial Park? Have you got a list of that?

**MR. CHAIRMAN:** The Minister of Government Services.

**HON. J. PLOHMAN:** Mr. Chairman, I don't know if the Member for Turtle Mountain wants the complete list, that I should go through each, or whether he wants to have a copy of the list tabled?

**MR. CHAIRMAN:** Tabling is fine.

**HON. J. PLOHMAN:** Well, I could table a list as of March 31, 1986. We'll get copies made of that. It's being made, Mr. Chairman.

**MR. D. ROCAN:** Mr. Chairman, I wonder if the Minister could just tell us if there have been any additions or deletions in the last few years, any changes?

**HON. J. PLOHMAN:** Well, there's always, Mr. Chairman, some turnover. I couldn't give all of them. Of course, there is one additional lease that has created some controversy there, that had been a subject of some questions during question period dealing with the Gimli Dragways and Dimar Training Systems which is a new lease this past year. So that is one new one.

Apparently, there have been a few other small companies that have come and gone as it is typical on a yearly basis.

**MR. D. ROCAN:** Mr. Chairman, has the National Research Council renegotiated for a new lease at Gimli?

**HON. J. PLOHMAN:** Well, one of the tenants as of March 31, 1986 - stratospheric studies using balloons; that is still what's going on as of March 31, 1986. According to the information I have, our staff person who is directly in charge at this time, Mr. Stu Ursel, will be here shortly and he can just reaffirm to me that is still the case.

I realize that there were some reductions and cutbacks in National Research Council activities by the Federal Government that impacted on Gimli, as well as Churchill and other areas, but I'm not certain whether this particular one was one that was impacted by the changes.

**MR. D. ROCAN:** Could the Minister indicate what is the usage factor of the total facility and how much space is left available; how much room is still available over there?

**HON. J. PLOHMAN:** My understanding, Mr. Chairman, for '85-'86 was that the industrial space was about 75 percent occupied.

**MR. D. ROCAN:** I also noticed that Canadian National Railways are still in there. Is that school still carrying on and for how much longer? Is there a lease, like a 5-year lease, 10-year lease, or what is there for that?

**HON. J. PLOHMAN:** Mr. Chairman, I would have to ask for a repeat of the company.

**MR. D. ROCAN:** The Canadian National Railway.

**HON. J. PLOHMAN:** They are still occupying approximately 79,902 square feet and they are

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continuing with that operation to train engineers at that facility. We understand they are very interested in continuing that operation.

**MR. D. ROCAN:** Could the Minister indicate what efforts his department is making to make sure that the park is fully utilized?

**HON. J. PLOHMAN:** This is an area that we are looking at on a continuous basis. The manager, Jim Dunlop at Gimli Properties, is always working with prospective new tenants for the space there. I'm not certain that there's been an aggressive marketing campaign to attract tenants and I can explore that a little further in a minute.

At the same time, the member is probably aware that we intend to pursue the option of turning over this whole complex to the businesses there over a period of time and in an orderly way, an orderly process. We believe that it is not a feasible operation for the government insofar as the outlook is concerned. There is a rather high heating cost, energy cost there, a high cost of servicing that area, and it's just not feasible to assess the tenants the kind of rates that are needed to break even on that operation.

We feel it is better that we start pursuing the privatization option and that is exactly what is being done at the present time.

**MR. D. ROCAN:** It appears as though there's a pretty heavy concentration of personnel with over \$1.25 million in Salaries allocated to that one property. Can the Minister indicate how many personnel are involved, and what is the nature of the employment for most of them?

**HON. J. PLOHMAN:** The honourable member is referring, I believe, Mr. Chairman, to the 53 SY's at Gimli Properties, 46 being in the technical area and six being administrative support and one managerial.

Now, just for clarification, is the member asking what kind of classifications there are for the technical people, the vast majority of the staff? Is that the question?

**MR. D. ROCAN:** Just the nature of the employment for most of these people.

**HON. J. PLOHMAN:** Mr. Chairman, I'm advised that there is quite a wide variety of positions in that technical area, including all the way from groundskeepers and cleaning staff to cooks and storekeepers. I mentioned maintenance staff, people who are waitresses and so on for the CN — (Interjection) — no, I've got cooks — providing service for the food outlet there as well.

**MR. D. ROCAN:** I notice that there is no recovery from other departments in this particular operation. Is that just an oversight, or can the Minister indicate what the recovery factor is in the operation of the park?

**HON. J. PLOHMAN:** Mr. Chairman, this is primarily a revenue-generating area, because we're dealing with the private sector businesses. There is very little activity there from government departments. There's the odd use of the Aspen Lodge for meetings and so on by departments, but very little.

**MR. D. ROCAN:** Could the Minister indicate what is the total income from the various leases in Gimli Park?

**HON. J. PLOHMAN:** Total income yearly revenue from the industrial leases at the park is some \$800,000.00.

**MR. D. ROCAN:** Has the Minister considered tendering the cafeteria facilities out to the private sector? I'm led to believe, also, that he has given some consideration to contracting out the maintenance portion of it.

**HON. J. PLOHMAN:** Mr. Chairman, we, as I said earlier, are looking at the overall picture with regard to the privatization of Gimli Properties. In that context, the cafeteria is also being looked at insofar as turning it over to the users or to another company who might want to run it, but that will be part of the total proposal with regard to Gimli Properties.

**MR. D. ROCAN:** Who's responsible for the day-to-day operations at the park?

**HON. J. PLOHMAN:** Pardon me, Mr. Chairman, was the question the day-to-day operation of the park?

**MR. D. ROCAN:** Yes, the operations at Gimli.

**HON. J. PLOHMAN:** We have a manager in charge and that is Jim Dunlop, not Harvey Smith as was previously thought.

**MR. D. ROCAN:** Who is the executive director of property management?

**HON. J. PLOHMAN:** The executive director is Stu Ursel, who was here and we're just trying to locate. Because of the delay, because of the grievance by the honourable member's colleague, we weren't certain how long that would go on, and he's very busy, so he went back to some other work and will be coming shortly.

The director himself is Keith McMillan, who is on sick leave at the present time, recovering from a set back.

**MR. D. ROCAN:** I would hope that every effort is taken to increase the utilization of the park. If that can be achieved, it would appear that with a 20 percent or 25 percent vacancy rate, there is a possibility of it being a viable financial operation.

I'd like to ask the Minister if he could tell us the approximate number of persons who are employed there by the tenants. Are there any figures on that?

**HON. J. PLOHMAN:** I'm advised that there are approximately 200 employees employed by the private sector - 174 full time and 26 seasonal and part time.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, I believe the Minister said just a moment ago that probably we're looking at 75 percent utilization of the area. He was referring specifically to the industrial area of the complex. I guess this refers to the housing units that are 50 percent occupied. Could he update us on what

the occupancy rate is on the rest of the properties there then?

**HON. J. PLOHMAN:** Well, Mr. Chairman, I did indicate, and the member is correct, that industrial space was 75 percent occupied. Manitoba Housing has taken over the Aspen Park housing complex. So we are not involved with the running of that at the present time.

Mr. Chairman, the rest is the airport, and I don't know how you would arrive at a utilization factor there, at least, at this time. I'll check that information, but if the member has specific questions about other particular functions at the park that he would like to know - the utilization occupancy rate - then we could get that for him.

Mr. Chairman, it's just referring to the fact that Air Canada occasionally uses the runway.

**MR. G. CUMMINGS:** Not too often we hope.

I was surprised when you mentioned that Manitoba Housing has taken over the housing units. Does that mean they are still endeavouring to have them occupied or is that a case of them being moved or just disposed of in other ways?

**HON. J. PLOHMAN:** Well, Mr. Chairman, as I indicated during my opening statement, our efforts continue toward the divestiture and privatization of this complex. As part of that, Manitoba Housing has taken over the housing component and is renovating the homes for sale as condominiums.

**MR. G. CUMMINGS:** I'm also interested in the Minister's comments regarding privatization. An example of where it didn't pan out, in my opinion, is the Rivers' situation. Are we looking at literally granting these properties to suitable tenants? Because of the overhead that's involved, is that what would possibly attract even new clients to come in? Is that the direction the department is moving, or have you already developed a plan, or is it still just in the talking stage?

**HON. J. PLOHMAN:** In terms of the status, Mr. Chairman, I was just thinking about the question in terms of why or how it could possibly attract private tenants to take over ownership of their particular area, or new businesses to locate there.

The fact is that we can't charge the kind of rents and leases that the government should be charging for heat and for space, because of the inefficiency of the heating system, the way it is, with central heating. It needs upgrading. It was put in place during the war. In many cases, it's antiquated, very inefficient. Many of the buildings are very antiquated, certainly no thought of energy efficiency. I'm not reflecting on the decision-makers of the day but the hangars and the space there, they're just sieves. It's impossible to continue to charge, to even attempt to charge the actual cost of operating those facilities because the businesses would go out of business if we charged, and so we have to run a deficit on them.

There was an attempt to raise the heating cost, for example, to realistic rates, but we found we just could not do that because there were so many in arrears. Yet there's no incentive for those private companies

to do any improvements to those buildings because they don't own them.

What we're looking at, of course, is to negotiate with them and with the R.M. of Gimli to take over this as an industrial park and to discuss with the tenants the best way to do it. That is ongoing at the present time and we hope to have a recommendation for consideration by Cabinet with regard to final decisions being made within the next few months, realizing, of course, that there's more than one department involved here, particularly Small Business Development being very involved in this whole process.

**MR. G. CUMMINGS:** Regarding the deficit, how does one arrive at what the deficit is? Do you subtract 800,000 from the bottom line, which is total expenditures of 2.3 million? — (Interjection) — I'll let that go, Mr. Chairman.

**HON. J. PLOHMAN:** Mr. Chairman, the total revenue that is derived is not only from the rental of space, which is the 800,000 I quoted earlier, but also revenue generated by Aspen Lodge and CN Training School, and for seminars and banquets that utilize the facilities. The total revenue is 1.853 million and the expenditures are 2.336, so the deficit, then, is \$483,000.00. Do those figures match with what you have?

**MR. G. CUMMINGS:** I'll have to take the Minister's word for it. The bottom figure is the only one I've got in front of me, 2.3.

**HON. J. PLOHMAN:** I have revised figures, penned-in figures, and I just wanted to ensure that they were consistent with what the member had, Mr. Chairman.

**MR. G. CUMMINGS:** On the turnover of properties, the recreational facilities out there, Aspen - I don't know whether they're referred to as part of the Aspen Properties, or how you designate them - but the recreational facilities that are involved, if this becomes privatized, will they be turned over to the community or will they stay the responsibility of the department? Are they presently part of the department's responsibility? I'd like an explanation in that area.

**HON. J. PLOHMAN:** Mr. Chairman, we're talking mainly of the pool that was operated there over the last number of years and has been shut down at the present time because it is an inefficient operation. Anyone familiar with the operation of indoor pools knows that they are very costly to operate, and particularly costly when they're constructed without the kinds of considerations for energy saving that would be built into modern pools. So that one was very costly to operate.

We felt that could not continue, that the Provincial Government could not continue to subsidize a community to the amount we were subsidizing that area for a pool. Nowhere else in the province does that kind of thing exist. So we have taken — (Interjection) — Well, the operation of the town centre in Churchill is certainly one that we are putting in a lot of money. In most of the areas of the province, we don't see anything like that, where the province is responsible for the operation of pools in communities.

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So what we have done is to initiate discussions with the R.M. and the town and the recreation authority to have them agree to shutting this facility down and us getting out of this obligation, not perpetuating it into infinity. What we've done is a three-year arrangement, Mr. Chairman, where we would provide the Gimli Recreation Committee - the Interlake Recreation Committee - with a \$100,000 grant for three years, which is about what we were paying every year for subsidizing the operation of that pool, and then we're out of that obligation. They will use that towards the capital costs of constructing a new facility and we will no longer have any obligations. We thought that was a fair way to dispose of that obligation on the part of the province.

**MR. G. CUMMINGS:** I caught most of the answer. Was there a time period for the involvement?

**HON. J. PLOHMAN:** Three years.

**MR. G. CUMMINGS:** Comparing the list of tenants presently and from the report for 1985, I notice that the Winnipeg Sports Car Club is not listed as one of the present tenants. I think the Member for Portage wanted to ask some questions in this area but are they now sub-lessees?

**HON. J. PLOHMAN:** Mr. Chairman, the list that we just provided would show the Winnipeg Sports Car Club as a lessee. The member should look down on the page . . .

**MR. G. CUMMINGS:** It's listed under Gimli Motor Sports Park; is that the organization that has replaced it?

**HON. J. PLOHMAN:** I have a list of monthly and yearly revenue from each tenant there, as opposed to the industrial tenants that were given, that the member asked for earlier. This one provides the revenue list whereas the one that we just gave answered the question that was posed by the Member for Turtle Mountain, or the Member for Ste. Rose - I don't recall - with regard to the lessees at the complex.

There are a couple of others, I guess, that are not included in that list that are part of the whole Gimli Complex. The Winnipeg Sports Car Club is still one of those.

**MR. G. CUMMINGS:** Could I ask for a brief description of what is being done, what our responsibilities are in the area of the kitchen services and facilities. The member said you were talking about cooks.

**HON. J. PLOHMAN:** Aspen Park Lodge.

**MR. G. CUMMINGS:** Is that the only area that there's a connection in that area?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, that's the operation of Aspen Lodge and it's primarily for CN use but there's also, as I said earlier, seminars and weddings and so on that use the facility.

**MR. G. CUMMINGS:** Is that facility, in itself, self-sustaining?

**HON. J. PLOHMAN:** Mr. Chairman, that, again, probably for various inefficiencies because of the size of it and energy costs, the way it was set up, is not currently making a profit by itself.

Mr. Chairman, there was a comment made earlier that the Member for Portage wanted to talk about, the Gimli Dragways, and so on. Is he intending to do that this afternoon or are we going to stay and . . .

**MR. G. CUMMINGS:** He will be here. If you would agree to answer a question, we can make sure that he would be here. I'm not trying to hold it up. I had a note here that I couldn't understand. I'm prepared to pass that area.

**MR. CHAIRMAN:** Would the Minister be willing to come back to the specific question for the Member for Portage at a later time?

**HON. J. PLOHMAN:** Yes.

**MR. CHAIRMAN:** Agreed. (g)(1)—pass; (g)(2)—pass.  
(h) Alterations, Furniture, Furnishings and Incidental - the Member for Ste. Rose.

**MR. G. CUMMINGS:** There's no staff listed in this area. It looks like a recoverable. Is this a purchasing and redistribution department? How does this department operate?

**HON. J. PLOHMAN:** Purchasing small furniture items for the departments and it's fully charged back. A lot of these things are unplanned for. They're required during the year if something breaks, or a replacement is necessary. So, considering overall government needs, it's quite a small amount.

**MR. G. CUMMINGS:** This may not be the precise area in which to ask this but it's certainly a related question. Under purchases for the department, how is the system set up for equipment and furniture purchasing? Do suppliers approach the government and indicate that they have a product, or does the government put out tenders? Do you have a list of known suppliers? I understand that is, in some cases, the manner in which this department operates. If that is the case, how does one . . .

**MR. CHAIRMAN:** If I could suggest to the member, that item is specifically dealt with under 3.(d) Supply and Services, Purchasing. So if the member would like to wait under we get to 3.(d), it would seem to be appropriate there. That seems to be a legitimate area to deal with this item.

**MR. D. ROCAN:** Fair enough, okay.

**MR. CHAIRMAN:** Any further questions on (h)?

**MR. D. ROCAN:** Okay, pass.

**MR. CHAIRMAN:** 2.(h)(1)—pass; 2.(h)(2)—pass.  
2.(j) Technical and Energy Services, (j)(1) - the Member for Minnedosa.

**MR. D. BLAKE:** I would imagine it would come under here. What happened to the solar heating project we had on the roof here a few years back? Has that been covered previously or has that been dismantled and disposed of or is it still up there? What happened to it? Mr. Doern isn't here, so they can't really hoist him on it.

**HON. J. PLOHMAN:** Mr. Chairman, I am advised that the member's colleague, when he was Minister in 1980, discontinued the use of that particular operation. It's been donated to the University of Manitoba Engineering Faculty.

**MR. D. BLAKE:** We've no other solar heating projects that the government has undertaken?

**HON. J. PLOHMAN:** Not formal, no.

**MR. D. BLAKE:** Are there informal ones?

**HON. J. PLOHMAN:** I don't know whether we utilize solar energy in any of our — (Interjection) — well, I understand there's a solar air-to-air heat exchanger in one building in Brandon that utilizes solar energy.

**MR. D. BLAKE:** There's a fair chunk of money in Salaries. How many employees would we have in this department under Technical?

**HON. J. PLOHMAN:** There are 12 in the supplementary information, Mr. Chairman. The members have been provided with the list of SY's. There's one manager, 10 technical persons and two, down to one this year, administrative support staff.

**MR. G. CUMMINGS:** I'm interested in this area. There doesn't seem to be a lot of capital available, and there seems to be a fairly healthy transportation budget, approximately \$1,700, \$1,800 per staff. How does this department operate? Solely in the area of advice? Because very often energy conservation, while advice and planning and technical information is useful, it very often comes down to the point where you can have all the technical information in the world, but if you don't have a budget you can't do as much with it as you'd like.

**HON. J. PLOHMAN:** Mr. Chairman, the pay-back period for projects to be eligible under this program was six-and-a-half years, six years. Most of those have been completed over the last six or eight years. Under this program, most of those that would pay back in that period of time have been actually undertaken and completed and are now paying dividends. That's why we continue to see substantial savings and reductions in heating, as well as in the advice area where the staff would be available to conduct seminars or advise privately or whatever the case might be with building managers the ways that they can reduce their energy costs. It certainly has paid off considerably over the last number of years.

But the staff are also involved in any major upgrading projects or major renovations to ensure that the energy component is well-represented and the best decisions

are made to reflect the kinds of requirements that are needed to experience savings.

**MR. G. CUMMINGS:** I guess my question is still open to some degree. The Minister is saying then that any capital that would be needed would have to come under some other section of the budget in order to implement recommendations of this department.

**HON. J. PLOHMAN:** That's right, Mr. Chairman, primarily under the capital area where it's large expenditures, and the smaller ones which have been done, I guess, under Maintenance and Physical Plant.

**MR. G. CUMMINGS:** The qualifications of the technical people, then, these should be quite highly qualified people that are listed under the nine technical people. Could you give me an idea of what we've got hired there? Engineers?

**HON. J. PLOHMAN:** Engineers and technologists, I understand. If you want a breakdown, I can get it.

**MR. G. CUMMINGS:** No, I don't need to know that.

**HON. J. PLOHMAN:** Building Sciences, I'm advised, technical people.

**MR. G. CUMMINGS:** Transportation of 19,000 has dropped by \$1,600.00. Are these people no longer needed on site? That is still a substantial budget. Does that mean they're not travelling as much or does it mean just an economy in travel?

**HON. J. PLOHMAN:** Mr. Chairman, their work is by no means reduced in terms of getting out to the various areas where their responsibilities lie, where the buildings are. They have to ensure that they do not stay in a centralized way, that they do get around. They will and they have. The reduction in this area merely reflects their actual expenditures of the last number of years.

I'm advised that the area is expanding in the area of Workplace Health and Safety in terms of air movement, air quality. Because of the high-energy kinds of buildings that are being built, there are now other problems that are creeping into the system with the lack of movement of air and the area of smoke and how to clear it out of buildings so that the air is not polluted for non-smokers and for everyone.

I don't think air conditioning has been a high priority, at least in the Legislature up to this time, but probably air movement in here is one area we should look at.

So that's the kind of thing. They are doing a lot of work and kind of shifting the emphasis in the area of workplace health and safety kinds of concerns, but there has been no downgrading of the priority to get out to the areas of the province where they're needed.

**MR. G. CUMMINGS:** I guess the question flows from what the Minister just said then in terms of leased buildings. I know this isn't the department that would be responsible, but it's a question I would like the department, if there's somebody here who could assist, because it's a question that falls almost under all areas of Government Services where buildings are involved and we have a lease.

How is that handled between the department and the owner of the building where it's deemed to be insufficient? Is it simply an implementation of the rules and the owner is expected to live up to the regulation?

**HON. J. PLOHMAN:** I'm not so sure of the question, but primarily if the question is the responsibility of the government once they lease a building or the owner of the building, the fact is the owner of the building is responsible for providing a proper environment for the leaseholders; which is the government.

If we're not satisfied, or the employees aren't satisfied with the conditions, if there's problems arising or if we feel that there would be problems, then we do the kinds of testing and instrumentation to prove our point and to demonstrate to the owner that something has to be done about it. That's where we would use our technical expertise.

**MR. G. CUMMINGS:** The reason I asked that question is that there is some confusion in my mind about the information of the Workplace Health and Safety regulations. The government must be subject to its own rules, regulations and inspections. Does this department merely supply information, or is it also involved in, as you say, the testing concerning complaints once they've come up, or is it an ongoing program whereby we are going around ahead of Workplace Health and Safety people and in effect, may be doubling up on some of the work?

**HON. J. PLOHMAN:** Mr. Chairman, my understanding is that there is no doubling up of responsibilities. The Government Services environmental people react to situations, both before or after. Environment and Workplace Safety and Health are involved in situations with employees. So there isn't an area there of duplication. They will usually act before Workplace Health and Safety on the basis of the testing that goes on, to ensure that there are proper steps taken. But occasionally there are areas where there are violations and so on, and then Government Services has to follow up with the owners of the buildings, the leased buildings, and/or if it's our own buildings, to take the necessary steps to remedy the situation which we do as quickly as we can and as quickly as financial resources will allow.

There is some flexibility shown. However, I don't think it's more than is shown to the private sector, basically, from inspections. If they know that the government is undertaking measures to correct the situation, they will usually give you time to do that.

**MR. G. CUMMINGS:** First of all, I think if the chart that's shown here between '79-85 is any indication of the improvement in the consumption of energy in the buildings in the province, then certainly we've accomplished a fair bit in reduction of energy and I compliment the department in that area.

On the six-year payback that was referred to, what is happening now? Is that about as far as it is economically practical for the department to go? In other words, is six years considered to be the optimum payback period before it starts losing efficiency in terms of dollars versus energy costs?

**HON. J. PLOHMAN:** Mr. Chairman, this six-year standard has been accepted right across Canada; it is not unique to Manitoba. There are other situations where there would be a payback in six years, but now we're getting into major expenditures and major savings, obviously, if there is payback in six years. But they do involve major expenditures so they are usually combined and integrated with renovation requirements for other purposes, whether it be fire and safety upgrading that's required, as well as handicapped access or whatever.

When there are major changes being made, then of course the changes in the design for energy savings are incorporated.

**MR. G. CUMMINGS:** That confirms what I was wanting to get at because there are other departments that are not - it could be taken from what was said before that all six-year payback projects were in fact up-to-date and that's not necessarily the case then - the Department of Education would be a good example, also, where another department is faced with six-year payback problems and where it gets into major expenditures, simply is not embarked upon on an across-the-board basis.

**HON. J. PLOHMAN:** When the member is talking about the Department of Education, I'm not certain whether he's referring to universities and community colleges or whether he's referring to the schools. If he's referring to the schools, well obviously the member is aware, I'm sure that that's a different jurisdiction. So we're not referring to the schools.

**MR. G. CUMMINGS:** I understand that, but I bring it up to point out that it is also of course a child of government funding and what's good for the gander is good for the goose. I was interested to know how far Government Services had gone with its own buildings in this kind of situation. I'm prepared to pass that one, Mr. Chairman.

**MR. CHAIRMAN:** (j)(1)—pass; (j)(2)—pass.

Resolution 76: Resolved that there be granted to Her Majesty a sum not exceeding \$109,306,100 for Government Services, Property Management, for the fiscal year ending the 31st day of March, 1987—pass.

We now move to Item 3, Resolution 77, Supply and Services 3.(a) Executive Administration - the Member for Ste. Rose.

**MR. G. CUMMINGS:** I have no questions under Executive Administration.

**MR. CHAIRMAN:** (a)(1)—pass; (a)(2)—pass.

(b) Fleet Vehicles - the Member for Ste. Rose.

**MR. G. CUMMINGS:** Can the Minister or can the department explain what areas we provide vehicles for? For example, if you get out into some of the other departments, do all Deputy Ministers have vehicles? What is the base criteria for looking at a department and deciding if there will be vehicles available?

**HON. J. PLOHMAN:** Well, Mr. Chairman, there are two questions there: one is a very broad question, one's a very specific question.

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Deputy Ministers, by position, as part of their job description or their terms of employment, have a government vehicle with certain specifications that are somewhat different, but not elaborately different than the average fleet vehicle, as are Ministers. Other than that, I believe there are a number of positions that are designated as positions that would be eligible for a government vehicle on the basis of the position; but we're trying to get away from that as much as possible and get into the allocation of vehicles on the basis of the low-cost option or the most efficient and effective kinds of transportation for government employees.

So in terms of that, there is a utilization factor that would be applied. If cars are not being utilized to the extent that they should be to make it the cheapest way of providing transportation for that individual employee, then we will put them on a lower priority listing for repriorization to other positions that are created from time to time, other areas where it would be more efficient to have certain employees utilizing a government vehicle, as opposed to being paid private mileage or mileage for the use of their private car.

So there has been quite an extensive review of that area and an effort made to repriorize vehicles, to remove them from individuals who are not utilizing them to the extent they should be utilized, and redeployed; so that we are not expanding the government fleet. Over the last couple of years, it has stayed relatively static.

**MR. G. CUMMINGS:** I guess part of that question then is, the government is paying 32 cents a kilometre for the use of private vehicles, what is the rule of thumb where a number of kilometres is a minimum requirement for a staff vehicle or for staff to have a vehicle?

**HON. J. PLOHMAN:** Mr. Chairman, they figure around 19,000 or 20,000. I'm just advised 19,000 kilometres where it would be cheaper to allocate a government vehicle than it would be to pay mileage.

**MR. G. CUMMINGS:** How much is it?

**HON. J. PLOHMAN:** The figure was 32 cents.

**MR. G. CUMMINGS:** What would it be for private vehicles? I'm making an assumption there. Is that the figure that's used for comparison?

**HON. J. PLOHMAN:** No, for private cars for government business.

Mr. Chairman, I don't have the answers to confirm whether the 32 is correct and I will get it. I'm not sure what it is at the present time.

I'm advised that it may be 26 cents per kilometre.

**MR. G. CUMMINGS:** In looking at the maintenance schedule that's here, as part of our additional information - and this is a very good breakdown, having had a little bit to do with the operation of a public facility for maintenance of vehicles, I'm interested in these figures. I find them a little bit, I presume, misleading in terms of looking at 2,500 vehicles and you go down and look at alignment and brakes, for example, where you have 4,500 operations performed or tune-ups and electrical of 4,500; and yet you go

down to winterizing and you see that only half of the fleet would have been winterized. Tire repair - would not have purchased much more than one tire per vehicle. I wonder if some of those figures could be rationalized. For example, every time alignment and brakes are referred to, is that not necessarily a full alignment and brake job or does "a" alignment plus "a" brake job equal two operations, which therefore jimmies the total?

**HON. J. PLOHMAN:** I understand, Mr. Chairman, that is where there's a doubling up of functions that take place. We would count the operation twice, that each operation would be reflected on the statistical information. It also could reflect minor work on them, rather than major brake jobs, for example.

**MR. G. CUMMINGS:** The shop, I take it, is an authorized autobody repair shop or Autopac repair shop, pardon me?

**HON. J. PLOHMAN:** I didn't get the question.

**MR. G. CUMMINGS:** Is the shop an authorized Autopac repair shop? I see \$1,500 autobody repairs and I'm wondering if those are Autopac jobs.

**HON. J. PLOHMAN:** Yes.

**MR. G. CUMMINGS:** One footnote says that there's a reduction in fuel costs because of the efficiency of the vehicles. Has that been a steadily declining figure as the department is experiencing turnover or is that a recent phenomenon; I'm asking for a general comment here to try and get a feel of what is happening in the department.

**HON. J. PLOHMAN:** I'm advised that this has been a continuing phenomenon, that there's been a reduction in the consumption of fuel because of the downsizing policy; and we still have some areas where I feel we could make some headway. I have to work with a few of my colleagues, perhaps with myself in the Highways Department and Natural Resources in some of those big four-by-fours they drive around, but I still think there's some areas there where we could be downsizing some of the vehicles; but there's been a substantial downsizing over the last five or six years and that is reflected in the reduction in costs.

Of course, this year a double benefit because of the reduction in fuel costs on a unit basis, per litre basis.

**MR. G. CUMMINGS:** What is the department's policy regarding purchase of vehicles? How is the tender set out?

**HON. J. PLOHMAN:** I just want to reflect the reduction in consumption. In 1983-84, the average was 16.7 litres per 100 kilometres. It went down to 16.5 in 1984-85; and this, 1985-86 to 15.5, so that kind of a downward trend; and if we were to look before 1983-84, it would have been much higher even.

The policy for purchasing - there's tenders on low bid to meet the specifications, is my understanding for the general fleet vehicles.

**MR. G. CUMMINGS:** Are those bids always tendered within the province or are they from wherever a tender would be offered or from head office of the supplying company?

**HON. J. PLOHMAN:** Mr. Chairman, they are tendered through any dealer who wants to bid and, of course, the price varies with the dealers or in terms of what the dealers want to or are prepared to take for a margin or a loss, depending on what they're trying to do with their business, and get their volumes up in terms of how little of a margin they may want to take, so we do get a variance in the kinds of bids that come forward. The policy that we adhered to is that they should be North American manufactured.

**MR. G. CUMMINGS:** The second part of my question was: are they all Manitoba purchases, the dealerships, and, therefore, the supplier all Manitoba based?

**HON. J. PLOHMAN:** Well, Mr. Chairman, the dealers that have bid, expressed interest, are all Manitoba dealers.

**MR. G. CUMMINGS:** I guess I should have phrased the question differently. What I want to know is does the department have a purchase-Manitoba policy, first of all, with the vehicles?

**HON. J. PLOHMAN:** Mr. Chairman, there's no formal policy that we will not purchase cars by dealers outside the province, I don't believe. However, the dealers that we have listed are all Manitoba dealers, and we don't have any interest expressed, so we never had to have a policy.

We have a Buy Manitoba Program which applies a differential interest or a variance from the low bid. From time to time where we have a Manitoba manufacturer, a second low bidder to an out-of-province bidder, we will at some time consider the tax benefits that would be lost if we were to go to the outside bidder and we'll sometimes award to the Manitoba bidder in manufactured goods, but we're not dealing with that situation since they're not making cars in Manitoba here.

**MR. G. CUMMINGS:** Then it's safe to assume that what the department has then, in terms of vehicles, do we have a buy Canadian not necessarily in the manufacture - I understand we're talking North American vehicles - but then if there were a tender to come from, say, a large Ontario dealership, it would not out of hand be discarded?

**HON. J. PLOHMAN:** Well, I would assume they would have a dealer in Manitoba and it would be the dealer in Manitoba that would be quoting.

**MR. CHAIRMAN:** (b)(1) - pass?

**MR. G. CUMMINGS:** No. I still have some questions regarding the servicing of the vehicles, the garage services portion.

**MR. CHAIRMAN:** Well, perhaps the time being . . .

**MR. G. CUMMINGS:** If you wish to adjourn to go back to the House, then, that's fine.

**MR. CHAIRMAN:** Yes, the time being 4:30, it's time for Private Members' Hour. We will interrupt the proceedings and return at 8:00 p.m.

## SUPPLY - CULTURE, HERITAGE AND RECREATION

**MR. CHAIRMAN, C. Santos:** This section of the Committee of Supply shall be dealing with the Estimates of the Department of Culture, Heritage and Recreation. We shall begin with a statement from the Honourable Minister responsible for the department.  
The Honourable Minister.

**HON. J. WASYLICIA-LEIS:** Thank you, Mr. Chairperson. I have copies of my statement, when a Page is back, for distribution.

Mr. Chairperson, I welcome this opportunity to present my department's Estimates, and to review the events and achievements of the past year on which these Estimates are based.

The direction articulated by this administration in the Speech from the Throne is based on the principles of fairness and equality for all. It holds dear the value of the individual through the belief that each member of this society deserves equal respect and dignity, and has the right to the same opportunities as the next person.

Mr. Chairperson, these principles reflect a fundamental concern for quality of life, and they are no more appropriately applied than to the department such as Culture, Heritage and Recreation.

The Speech from the Throne also spoke to a commitment this administration has made to the enrichment of our communities through the promotion of multiculturalism and heritage resources. To further this ideal, this government calls on Manitobans from all walks of life to continue to develop a tolerance and respect for one another through deepening cross-cultural awareness. All of us must be sensitive to a province composed of many peoples, and to the fact that many of us have come to Manitoba with rich and varied values and experiences. Equality of access and opportunity is rooted in an openness to one another.

Mr. Chairperson, the achievement of this equality of access and opportunity in the area of Culture, Heritage and Recreation will be more effective if it occurs in direct response to ongoing community consultation and participation.

Our commitment to this cooperative interaction with the community is reflected in all program areas of my department.

Manitoba has been experiencing a resurgence in the arts over the past number of years. We are indeed fortunate in this regard because our sense of identity will be strengthened in good measure by those people with the capacity to express to us our own condition.

However, Mr. Chairperson, I would like to stress that the province is in a partnership with other levels of government in sharing responsibility for sustaining a creative and productive cultural community. The recent federal report of the Task Force on Funding of the Arts

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has recognized that there are not adequate resources in the system for artistic growth and has called on the funding partners to increase their share of direct funding for these activities and operations by some 5 percent per year.

I am pleased to note that recent Statistics Canada information and other studies show that Manitoba's support for art and culture has continued to grow and outpace national norms. Yet there are many cultural needs that have not received adequate support, and I hold the position that continued support by the province and other levels of government is essential to the continued well-being of the art and culture in Manitoba.

Mr. Chairperson, I raise concern about the commitment that the Federal Government holds in this shared responsibility for cultural funding.

At the federal level, I note that over the past two years there has been a net funding decrease to the cultural area of some \$45 million. To Manitoba, this translates into direct job and cultural opportunity losses. In the case of the Canadian Broadcasting Corporation, for example, some 75 jobs were lost. The position of the Federal Government on matters related to culture is unclear, particularly with the recently imposed 10 percent tariff by Canada on imported books. Mr. Chairperson, Manitoba will not support any trade negotiations which weaken Canadians' and Manitobans' capacity to develop the skills and systems to strengthen our cultural identity through the expression of our culture to ourselves and the world.

If we are to see continued growth of a strong and vibrant cultural community in Manitoba, the Federal Government must restore and increase its investment in Canadian cultural activities.

Mr. Chairperson, my department will continue to act as a catalyst to assist the community in the vital role of arts as an integral part in the community. Manitoba is at the forefront in the assistance of expanding cultural and artistic interests and skills and integrating them into the community.

Not only is it necessary to facilitate more cooperative efforts with community arts councils, education groups and municipal representatives, it is equally important to raise the level of arts awareness in the community, particularly with children, thereby developing an expanding future audience for the arts.

The first step, Mr. Chairperson, in this endeavour is our sponsorship this fall of a major arts education conference intended to instill a commitment in participants to play an active role in the integration of the arts into their community.

The status of the individual artist is a concern I have voiced on numerous occasions. Most artists exist below the poverty line, and we need to improve their economic standing in our society. Recent reports show that Canadian artists are second only to pensioners with their lowest national revenue category of earnings, while the average income of full-time visual artists was less than \$8,000 in 1984, and only half of that coming from the sale of their art.

In response, Mr. Chairperson, recent increases in the resources of the Manitoba Arts Council have witnessed a benefit to artists, as well as helped nurture a healthier environment for their works. Furthermore, departmental programs, such as tour sponsoring, summer events

and cultural industries, have contributed to artists' creative and economic well-being. The Cultural Resources Branch in particular has improved opportunities for Manitobans to study, create, produce and exhibit cultural products, and to pursue excellence.

Mr. Chairperson, over the years my department has enjoyed a longstanding, cooperative working relationship with the major cultural institutions in the province. In the environment of government cuts to culture, support to institutions has been maintained. In large part, this is due to a recognition of their valuable contribution to cultural life in Manitoba.

Continued operating support to the Centre Culturel Franco-Manitobain, the Centennial Centre Corporation, the Museum of Man and Nature, the Ukrainian Cultural and Education Centre, the Brandon Centennial Auditorium and the Winnipeg Art Gallery will underline this administration's commitment to culture and heritage initiatives in Manitoba.

The diversity of our culture is most evident in our ethnocultural existence. Our culture is a true celebration of the many and varied values, lifestyles, languages, legacies, experiences and lessons gained from many diverse peoples.

We believe this diversity is a positive force, an asset, to the rich and colourful fabric of society.

In support of ethnocultural groups, money has grown in the past five years to more than half-a-million dollars from the \$135,000 allocated by the previous administration, and is accompanied by a commitment to effective development and implementation of multicultural policy through community consultation and participation.

Mr. Chairperson, my department, in concert with other provincial organizations, has substantially increased resources to expand programs and services in the community. We are jointly committed, along with the Manitoba Arts Council, the Manitoba Intercultural Council, and the Manitoba Heritage Federation, to ensure coordinated planning, funding, information sharing and communication in order to provide awareness of the government's comprehensive policy while maintaining a clear delineation of roles and responsibility.

Flowing from both voiced community need and identified initiatives framed by the Canada-Manitoba Subsidiary Agreement on Communications and Cultural Enterprises, my department is undertaking research that focuses on the Manitoba crafts people and booksellers. Studies are under way in both areas to determine, cooperatively, the appropriate public policies and strategies in supporting and promoting the creation and distribution of Manitoba crafts and publications.

Preliminary statistics from federal-provincial research efforts indicate that cultural activities constitute a labour-intensive industry and provide a high return of dollars to the community from ancillary businesses which are stimulated by the presence of cultural activities. This underscores the social value of such activities and also emphasizes the scope and magnitude of the economic impact generated by the cultural sector on both the provincial and national economies.

Mr. Chairperson, on April 1st of this year, substantial amendments to The Amusements Act were proclaimed. These amendments provide . . .

**MR. J. ERNST:** On a point of order, Mr. Chairman.

I'm having difficulty hearing the Minister because of the noise from the opposite bench. Would you ask them to come to order?

**MR. CHAIRMAN:** Order please.

**HON. J. WASYLICIA-LEIS:** Thank you. I'd like to thank the Member for Charleswood for drawing my own colleagues to order.

Mr. Chairperson, let me start again with some comments on the amendments to The Amusements Act. These amendments provide the — (Interjection) — Sure.

These amendments provide the legislative authority for the clarification of home-use video products and built-in protections for both the consumer and the industry. Negotiations are currently in progress to establish an interprovincial agreement allowing the Provinces of Manitoba, Ontario and Saskatchewan to establish mechanisms whereby home-use video products can be classified jointly and cooperatively. It is believed that this agreement will result in reducing potential costs to the industry and the consumer and that the proposed system will ensure that the consumer has easy access to reliable information on film classification.

On May 12 of this year, Manitoba Day, two announcements were made with a great sense of pride and accomplishment by my department.

On that day, the 116th birthday of our province, I had the pleasure to announce the establishment of my department's Annual Culture, Heritage and Recreation Awards Program.

The impetus for the development of this program came from the various communities served by my department in their desire to reward excellence and achievement and to pay tribute to Manitobans who have made significant contributions to the preservation of heritage and the development of arts and recreation in this province.

On Manitoba Day, I also had the pleasure to announce the proclamation of The Heritage Resources Act.

This statute will bring the preservation of heritage into the realm of ordinary Manitobans. Powers are now available to local governments, supported by grant assistance, to preserve the tangible legacies of yesterday that are a testament to the varied cultural expression of modern society.

Once again, Mr. Chairperson, the principles of local control, respect for the values of the local resident, and a concern for our quality of life go beyond rhetoric. By legislative and programmatic action, heritage preservation is no longer confined to the heritage professional and academic. This valuable inheritance is being appreciated as a community asset by all Manitobans.

At this crucial time in our province's history, when rapid change is affecting every aspect of society, these precious links to our past assume even greater significance. We have a responsibility to protect the best of them now. Future generations will not have the same opportunity.

The effect of The Heritage Resources Act is evident in five grant programs that were announced to assist communities in actively preserving and promoting their

heritage through designation, restoration and protection. The five programs are: provincially designated heritage building grants, municipally designated heritage building grants, community commemorative plaque grants, oral history grants and archives capital facilities grants.

Support of the new heritage legislation is by no means restricted to financial allocation and assistance. We have launched a two-phase heritage awareness campaign whose objective is to instill and encourage greater awareness and a sense of pride in our heritage as a legacy linking all Manitobans throughout time.

While Phase I of this campaign focused on the new legislation promoting our heritage as a precious gift that is "worth keeping-worth sharing," Phase II will carry this message into the community and encourage all of us to conserve, interpret and commemorate our collective past.

Tantamount to our efforts of historical preservation of years gone by are our efforts to better understand what can be done to enrich the daily lives of Manitobans now and in the years ahead.

This year, Mr. Chairperson, I will apply my commitment to community input in the area of recreation and leisure as I consult with Manitoba communities in order to gauge public opinion, attitudes and concerns.

This information will help shape new strategies and initiatives for future implementation. During this series of consultations, we will be assessing the participation in and need for recreation activities which go far beyond those of fitness and physical activity. Recreation has become an integral facet of the basic "health and well-being" of all Manitobans. It is a critical element in ensuring that Manitoba is a good place to live. Recreation has an almost unlimited potential to develop life skills and to promote and maintain healthier and independent lifestyles, thereby giving communities the tools for revitalization and self-sufficiency.

Our society, as it is transformed by technological change, must be able to provide meaningful opportunities and activities within our communities, which sponsor individual creativity and life-long pursuits.

The dynamic changing base of our social and demographic structures alters the nature, quality and scope of activities delivered by the department. To be responsive to these needs, we must engage in a reassessment process that will identify users and ensure that our program structures meet the needs of all age groups, backgrounds, economic levels and regions.

This administration realizes its responsibility to provide the assistance, leadership and recognition that is so essential to the coherent development and maintenance of a system for the delivery of recreation services. This is particularly true in respect to the volunteer who provides the main source of energy, to power the provision of direct — (Interjection) — recreation services.

**A MEMBER:** That sounds pretty good Judy, but when are you going to stop picking on the Mennonites.

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, our support of the contributions of volunteer organizations includes consultative services to community organizations and leadership training opportunities for full-time staff and volunteers. — (Interjection) —

Mr. Chairperson, I should point out to members opposite that my husband is a Mennonite and he's certainly a strong NDPer.

**A MEMBER:** There are hundreds of thousands of us.

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, programs of community activities are essential elements of life if people are to keep their sense of purpose and achieve happiness in a complex society.

That is why my department has provided support in the area of volunteer board development to raise the competency level of volunteer boards that relate to this department.

Mr. Chairperson, an area that has an intrinsic role in the education and development of people in the community is the continued support of Manitoba's public libraries.

In light of our perpetual search for new ways of enhancing individual and collective access to information resources, we have increased the operating grant to the City of Winnipeg Library System from \$2 to \$2.33 per capita. This represents a \$185,000 increase. As well, a supplementary grant will help the Winnipeg Public Library augment its book collection.

Again this year, Mr. Chairperson, my department is providing capital grants to rural libraries, assisting them to improve their facilities. These grants have permitted rural libraries to avoid shutdowns and remain in operation without crippling maintenance costs.

In closing, Mr. Chairperson, I wish to acknowledge the many individuals throughout Manitoba who direct their efforts and channel their creativity into the development of Culture, Heritage and Recreation in our province.

Mr. Chairperson, with continued Provincial Government support and rejuvenated commitment from the private and public sectors, these activities will no doubt continue to flourish because of the interest and cooperative efforts at the local level of each community, a contribution that enriches all our lives.

Thank you, Mr. Chairperson.

**MR. CHAIRMAN:** The Chair now calls upon the critic for the Opposition to make his reply if he so desires.

**MR. J. ERNST:** I thank the Minister for her statement. It was rather all encompassing and, as a matter of fact - (Interjection) - I said "her." I'm going to peruse Hansard and find "her."

Mr. Chairman, before I was rudely interrupted by the Member for Lakeside, I want to say that the Minister's statement was rather all encompassing. As a matter of fact, she intended to, I think, almost go on as long as the Member for Fort Garry before her, but he on a grievance, of course.

Mr. Chairman, I think, by and large, all members of the House support, in principle at least, the basic statements of the Minister relating to her department. Certainly, we are all in favour of the arts, of the performing arts. We support them in a variety of ways, Mr. Chairman, and particularly the Member for Arthur, he is certainly actively involved in supporting the arts in this community.

Mr. Chairman, the question of heritage is one I noted that the Minister had come forward with and indicated

she had brought forward heritage legislation back in the earlier part of the Session. I'm pleased to see that take place because it's about 10 years late in coming. I happened to be, 10 years ago, the chairman of the Committee on Environment for the City of Winnipeg, who introduced the first heritage legislation in this province, who introduced the first preservation of buildings in the City of Winnipeg.

It has proven to be exceptionally good and I think exceptionally well accepted by the public at large to a point where, for instance, in the last Core Area Initiative Agreement we expended some millions of dollars with respect to those heritage buildings and their preservation.

We have to be a little careful though, Mr. Chairman, that we don't get carried away because what happens is very often people tend to get to a point where they expect every building, no matter how old it is, no matter of what architectural significance, should be preserved; and I think that might be foolhardy in the long term because I don't think anyone has the resources to meet that demand.

There is another aspect of that as well that needs to be addressed, and that is the question of what happens to the owners of those properties. If they are prohibited from demolishing their building, if they are prohibited from renovating that building to an economic point, then are we going to deal with that specific issue? That, in part, is a federal issue and I would hope that the Minister would take note of that and, if she has not already, when she meets with her federal counterparts, to bring that issue again to the forefront. That income tax legislation is necessary to allow the owners of those properties to have some benefit from the fact that they're prohibited from dealing with their building in a normal manner.

Mr. Chairman, all of these statements about Heritage, Culture and Recreation, all of the things that are supported in principle by the members of the House in general, I think, boils down to the fact that they're all very nice and all certainly supportive. But do they really support them when it comes down to putting their money where their mouth is? That is the question.

When we review the Estimates of the Culture, Heritage and Recreation Department, we find that's not necessarily the case. The basic budget, the basic Estimates as tabled in the House are basically a stand pat budget, no real increase, anything of any significance at all; so that with respect, Mr. Chairman, to that area the indication would be, in general terms, there's no big influx of money into this department.

When you go into the individual sections of that budget, when you look at the individual departments within the overall department, it shows the priorities of this government. It indicates where the government thinks the money in this department should be put, notwithstanding the very nice platitudes from the Minister in her statement. I don't blame necessarily the Minister in this regard either because it's a collective decision of the government as to how funding takes place; but the priorities show that the guts of this program, the programs' division is in fact cut back so that we don't see an increase in funding in the programs division, the money that goes to the people out there that are the consumers, if you will, of the services of the department, but rather there's a cutback.

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But where the increase comes, Mr. Chairman, is in apple polishers under this department. Executive Support, Communications - that's where the increase comes, Mr. Chairman, and that's where the priorities of government are. They are so bad off with their image in the public, so bad off that in a year after an election they have to have a 24 percent increase in the amount of money spent on the communications end of the business, dealing with the - I forget the exact terminology but it's basically the government departments that are consumers of the Communications Branch services - a 24 percent increase in a year after an election, Mr. Chairman.

You can imagine then again what is spent in a year of an election or in a year in advance of an election; so that, obviously, Mr. Chairman, the government's priorities are somewhat mixed up in terms of this particular department and certainly a little mixed up, I would think, in terms of what the Minister indicated in her statement and, in fact, that everybody is supportive of, of Culture, Heritage and Recreation, when all the money, certainly the increased money, is being spent on none of the things that she indicated in her statement.

The Minister also indicated in her statement the question of library services and the fact that she was quite proud that the City of Winnipeg had received an increase of \$185,000 in its library grant, and I'm sure the City of Winnipeg is very grateful for that increase to \$2.33 per capita from \$2 per capita. But I think they would have been a lot happier if they had received the provincial average per capita grant, which I believe is \$3.50 per capita, so there seems to be two standards, Mr. Chairman, one for rural Manitoba at \$3.50 per capita and one for the City of Winnipeg at \$2, now \$2.33 as of February 1986.

The City of Winnipeg's library system needs the support, needs that additional help, and needs, I think, and deserves. We dealt with, during the Department of Urban Affairs Estimates, the fact that about two-thirds of the provincial revenues generated in this province come from the City of Winnipeg, and the resulting contributions from government departments in terms of grants, paybacks, etc. range in the area between 35 percent and 40 percent of those revenues; so clearly there's a significant difference and certainly a significant area available for movement so that in terms of library grants, at least, that the provincial average could at least be recognized and could at least be met in terms of library grants from this department.

As well, Mr. Chairman, there's one further area I think that hasn't been mentioned by the Minister, and the fact is that if a stranger were to walk in and pick up the Estimates of the Department of Culture, Heritage and Recreation, they would look at the Estimates and they would say, well, this is what the government is going to spend on these areas. But that's not entirely true, Mr. Chairman, because what isn't built into these Estimates, and what isn't going to be discussed over the next while, and what isn't clear to that stranger walking in and looking at the Estimates of the department is the fact that there are millions of dollars of lottery revenues that will be funnelled into this department, that do not go through the Estimate process, that aren't subject to the scrutiny of the Legislature and really are apart - and legally so, yes.

I concur that legally they are apart and different and separate.

The fact of the matter is, they are spent annually, Mr. Chairman, in ever-increasing amounts, without any input in the Estimates process, without any input in the legislative process. I broached that matter with the Provincial Auditor. I have a letter here which I would be pleased to provide a copy of to the Minister. In part, it says, ". . . it would seem reasonable for the supplementary information on the departments concerned to include particulars regarding planned expenditures and other transactions through department-controlled trust accounts." - and that is where the money comes from from the lotteries system - "This would help provide a more complete disclosure of departmental programming."

That kind of information, Mr. Chairman, I think ought to be made public, ought to be involved in the Estimates' process. The Minister ought to table - and perhaps may well she might - table the list of the monies that are anticipated to be spent over the next little while in, well, over the next year for that matter, with respect to her department, with respect to Lottery monies. For instance, Order-in-Council 346 approved a \$9.4 million grant amount for the department. There are a number of organizations listed as being proposed for grants in this regard, but no amounts are attached to those to indicate how much they are going to receive or, if in fact, they receive anything at all. It just appears to be a list attached, Mr. Chairman.

So I think that whole area of funding that comes into the Department of Culture, Heritage and Recreation that is outside of the Estimate process ought not to be contained in the Estimates process; it ought to be under scrutiny before us here in the House so that we have an opportunity to deal and see where that money, that \$9.4 million in this case, where it's going to go, how it's going to be spent. Mr. Chairman, instead of dealing with it a year-and-a-half or two years later in the Report of the Lotteries Commission after the fact that the money has been spent.

**MR. CHAIRMAN:** At this point in time, before we start the Estimates, the Chair is inviting all the members of the departmental staff, who may be around, to take their respective places.

**HON. J. WASYLICIA-LEIS:** Good morning, Mr. Chairperson.

While we're waiting, if I could get a copy of that letter from the Auditor from the Member for Charleswood.

**MR. CHAIRMAN:** Item 1. We shall skip item 1.(a) which relates to the Minister's Salary, which shall be deferred as the last item for consideration and begin with item 1.(b)(1) Executive Support: Salaries, Administration and Finance, 1.(b)(2) Other Expenditures.

The Honourable Minister.

**HON. J. WASYLICIA-LEIS:** I was wondering if I could at this point table some supplementary information that the Member for Charleswood will be interested in, given his comments on insufficient information pertaining to lotteries. I have the listing of grants for the year ending March 31, 1985, which would include grants by appropriation and grants by lotteries.

**MR. J. ERNST:** Mr. Chairman, on a point of order.

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

**MR. J. ERNST:** Mr. Chairman, I appreciate the Minister tabling this information. Is this not the same information that's contained in the Report of the Manitoba Lotteries Foundation in part and in part, I presume, in the report of the Culture, Heritage and Recreation Department, 1984-85?

**HON. J. WASYLYCIA-LEIS:** The information that I just forwarded to the member is a much more detailed listing of grants that are funded through lotteries and it's in follow-up to his comments about inadequate detail pertaining to the department's Estimates. I think this will provide him with a good indication about total departmental spending, whether it's by appropriation or by lotteries. As we go along, if there is further information pertaining to the lotteries portion of the Estimates, I would be pleased to give that information and any detail that he requires.

**MR. CHAIRMAN:** The Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Mr. Chairman, I have a couple of questions here.

In terms of salary increases, obviously that is one more staff year which would lead to a 12 percent increase. But why has Communication in this particular section appear to have doubled? Page 18.

**HON. J. WASYLYCIA-LEIS:** I will try to come back with a more complete answer, but a preliminary answer is that we didn't budget adequately in the previous year for telephone costs, and it also includes the cost for a mobile telephone for myself.

**MRS. S. CARSTAIRS:** In the same area, I was a little shocked to see at the same time that transportation went from 22.7 down to 11.9. What are the transportation costs involved here and if they are, in fact, accessing the communities, why could they be reduced by that amount of money in a given year?

**HON. J. WASYLYCIA-LEIS:** Mr. Chairperson, that reduction in travel reflects a reduction in out-of-province travel and it has not handicapped our commitment to active communication and consultation in the Province of Manitoba.

**MR. J. ERNST:** First of all, perhaps the Minister could introduce the members of her staff here present. I don't know any of them and it might be helpful if I learned who they were.

**HON. J. WASYLYCIA-LEIS:** I'd be delighted to introduce my Deputy Minister, Joy Cohnstaedt; the Director of Financial Services, Dave Paton; and the Director of Administrative Services, John Wilkins.

**MR. J. ERNST:** Thank you, Mr. Chairman, and pass my thanks along to the Minister. Was it Mr. Carson who was in that department, I believe, some time back; is he no longer with the department?

**HON. J. WASYLYCIA-LEIS:** Mr. Tom Carson is the Assistant Deputy Minister and is still with the department. Would you like him here?

**MR. J. ERNST:** No, I don't know the gentleman at all. If we can, Mr. Chairman, perhaps deal with the increase in staffing for this year, the additional Estimates provided staff here for a Secretary, Ethnocultural Committee of Cabinet. Mr. Chairman, does that require a full-time person to be required in the area of managerial and professional staffing as opposed to, say, an executive support or something of that nature?

**HON. J. WASYLYCIA-LEIS:** Perhaps the title of the position is a misnomer because the position that we're filling is someone who would be not only a coordinator in terms of the Ethnocultural Committee of Cabinet, but would be involved in policy development and outreach activities pertaining to the ethnocultural community in Manitoba. It's a reflection of our commitment to this area and an indication of the importance we attach to multiculturalism in the Province of Manitoba.

For the member's information, that position has just been bulletined.

**MR. J. ERNST:** With respect to the communications section of the budget, that section is the subject of some scrutiny, I guess. The Member for River Heights has already raised that question. Could the Minister provide a breakdown of the kind of common costs that are lumped into that category so that we have a reasonable idea and don't get carried off on tangents with respect to that particular section of the budget?

**HON. J. WASYLYCIA-LEIS:** Mr. Chairperson, the costs basically are for telephone, courier, and mobile phone services.

**MR. J. ERNST:** I'm sorry, I didn't catch the last part.

**HON. J. WASYLYCIA-LEIS:** Telephone, courier, and mobile phone services.

**MR. J. ERNST:** Mr. Chairman, I thank the Minister for that indication. With respect to mobile telephones, can the Minister advise how many mobile telephones would be in this budget?

**HON. J. WASYLYCIA-LEIS:** Yes, Mr. Chairperson, just one, and that's for my own use and was relied on heavily over the last couple of months. Mobile phones, for the member's information, cost in the neighbourhood of 2,500 a year.

**MR. J. ERNST:** Mr. Chairman, under the category of Other Operating Costs, it's gone from \$5,000 to \$13,000.00. Can the Minister advise what costs are included under that section of the budget and why such an inordinate increase over last year?

Perhaps at the same time, Mr. Chairman, she can indicate what's included in that section as well.

**HON. J. WASYLYCIA-LEIS:** Basically this item covers such things as hospitality and word processing. In both

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areas, activities were reduced in terms of hospitality. I'm sure the members, in the interests of cost-saving measures, will appreciate that.

The Minister's office does not have a word processor, as the previous Minister did, but we are looking into trying to acquire one and increase our expenditures again in that area.

**MR. J. ERNST:** What did he do with it?

**HON. J. WASYLICIA-LEIS:** He took it with him.

**MR. J. ERNST:** He stole the word processor?

Mr. Chairman, that's shocking to find out, absolutely shocking that the Minister would have stolen the word processor out from under his successor, something that I can hardly comprehend and would rank, I suppose, amongst a number of scandals that have faced the government in recent times. Just one more that we have to deal with in this case.

Can you tell me, through you, Mr. Chairman, whether it's going to be the RCMP that's going to investigate this theft or whether it's the bingo police that will be investigating?

The Minister indicated, Mr. Chairman, some of the things that are contained under here. I didn't catch the very last part of her comments with respect to that section. Is the increase related to the word processor; is that the answer?

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, I have to re-do my last answer. I was reading this as a decrease and it's an increase.

**MR. J. ERNST:** I wondered about that.

**HON. J. WASYLICIA-LEIS:** I have to turn my answer around and say the increase was the result of increased expenditures vis-a-vis hospitality and increases with respect to word processing. I don't know how there's an increase and I don't have one but we'll look into that.

**MR. J. ERNST:** Mr. Chairman, I have no further questions with respect to the Executive Support, unless anybody else has some.

**MR. CHAIRMAN:** Are we ready to approve this item?

1.(b)(1) Executive Support: Salaries—pass; 1.(b)(2) Executive Support: Other Expenditures—pass.

1.(c)(1) Research and Planning: Salaries, 1.(c)(2) Other Expenditures - the Member for Charleswood.

**MR. J. ERNST:** Mr. Chairman, I appreciate the explanation of what the department does in the Research - it has developed new policies and programs - but we have planning and research and God knows how many others functions of a similar nature in virtually every section of the department. Do we really need a Research and Planning branch all by itself within this department? Quite frankly, I'd like to know what they do all day in that department, Mr. Chairman.

I should point out too that, no reflection on any member of the department - I'm not familiar with anybody, I don't know anybody in that department and

I don't want to reflect individually upon them - I want only to find out if in fact the function that is included in the Estimates is really necessary and exactly what it does do in the overall process.

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, this branch acts as a central service unit involved in research to develop very major far-reaching policy and strategy documents in new program areas, in reviewing selected programs and issues for policy consistency and response, and facilitating strategic planning needs and coordination of information and statistics for planning and other purposes.

That's quite a different role than that performed by researchers in other branches where they provide a particular expertise and are used for that particular program area. This branch - and I can give you some of the examples of the research projects as an indication of sort of all-encompassing, broad-reaching kind of research projects that are undertaken include in the area of policy development - a study on independent booksellers which I referenced in my speech and the same for Manitoba crafts, a review of second-hand booksellers, a study of recorded music, a broad based study on the economic dimensions of the cultural sector study, which is a national study.

In terms of policy response, particularly with respect to federal initiatives and statements, we've provided very significant responses with respect to the federal Copyright Act revision, free trade impact on culture, the Task Force on Funding of the Arts, recreation policy and delivery review, interprovincial agreement on video classification.

This branch also does, in addition to those major areas, some strategic planning in terms of the role and mission of the department, the thrusts and challenges facing us, as well as provides coordination on information that I find particularly useful in terms of new issues that the Member for Charleswood often raises, clipping service, research studies with Statistics Canada and so on - I could go on and on - but I think it's a very important branch. It does a lot of work for a very small staff.

**MR. J. ERNST:** I've no further questions, Mr. Chairman.

**MR. CHAIRMAN:** 1.(c)(1) Research and Planning: Salaries—pass; 1.(c)(2) Research and Planning: Other Expenditures—pass.

1.(d)(1) Communication and Information Services: Salaries, 1.(d)(2) Other Expenditures - the Member for Portage.

**MR. E. CONNERY:** No, no, I'm just moving.

**MR. J. ERNST:** Mr. Chairman, I guess this is where we get into the area of propaganda again with respect to this whole budget, that function in a whole general department and then individually in a number of areas. But, Mr. Chairman, I have some genuine concerns that we need communication and information services functions as often and as frequently as we do in this whole entire budget.

We've had the Minister of Urban Affairs in a former capacity refer to them as apple-polishers. We've had

a concern expressed on this side of the House of the - now I believe in excess of 100 people in these kinds of positions - in fact in the Civil Service I understand that there's a category now of media specialist with a number of numbers attached to them to deal with these kinds of things. I, Mr. Chairman, find some great concern, and I'd like to hear the Minister's justification for having this kind of a department at all.

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, I have no apologies to make for two positions to handle communications for the entire department. I think the Member for Charleswood may be misreading the Estimates presentation and confusing the Communication and Information Services Branch of the department with the Communication Services Division, which provides a whole other function for the government, and it provides a function to all departments and not specifically to the Department of Culture, Heritage and Recreation.

I find it a bit odd that the Member for Charleswood is criticizing two positions - actually really only one professional communications individual - at the same time as he's calling for or applauding the government for its efforts on heritage and heritage awareness. It's through this branch that we've been able to promote heritage awareness, produce the kind of publications and leaflets that have made it possible for the public to understand and appreciate the opportunities before them.

It's this branch of one person and one support person which has put out dozens of news releases outlining the important programs that this department has available to the public as a whole, and has produced a number of important newsletters, entitled "Culture Heritage" which has been recognized by individuals and groups throughout the province as an invaluable source of information.

**MR. J. ERNST:** Mr. Chairman, I appreciate the Minister's response. The problem is we have propaganda people grinding the stuff out in this department, and spreading it all across the province and that's very nice and so on.

The City of Winnipeg operated a Heritage Program 10 times the size of this with no staff of this kind at all. As a matter of fact, it operated with one person and in conjunction with the Core Area Initiative, saw hundreds of historic buildings preserved and hundreds more, Mr. Chairman, placed on a historic inventory. So you don't need, quite frankly, to produce this kind of information on the long term, and I see no reason for the department at all.

But while I'm on my feet, Mr. Chairman, perhaps I can ask the Minister what is proposed to be spent under other operating expenditures for \$16,000 in this department.

**HON. J. WASYLICIA-LEIS:** Before I answer that question perhaps I could just go back to the matter raised earlier just previously by the Member for Charleswood. He's suggesting that we don't warrant any kind of information service, that we shouldn't be communicating to the public and providing information about the programs that are available. I'm sure that

the Member for Charleswood found these publications, if he looked at them, useful and would recognize the uses that are served by them across the province: questions of designating municipal heritage sites in Manitoba, heritage object aspects of the act and so on and so forth. I think that, without the ability to provide this kind of information, the legislation is not worth anymore than the paper it's written on.

In terms of the operating costs of \$16,000, that basically is the cost to produce the annual report; the cost to produce the newsletter that I just referred to, and the cost in terms of other production costs, materials like I've just referred to, as well.

**MR. J. ERNST:** Mr. Chairman, I have no further questions in this section.

**MR. CHAIRMAN:** 1.(d)(1) Communication and Information Services: Salaries—pass; 1.(d)(2) Other Expenditures—pass.

1.(e)(1) Finance and Management Services: Salaries - the Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Mr. Chairman. In terms of Finance Management Services, there seems to be an increase in staff year in terms of salary increment, but it doesn't show up in terms of the year ending. I assume you still have the five staff years. Why was there a necessity for that large a salary increase?

**HON. J. WASYLICIA-LEIS:** Mr. Chairperson, the increase, which is 26.5, is attributed to general salary and merit increments of 18.8 and reclassifications of 7.7.

**MRS. S. CARSTAIRS:** 18.8 for general salary increment in respect to five employees, so that's working out at about 3.5 percent each; is that what we're dealing with here?

**HON. J. WASYLICIA-LEIS:** That's basically correct, with the exception of about 3,000 for merit increases.

**MRS. S. CARSTAIRS:** 3.76 percent is what 18.8 divided by five comes out to. But is the merit increase, above and beyond the increment increase?

**HON. J. WASYLICIA-LEIS:** Yes, Mr. Chairperson, to clarify, the merit increase, which is around 3,000, is included in the 18.8.

**MR. CHAIRMAN:** 1.(e)(1) Finance and Management Services: Salaries—pass; 1.(e)(2) Other Expenditures—pass.

1.(f)(1) Administrative Services: Salaries: 1.(f)(2) Other Expenditures - the Member for Charleswood.

**MR. J. ERNST:** Mr. Chairman, I have, I think, a little broader concern. I guess it deals with the previous section than with this one. I'm wondering where - maybe it's separated for some reason or another and if there was only one department, it would just have that many more people in it - but it seems to me that between the Finance Division and the Administrative Services and Management Services sections, we've got some duplication of service here.

Again, on the surface that's the way it appears to be. Perhaps it's broken down for some reason or another, but could the Minister advise why two separate departments dealing with essentially the same kind of thing and the same kind of structure, that is, administration of the department?

**HON. J. WASYLYCIA-LEIS:** To clarify for the Member for Charleswood, there is a distinct difference between Financial Services and Administrative Services. Financial Services provides the overall management planning and systems service, whereas Administrative Services provides the accounting, legal, general administrative services in terms of the department specifically.

It's my understanding that in every department, this distinction is made and that there is a Financial Services Branch and an Administrative Services Branch in every department.

**MR. J. ERNST:** Can the Minister advise why this division would have a greater computer-related charge assessed against it, as opposed to many others which are rather nominal; why the computer-related charge under this department is considerably higher than others which are relatively nominal in nature?

**HON. J. WASYLYCIA-LEIS:** The higher cost for computer services in this branch, as compared to other branches, is because of the fact that the vouchers and the accounts of the department are processed by the government's central computer and then charged back. So it's a reflection of the accounting and general administrative functions of the branch.

**MR. J. ERNST:** Is there a reason then, Mr. Chairman, why all of the computer time required to run the department wouldn't be assessed through this branch, as opposed to being allocated in specific amounts throughout the whole budget?

**HON. J. WASYLYCIA-LEIS:** Basically this approach is desirable, in our view, because it encourages accountability on the part of each manager for the costs incurred for computers in his or her area of responsibility.

**MR. J. ERNST:** I appreciate the reasoning why and I see no fault with that. What concerns me, though, is how is it allocated? It would appear it's a somewhat arbitrary allocation of the computer time to each branch within the department. Is that the case? Is it arbitrary? Is there some method of determining how much each uses, whatever?

**HON. J. WASYLYCIA-LEIS:** Basically, Mr. Chairperson, it's done on the basis of need and historical trends for usage. A couple of examples of heavy use would be in the area of Grants Administration and Historic Resources, where the keeping of records, a large volume of records, is very critical to those areas. I think each area differs on the basis of need and historical patterns.

**MR. CHAIRMAN:** The hour is now 4:30 p.m. I am interrupting the proceedings of this committee for Private Members' Hour. Committee will return at 8:00 p.m. tonight.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

#### RES. NO. 3 - CITY OF WINNIPEG PROPERTY TAX ASSESSMENT

**MADAM SPEAKER:** On the proposed motion of the Honourable Member for Charleswood.

The Honourable Member for Kildonan.

**MR. M. DOLIN:** Thank you, Madam Speaker.

It gives me great pleasure to comment on this very seductive motion by the Member for Charleswood. The Member for Charleswood should be congratulated for putting a motion which, on the surface, looks like one which nobody who believes in a fair taxation system in the City of Winnipeg could not support. But one of the things one looks at when you look at this motion and anybody reading this motion, it's a little bit like puff pastry. There's a lot of fluff, but no substance. There is really not a great deal here in the motion.

Let's take a look at what the Member for Charleswood suggests, because there are certain items that the Member for Charleswood points out where he is absolutely correct and actions should be taken. Let's look at this puff pastry.

First, the Member for Charleswood identifies the problem. I think we all realize what the problem is. The problem is unfair burdens of taxation on certain groups or individuals, particularly on those of the residential property owner. The second thing is he looks and he says, there is a mechanism and a tool for dealing with this, and he suggests that this is the proclamation of Section 2 of Bill 105. So far, so good. He then moves on to say, "pass the necessary regulations specifying the percentage of values which may differ from class to class at which each class of property will be assessed at for the tax year," sounds good too, although there's something missing if you read that carefully.

I read it, and I say, what necessary regulations? For whom? Who will benefit from these regulations? Who will be hurt by these regulations? Once again, the puffery is there, but there's no substance.

We move again past the necessary regulations. What regulations? There is no specificity from the Member for Charleswood. What necessary regulations? "Defining the classes of property," which classes of property does he wish to define? "On the basis of both types and uses of lands or buildings or both," that's very nice too, on the basis of types of buildings. Is he talking about increasing the rates on commercial property, residential property, Inner City property, suburban property? Is he talking about any percentage? Is he taking any position or any stand on what that should be? No, puff. It's a lot of air and it looks very good, but there's nothing there. There is absolutely nothing there.

Then he says, "monitor the reassessment process." Anybody who picks up a newspaper every day or gets a tax bill monitors the reassessment process. I mean, that's a pretty heavy-duty suggestion when you think about it.

Then he says, "undertake a close liaison on the subject with the City of Winnipeg." Hot diggety! Boy, that's something we never would have thought of. The

Minister of Urban Affairs sits here and thinks, maybe I should talk to what's that guy's name who sits in City Hall again and those other fellows around him. "Maintain a close liaison," what abject nonsense! I mean, you can cross off the last two, but let's get back to the first three.

The first three are: "Proclaim Section 2 of Bill 105." Good, let's look at Section 2 of Bill 105. What does it do? Section 2 of Bill 105 says: "Notwithstanding Section 150 of The City of Winnipeg Act, land including buildings and municipalities including the City of Winnipeg shall be assessed at the percentage of the value thereof fixed by the Lieutenant-Governor-in-Council under subsection 2." Good stuff, it empowers to take a percentage of value to fix a rate. There's nothing wrong with that.

You then move on to: "The Lieutenant-Governor-in-Council may make regulations:

- (a) fixing the percentages of value which may differ from class to class at which each or any class of property shall be assessed for any numerical year following the numerical year in which the regulation is made; and
- (b) for the purposes of the regulation made under clause (a) defining classes of property on the basis of types and uses of land or buildings or both."

Good, Lieutenant-Governor-in-Council may fix percentages. That's very nice.

Then, Item 3. "Section 1 applies to the assessment of property notwithstanding any other provision of this act or The City of Winnipeg Act or any other act of the Legislature which prescribes a percentage of value which property of any class shall be assessed in any municipality including the City of Winnipeg." This section applies, that's what it says. That's very nice too. Then it says it goes into force when it is proclaimed.

Well, what the Member for Charleswood claims - and his resolution, this great, firm, solid important resolution, this earth-shaking matter that he proposes to the people of this province and particularly the City of Winnipeg is that, if we pass this resolution, it will do something about property taxes. It will protect people.

Well, it will do nothing of the kind, and the Member for Charleswood knows very well it will do nothing of the kind. What it says, it will dump the responsibility of whoever the Government of the Day is to do what has to be done to provide fairness. Okay? What happens is the Member for Charleswood and his caucus, which is typical of that side of the House, does not say what they would do under the regulations as proclaimed in Section 2. Where would they fix the percentages? Where would they hit harder? Where would they provide easements? Nothing whatsoever said about that in any manner, shape or form in this resolution. It says: "Proclaim the section and do what is necessary."

Hot diggety, there's a solid Conservative policy, the same kind of policy I heard in March. Solid Conservative policy is, do good things when necessary. Well hey, we have the same policy. We'll do good things when necessary, because we are the government. The problem is this resolution will say, proclaim it. Proclaim it for what purpose? Let's look what the situation is.

The reassessment will replace a 1949 basis of value with a '75 basis, which is under a court order. Everyone's assessment will go up, some more than others. Right, that's a fact.

Also, I look at the Member for River East, the Member for St. Vital and my own constituents, and look at this and wonder - two-thirds of my constituency did not exist in 1975. How do they determine the value, based on '75 assessment? He hasn't answered that question. Of the new suburbs in this city who are getting whacked enormously with taxes now, the Member for River East brought it up in her comments, and she's absolutely correct, the suburbs are getting hammered.

I look at River Heights and I look at Tuxedo and I look at the market value of houses that you see in a real estate guide and that you see in the daily newspapers, and I look at the assessments and the taxes that they're paying. A house on McMillan, I know very specifically, in the 1000 block, which is assessed at approximately \$100,000, pays about \$930 in taxes annually. My house, which is in a suburb, similar to my neighbours, is assessed at about the same amount, I am paying \$2,100 in taxes. Now, if somebody could tell me the fairness of that.

Also, I look at commercial property, suburban shopping centres and what they are paying a square footage for taxes compared to a problem that the Leader of the Opposition brought up, agricultural land within the city limits. My understanding, and I may be corrected, is the suburban shopping centre in my area is paying the same tax rate as the wheat farmer in my riding. Now, these wheat farmers are paying an enormous amount of taxes and selling out, because they can't afford to keep their land. The land is being assessed as if they were going to develop it when they're not. They can't afford to stay on the farms. I thought members opposite were concerned about farms, but obviously not within the city limits, only outside the city limits.

We look at this resolution, and I say this resolution is so much pap and fluff that I find it, you know, irresponsible to put something like this in front of the Legislature in order to have us seriously deal with the issue of 650,000 people within the Winnipeg area who have a serious concern about inequities in the property tax situation. The fact is, to tell this government or any government, do something good, guys, and to try and foist this sham on the people of this province - the Member for Brandon West has used the term, "poltroonery" before. This is not only poltroonery. This is brigandry. This is a cutpurse, footpads.

I mean, what this thing is doing - and I call it a thing, because it's hard to refer to it as a resolution. What this thing is doing is trying to tell the people of this city that somehow the Conservative Party will get the NDP Government to proclaim this section, and all their problems will be solved. Hallelujah, once again the answer has come. Proclamation of Section 2 of Bill 105 will solve the problem that I'm paying twice as much taxes as somebody who lives in River Heights for the same value property. It will solve the problem of the people of the core area. It will solve the problem of the agricultural people operating within the city. It will solve the problem of the small businessman who's paying more taxes than Eaton's or The Bay on a square foot basis.

Well, it does nothing of the kind. As a matter of fact, I have yet to hear anybody on this resolution from that side of the House - and I hope I do - stand up and say how they would shift taxation burdens to those who could afford it most.

I would say let's look at some of the people who can afford it most. Some of the people who can afford it most are the people who obtain revenue from their properties, as opposed to those like you and I who live in a house and pay out. We pay out mortgages; we pay out in hydro; we pay out in water. We get no benefit from it, yet residential property that is owned for rental, commercial property that is owned for sales and profit, should be taxed as if it were bringing in revenue, because it is. It should be taxed at a much higher rate and yet there's no suggestion of that here. This is an interesting cop-out, this resolution, because it does not want to offend anybody. It wants to say that it's somehow our responsibility to proclaim this section of the act and make all things wonderful.

This Pollyanna resolution does nothing. Not only does it do nothing, but it insults the intelligence of members on both sides of the House. It would make a claim that proclamation of Section 2 of Bill 105 is worth a tinker's dam. Well, it's not, unless you have a policy to back it up; unless you are going to shift assessment levels from one area to another. We, or any government in power when this goes into effect, are going to have to do that.

The Opposition will have the responsibility of criticizing us when we do that. That is their job as Loyal Opposition. I expect them to do it well. But to come here and say to us that we should proclaim something without saying what we should do, and without taking any position on what they would do, is fakery. It is prestidigitation. It is a scam and a con.

I would suggest to the Honourable Member for Charleswood, nice try, Member for Charleswood, but it doesn't wash. It doesn't wash in this House and it won't wash in the public. You'd better come up with some goddamn policies - my apologies, Madam Speaker, I got carried away. You'd better come up with some specific policies and say where you stand as a party and as a caucus on this issue, because we certainly will when it comes into effect. We will proclaim Section 2 of Bill 105 when we're good and ready and when we've got the right policies to put in, and I want to hear what you're going to do about it.

Thank you.

**MADAM SPEAKER:** The honourable member is . . .

**MR. J. ERNST:** Closing debate, Madam Speaker.

**MADAM SPEAKER:** Are there other honourable members who want to speak before the Honourable Member for Charleswood closes debate?

The Honourable Member for Ellice.

**MR. H. SMITH:** Madam Speaker, I just heard the Member for Charleswood and I listened to him a lot in another forum. Basically, it's much the same. He was the Deputy Mayor of this city and for 20 years we didn't have reassessment take place. So what occurred was people moved out of the centre of the city and moved into areas where they had low taxation because the assessment was low. Now the shock is going to come, because if they had had the assessment every three years, they would know, and you would not have had to move from the inner-city to the suburbs.

So it is their dereliction of duty at the civic level that created the situation.

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

**MADAM SPEAKER:** Order, order please.

**MR. H. SMITH:** Now the Member for Charleswood says this should be corrected and in effect they want the inner city to pay. In fact, when the mayor talks about cushioning the effect for the suburbs, he's talking about continuing the effect in the inner city. It really is a hardship for many people with homes, who have lived there for years and years and have high taxation because the assessment is too high.

It seems to me that you should be concerned about fairness. This inequity has been occurring for years and years. You've had many cases in the newspaper about someone with a home in the inner city versus someone with a similar home size and similar property size in the suburbs and the inner city resident is paying more taxes because the assessment is too high.

In fact, you have caused the loss of people from the inner city to the suburbs, because you had a better deal. If they would go to the suburbs, they could buy a house; they could have a bigger house and a bigger lot. — (Interjection) —

**MADAM SPEAKER:** Order please, order please. Order please.

**MR. H. SMITH:** These are my thoughts, not the thoughts of any other member.

**MADAM SPEAKER:** Order please, order please. Could the honourable member please remember to address his remarks through the Chair, not directly at a member of the House.

**MR. H. SMITH:** So the inner city is taking the burden and you people have always seemed to be speaking for the suburbs.

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

**MADAM SPEAKER:** Order please.

**MR. H. SMITH:** It would be fair - if you had had assessment every three years in the city, we would not be in this problem we have today.

But the real problem is that we have a shift from commercial to residential. Commercial property produces profit; residential property does not. That shift should not occur and there should be some way — (Interjection) — around that situation.

**MADAM SPEAKER:** Order, order please.

**MR. H. SMITH:** I'm interrupted every other couple of words that I utter. I don't know why these people like to lash out like this at me.

I recognize the Member for Charleswood is right, in a sense it's important that people not lose their homes through reassessment, through increase in taxes to such

an extent that they have to sell their home, because they cannot meet the burden.

First of all, we shouldn't be taking any action until we have the reassessment take place, until we know exactly what the figures mean. Then we can, in effect, take the action.

The Member for Charleswood thinks it's funny. They sat on their hands for 20 years and did absolutely nothing and now they go ahead and say what are you going to do? You caused the problem and then you yell and scream at us. It's very, very unfair and I'm sure the people of the City of Winnipeg will realize the unfairness of your position.

Madam Speaker, Bill 105, proclaiming that does not solve your problem. What would you like to see done specifically to really ease the burden? You have not made any positive suggestions. You have not done anything that would make a home owner in your neighbourhood, some of you in the suburbs, feel that something's happening to safeguard your homes.

**MADAM SPEAKER:** Order please. Could I remind the honourable member again not to address his remarks directly at another member, but through the Chair.

**MR. G. FILMON:** After four months, it's difficult for you to get the hang of this, right?

**MR. H. SMITH:** Well, you haven't got the hang of it all your years in this House, so why attack me?

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

**MADAM SPEAKER:** Order, order please.

**MR. H. SMITH:** Really, getting serious again, why did you not do anything for 20 years at the City of Winnipeg? Why did we have nothing occurring. Why did reassessment not take place? Why did you fight that when you had the control — (Interjection) — You have to remember that mainly City Council is controlled by the Conservatives and they have nothing. I was in opposition at City Hall. In fact, you people - your city counterparts have created the problem, Madam Speaker, they've created the problem.

They've created the problem of the shift from the centre of the city and we've expanded outward and outward, closing schools, opening new schools, closing firehalls, opening new firehalls. I think the member of the Finance Committee at the city level said we had the highest or second highest realty taxes in Canada. It's a Conservative position that's created that problem.

Surely density of population - if the population is more dense, we can provide better services and provide them at a lower cost. As the Member for Elmwood said, Madam Speaker, they're the dense people and they've created the problem. You've scattered the population out for a wider and wider area . . .

**A MEMBER:** He's the shining light in the backbench.

**MR. H. SMITH:** You just have to look at what's happened. The Member for Riel, he should look at his neighbourhood; it's getting further and further out. It's expanding further and further out. Then the city has

to get together with the Provincial Government and the Federal Government to invest in the inner city to try to go ahead and encourage the development so you can keep the population.

**MADAM SPEAKER:** Order please.

**MR. H. SMITH:** What really is bad is that people in my neighbourhood, in my riding, paying high taxes, 'way higher than they should be for a similar house and a similar size property in other parts of the city; and that is because . . .

**A MEMBER:** Because you're their member.

**MR. H. SMITH:** That's not because I'm their member; it's because you people and your city cousins, Madam Speaker, at the civic level have constantly ignored the problem, have constantly said, no, it's not important, reassessment is not important, sweetheart deals with the developers, sweetheart deals with the shopping centres. All that has meant high taxes for the people in my neighbourhood.

Your rural members, who know very little about this . . .

**A MEMBER:** We're listening to someone who knows very little about it.

**MR. H. SMITH:** We know on this side the fact that reassessment has not occurred for 20 years has meant that people have moved into the areas of the outer city and have done so thinking that they could get by at a low rate of taxation. If it had been increased on an incremental level every three years, they would have an accurate, not a drastic change to where now they will be faced with gigantic increases in taxation if we do not go ahead and do something about it.

But why not go ahead and get specific and direct the call from commercial, the shift from commercial to residential not to take place? That's the biggest shift that will, in effect, mean fairly high tax increases for all the people throughout the City of Winnipeg, and that shift should not take place; but you people who side with the big apartment owners and the business owners of property, this is the shift that should not take place.

If this shift occurs, people in my area are going to suffer. They may have slight changes in assessment to where it's lowered slightly, but it would be a greater dramatic shift if that shift from commercial to residential did not take place. I would appeal to you to argue that case and present that case in a straightforward way.

I do believe that the actual resolution from the Member for Charleswood doesn't mean much at all. What does it really say? My area supports me wholeheartedly because they know they've been paying too high taxes because the assessment's been too high over all these years in relationship to your home and other people's homes in many of the areas that you serve. But your people can be protected too, by not having the shift from commercial to residential and that is the answer and that is what should take place. If you support that, as the Member for Riel says, then I think we're going to have some agreement, because

really, a person who resides in his home, has a roof over his head, it's important that he owns his home and does not have to be a renter of an apartment.

He may want to go out and have a barbeque and enjoy his home, and I think it's important that people who have saved all their lives to buy a home should be able to live in the sort of situation that they relish. You know, I find that when I ask the question, why haven't you done anything for 20 years, all I get is a blank look from the Member for Charleswood, Madam Speaker. You were the Deputy Mayor and you could have done something and you refused all the time at the civic level to have reassessment take place. Shame! Really, you created the problem and you should take the brunt of the criticism for it.

Thank you.

**MADAM SPEAKER:** Is the Honourable Member for Charleswood up on a point of order?

**MR. J. ERNST:** Yes, Madam Speaker. The Member for Ellice indicated that I was Deputy Mayor in the City of Winnipeg during the time that - 20 years he indicated. That is certainly not factual, Madam Speaker. It was four years, and during the time that I was Deputy Mayor, Madam Speaker, the legislation prohibiting reassessment in the City of Winnipeg was frozen by the NDP Government.

**MADAM SPEAKER:** Order please, order please. As the member knows, a dispute over the facts is not a point of order.

The Honourable Member for Inkster.

**MR. D. SCOTT:** Thank you, Madam Speaker.

I welcome the opportunity to rise in this debate on the proposed resolution, somewhat ironic resolution brought forward by the Member for Charleswood. I find it very interesting that a member who just got up and admitted to being the Deputy Mayor for a number of years within the City of Winnipeg and to say that the City of Winnipeg, when he was, in his number of years, a dozen years or so he served on council, along with other members - the Member for St. Vital was on for six years; the Member for Assiniboia - how many years were you on for? Ten years, three years - seven years, sorry; so we have a major segment of the group that has effectively run City Council, the ICEC, for the past 20 years, here in this House now bringing forward a resolution trying to fix a problem that they have created by ignoring the provisions of The City of Winnipeg Act, for all those years since that act was proclaimed, for them to conduct a reassessment every three years, there was to be a reassessment done under The City of Winnipeg Act.

They have not done one; one has not been started since 1962, and that was based on 1957 - yes, higher - 1957 values. So we have had a period of time now, of some 20 years. Going back to 1957, our effective base is almost 30 years old now and the commercial values of properties have altered significantly. The economic flow within the city has moved from area to area significantly. The downtown area of the city is not what it was 30 years ago as far as the commercial centre point of the city, as well as the concentration of the bulk of population.

Where I live now did not exist 30 years ago as a residential area. It didn't even exist four years ago as a residential area. It would have existed 10 years ago as a residential area if it wasn't for the members opposite, when they were in government, freezing the development of Meadows West as soon as they came into office.

**MR. F. JOHNSTON:** That's wrong.

**MR. D. SCOTT:** The Member for Sturgeon Creek, once again, says it's wrong; but the record shows, and the streets and the street lights out there burned with half a dozen homes on it for the whole term of office that they were in office, with the streets paved, the roads in, the sewers in, the electrical supplies in, the telephone wires in, the whole thing was in, and when they came into office, everything was effectively put on ice and the project, by them trying to transfer it all over to their friends in the private sector, the whole thing collapsed.

**MADAM SPEAKER:** Order please, order please. Order please!

I will remind all members of our Rule 42: "When a member is speaking, no member shall interrupt, except to raise a point of order or a matter of privilege."

Order please. Could we continue with Private Members' Hour in an orderly fashion, please? Thank you.

The Honourable Member for Inkster.

**MR. D. SCOTT:** Thank you, Madam Speaker.

It's particularly interesting that the Member for Sturgeon Creek knows so much about my constituency and tells me that five years ago and six years ago no one wanted to live there in the area of Meadows West; and yet, since we have come into office, we have had the construction of some 600 units of housing in that district. Yet he says - the man with all the knowledge, with all the grandfatherly knowledge that anyone could possibly have in this House - the Member for Sturgeon Creek declares that no one wanted to live there. The place has a population of about 3,000 people now. None of those people exist in his mind. Unfortunately, and very sadly, for the impact of his party, they do exist very strongly.

**MADAM SPEAKER:** Order please, order. If other members want to participate in the debate they will have ample opportunity. Could we please conduct Private Members' Hour in an orderly fashion?

The Honourable Member for Inkster.

**MR. S. ASHTON:** He's picking up information as he goes along.

**MR. D. SCOTT:** Yes, I am picking up a few other little bits of information. It's obvious that some of the history that I have been able to give here today, as you say, when they throw a stone over a fence and something yelps, you know you hit the dog. Well, my speech this afternoon has hit quite a few because there's a lot of yelping going on opposite trying to cover up for their past ills and their past. Essentially, they're ignorant of

the needs of assessment in all assessment issues, not only the members previously that I mentioned opposite who were key members of City Council, but certainly the Leader of the Opposition wouldn't want to say that he was an insignificant member of the city administration when he represented a constituency there at City Hall.

Did he ever push for the City of Winnipeg in the 1970's when he was on council prior to his being elected here? Did he ever ask the City of Winnipeg to be adhered to, the act to be adhered to, for them to go ahead with their assessment? Has he, since he's been in this House, have we heard stand? Or the Opposition House Leader, the Member for St. Norbert, has he ever, when he was on council, campaigned for the - (Interjection)- well, we've now got five members opposite who are key members, or would like to think, at least, they were key members of City Council during those years, and not once, when any of those people who were in office, I believe, did they even have a significant debate about whether or not they should adhere to the requirements of The City of Winnipeg Act.

So we have now been coming forward, led by the person in their ranks who rose to, by far, the highest and the most significant levels on the city administration, the Member for Charleswood, no question about that

**MADAM SPEAKER:** Order please. The Honourable Member for St. Norbert on a point of order.

**MR. G. MERCIER:** I was wondering if the Member for Inkster would accept a question, Madam Speaker.

Could the Member for Inkster inform the House of the year and the name of the Urban Affairs Minister who ordered the Weir Report on Assessment which this government has failed to act upon?

**MR. D. SCOTT:** Yes, the appointment of that was back, I believe, in around 1977 or '78 for the Weir Commission. It was when the members opposite were in office. I'll give them credit for having started it.

**MR. G. MERCIER:** That's good.

**MR. D. SCOTT:** But I'll also say that they wanted to move on that expeditiously, slowly, as slowly as they possible could, to pass off the impacts of it. They certainly do not support the recommendations of the study that they began, or that they initiated, in that they are now saying that we shouldn't have equal across-the-province assessment; we shouldn't have an assessment base that is the same in other parts of the province as it is in the City of Winnipeg, or vice versa; that the rural areas of the province who have kept up with their assessments and have not had the huge 25-30 year gaps in assessment which causes the problems that we have today, they are now trying to redress what they started in the Weir Report and to go back on that in saying we didn't mean what we asked you to do five years ago or six years ago.

We want to backtrack from that, and because of our conduct - and perhaps this change of heart has come because they have so many former members of City Council in their midst now, I don't know - but perhaps

now they are feeling that there is going to be a substantial amount of adjustment made within the city due to the lack of assessment over the years, and are now trying to undo the basic and the essential purpose of tax reform to get the equalized base of assessment throughout the Province of Manitoba.

So we would not have certain parts of the province, and within the City of Winnipeg itself, to have certain groups, and a significant group, of ratepayers heavily subsidized by paying more than their fair share of taxes, heavily subsidizing those other parts of the city and those other homeowners and business owners in other parts of the city who have been getting away with a real bargain on their property taxes.

Are the members opposite now saying to us that those subsidies from the people, in most instances - when you look at the areas of the city where they are being overassessed - it's in the older parts of the city where the people are both older in age class, they are both lower as far as income goes, and yet the members opposite are saying that those people should continue to pay a higher rate of taxes than the people in the outlying areas of the city, where I live and where most of them come from as well, almost all of them come from, that they should continue to be subsidized in their taxes by having overassessment in the inner part of the City of Winnipeg. That essentially is what they are trying to accomplish.

In regard to the resolution itself, the resolution itself provides for a reassessment process. It does not provide for a portioning within the City of Winnipeg itself; it provides proportioning across the whole Province of Manitoba. But to go ahead with the implementation, as they call it, and they call for immediate proclamation of this section of the act, it's not going to cure the situations that they say are going to arise with the result of the new assessment.

I'll give you a little story on assessment and how lax the city has been, and I hope the city doesn't get too punitive on me, but we moved into our home, our new home, last August. We just received a visit from the tax assessor's office last month, in July of 1986. We moved in in August of 1985. Now for a city that is interested in keeping up their assessments, they are not even keeping up with their new homes, let alone doing a reassessment of the whole city. They have, I think, been somewhat negligent. If my case, and I don't think it's remote at all, but if it is at all typical, then the city is losing a significant amount of revenues by not having a sufficient number of tax assessors to keep up with the virtually new home development within the City of Winnipeg, as well as doing the requirements under The City of Winnipeg Act to do the reassessment every three years.

By doing that, by not having come to assess me, we are probably going to end up having to pay a couple of thousand dollars in back taxes because we've only been assessed so far on the raw value of our land and, certainly, the house and the improvements on our property are significant. So when it comes to the point where we are going to be paying our taxes on the value that we should have been paying them up till now, the city is going to be getting that money up to six months, in this case, or three to six months in the present year's case; and, certainly, for the previous year, they are going to be getting it a year, a year-and-a-quarter later than when they should have been receiving the funds.

**A MEMBER:** Plus interest.

**MR. D. SCOTT:** No, we don't pay interest. Why pay interest? Why would I be charged interest, and how could the city charge interest to a person they haven't assessed for a year? That doesn't make any sense and I don't believe that they'll be able to do that. I will certainly fight them on it if they think that they are going to come by and charge us interest on something they haven't assessed us.

You cannot . . .

**A MEMBER:** You can't fight City Hall.

**MR. D. SCOTT:** Well, sometimes you can fight City Hall. Now the members opposite have been apologizing for City Hall and for their conduct while on City Hall. That's the purpose of this resolution is to try and get them off the hook and to get them off the hook of the study that they initiated in the Weir Report and also to cover for their lack of sensitivity to the taxation issue when they were in office at municipal levels and all the five or six members opposite who served on council and did absolutely nothing about this issue.

I see my time has expired, Madam Speaker. I would thank you for the opportunity to address this important concern to the members opposite.

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

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

I'm pleased to be able to join this debate at this particular time. I wouldn't want to belittle, and I don't believe members on this side have done so, the intent behind the resolution. I believe that the Member for Charleswood's intentions in introducing this resolution were entirely honourable. I think we all recognize that the question of tax reform is a serious one, one which needs to be done in a very thoughtful way because of the implications for the average homeowner, property owner in this province. I don't think anyone here would deny that process has taken too long.

The fact of the matter is that people of Manitoba have been looking forward to assessment reform which developed a system of property taxation which was understandable and I think that's the key. I commend, in fact, the previous government for their initiative in implementing the Weir Commission and in undertaking to study what was then and still is a very contentious issue.

I want to say, Madam Speaker, although I have reviewed some of the Weir Report and the summary and conclusions, that was some time ago, and my familiarity with all of the recommendations made is somewhat hazy, but I did want to touch on a couple of areas that were raised by this resolution when I had the chance.

I should point out, as well, and I think it's been pointed out somewhat facetiously by my colleagues, that there were a considerable number of former city councillors sitting currently on that side of the Chamber and they include Messrs. Ducharme, Nordman, Mitchelson - pardon me, not Mitchelson, the partner of the current member, Ernst . . .

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

**HON. J. STORIE:** Messrs. Birt, Filmon and Mercier were councillors at one point.

**MADAM SPEAKER:** Order please, order please. Order please.

The honourable member knows that he is not to call other members by their names.

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

I was referring to these members in their previous incarnation as council members and if I, in doing that, have breached the rules, then I apologize to them and to you, Madam Speaker. I refer then to the Member for Riel, the Member for Assiniboia, etc.

So, Madam Speaker, the point is that they should be familiar with the problems of assessment. They should be familiar with the fact that the city, as my colleague, the Member for Inkster, has pointed out, has not in fact been following its obligation in terms of reassessment, in terms of assessment, have not been doing so for some time, and that the court decision, I believe it was in 1982 or '83, indicated to the city very clearly what their obligation was and the fact that they had not been living up to it.

Madam Speaker, that is really a tangential issue compared to the major question of assessment reform. I was referring to the Weir Report and I think the Weir Report clearly identified some of the approaches that needed to be taken to correct the inequities and the anomalies within the current property tax regime. Those, I think, have been taken under consideration.

The Department of Municipal Affairs has for the past three years been trying to inform the public about the options that we have as a government and the municipalities would have about I guess the intricacies of making changes, and it isn't as simple as introducing a resolution, as the Member for Charleswood has done, and saying, here, go ahead and do this, and that and you're going to solve the problem because, clearly, the problem is much more complex than that. It's not simply a question of portioning; it's a question of, if we're going to make changes, making sure that the changes are compatible with the reality of the situation as it currently exists. We know, for example, that there are vocational differences in assessment which have developed since the last major reassessment of . . .

**MADAM SPEAKER:** Order please, order please. If honourable members want to have private conversations, could they please do so elsewhere?

The Honourable Minister of Education.

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

The question of portioning is not the only question that needs to be addressed. There is the question, of course, of the inherent fairness of the system of taxation that we apply to property - inherent fairness. If you look at one category, residential, as an example, and, Madam Speaker, within the City of Winnipeg or any other major urban centre, I believe that you would want to classify residential properties in a number of ways.

I'm certain that if I were speaking to the Manitoba Landlords and Tenants Association, and we're talking

about property tax assessment, that they would want to make very clear to me that the current categorization of residential property, the current definitions, perhaps, that are being used by municipal jurisdictions are not necessarily the most appropriate in 1986. So there are many, many questions that have to be answered both in terms of the classification, the classes of property and the regimes under which they are taxed, and the definitions that are used by jurisdictions in making those kinds of decisions. So we have to address a lot of issues and I think everyone recognizes that when we're dealing with fairness.

Madam Speaker, I believe that members opposite also have within their grasp information which would tell them the serious nature, the serious transfer of taxation responsibility that would occur if the current regime were to be implemented. The fact that it would require major reportioning, if not that then clearly major reclassification, we would have to substantially change the classifications to ensure that there was some measure of fairness in the taxation system. We're talking right now about some major changes in homeowners who, without regard to their ability to pay, are going to be asked to pay significantly more and, alternatively, we may in fact be faced with a situation where people who have the ability to pay are going to be asked to pay substantially less. That is not only the case in terms of residential property; it is also the case in terms of commercial property.

While we can certainly, in a general way, prevent that by portioning, you do not get at the underlying inequity in doing simply a percentage of portioning of the taxation value. You simply don't do it. There are more fundamental inequities and they have to be got at through reclassification and changes at that level.

So, Madam Speaker, while the resolution has merits, and I think that we could agree with a number of the suggestions in the resolution, and I referenced two specifically, I think the question of monitoring the reassessment is going to be important because when you're talking about something - and I mention the fact that Bill 105 was intended not as a means of escape for the City of Winnipeg; it was intended as a provincial-wide implementation of assessment reform - so having said that, I believe that monitoring is going to be imperative.

We cannot say with any degree of certainty how a system of reassessment is going to affect every individual homeowner particularly in terms of how they're able to cope financially. No one on this side and I don't believe anybody on that side wants to see us rushing ahead with . . .

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

**HON. J. STORIE:** . . . Madam Speaker, the Member for Emerson said well, we're rushing ahead, it's been all of these years. The member should know that the City of Winnipeg has only just recently been able to provide us with the kind of information that would allow us to do even preliminary analysis.

I remind the member opposite that the City of Winnipeg in some people's eyes have been negligent for some time in not dealing with their own problems of re-assessment which they had an obligation to deal with . . .

Madam Speaker, the Member for Emerson says, well, we should have gone ahead a long time ago. I suppose the same could be said of the City of Winnipeg.

I point out to the honourable member that within this resolution is a recognition that it's not as simple as that; because this resolution also talks about the need to protect homeowners and to protect the farm community.

So it's not simply a matter of implementing the recommendations, you have to find a way of implementing them that does not do irreparable damage to those who own property but cannot afford significant increases. You have to do it in such a way that the province, the farm community, can make the adjustments that are necessary.

The Member for Emerson seems to think that you just snap your fingers and everything's going to be all right, and he would be the first one on his feet complaining about the inequities, complaining about the fact that the farm community had not been dealt with fairly either in terms of portioning or any other alternatives so, Madam Speaker, I think it behooves us to move forward cautiously and whatever benefits are seen to this resolution by members opposite, I don't believe in fact, are there.

But the approach that's being taken is cautious, but it recognizes the complexity of this matter. It recognizes that this government, and I don't believe the City of Winnipeg, wants to move in any haphazard way that jeopardizes individual homeowners and their ability to continue to pay their property taxes, and I guess there's also the question of fairness in their minds in terms of the services that they get for the property taxes that they have to pay.

So while I find some merit in some of the resolutions that the member puts forward, I believe the resolution was conceived in haste, perhaps not ill-intentioned but recognizing that the City of Winnipeg and the province are going to have to sit down and continue to work together in terms of developing a system where portioning works, developing a classification system which is understandable, and then proceeding with the real assessment reform. Despite all of the difficulties that are inherent in implementing a major system change, I think there are some substantial advantages in the long term, that in fact a system that is based on market value is more understandable, will be more flexible in terms of assessment over the next generation of property owners than the current system.

So there is some merit in proceeding, and I believe this government has every intention of proceeding, but in a very thoughtful and deliberate way, and in conjunction with those other groups who have a major interest in assessment reform.

So with those few remarks, Madam Speaker, I would like to indicate that I'm not going to be able to support this resolution holus-bolus, and I know that creates a great deal of disappointment in members opposite, but the fact of the matter is that I won't be able to support it.

Thank you, Madam Speaker.

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

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

Monday, 25 August, 1986

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I'd like to speak on this resolution, but I note there's just a couple of moments left and I'd like to just not be interrupted until . . . 5:30, Madam Speaker?

**MADAM SPEAKER:** Order please. Is it the will of the House to call it 5:30?

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

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

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

Thank you, colleagues, I appreciate that fine introduction to my remarks. I'm afraid to speak, Madam Speaker. I'm afraid to speak with all that applause, but I'm certainly not afraid to speak on this resolution.

Obviously the issue of property taxation, indeed all taxation, is an important one for members in this House and for taxpayers in the Province of Manitoba whether they be in the City of Winnipeg or be elsewhere in Manitoba.

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

**HON. E. KOSTYRA:** The members are talking about football now. If they want to talk about football, I was at the same game as some members make reference to.

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

**HON. E. KOSTYRA:** They are missing one point, and that was the introduction that was given to Buzz and Boomer when they came in, in that Cadillac and they

were introduced as the Prime Minister. I think there was even more negative noises than they're suggesting were made in another instance, if one wanted to put it on a gauge when it was suggested that the Prime Minister of Canada was at the football game.

But I would like to speak on this resolution, Madam Speaker, because it is an important resolution with respect to taxation and assessment. It's really interesting, the fact that we have the Member for Charleswood bringing forward this resolution outlining his concern about assessment, and yet it was the Member for Charleswood, not in his present role as a Member of this Assembly, but in his previous role as a member of City Council, in fact other members opposite, in fact other members of parties opposite, both Liberal and Conservative, who have been in control of City Council in this city for many years, going back decades, Madam Speaker, and they are the ones who are responsible for the mess that exists in the City of Winnipeg right now with respect to property assessment. They are the ones responsible.

To somehow suggest that the problems with property assessment are the fault of the Provincial Government are just false, Madam Speaker. If one looks at the history of property assessment in the City of Winnipeg, it has been a problem of past councils and past city administrations, that they lacked a responsibility with respect to property assessment in the City of Winnipeg.

**MADAM SPEAKER:** Order please. The hour being 5:30, when this item is next before the House, the Honourable Minister will have 11 minutes remaining.

The hour being 5:30, I am leaving the Chair with the understanding that the House will reconvene at 8:00 p.m. in Committee of Supply.