



**First Session — Thirty-Fourth Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**  
**(HANSARD)**

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37 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

| NAME                            | CONSTITUENCY       | PARTY   |
|---------------------------------|--------------------|---------|
| <b>ALCOCK, Reg</b>              | Osborne            | LIBERAL |
| <b>ANGUS, John</b>              | St. Norbert        | LIBERAL |
| <b>ASHTON, Steve</b>            | Thompson           | NDP     |
| <b>BURRELL, Parker</b>          | Swan River         | PC      |
| <b>CARR, James</b>              | Fort Rouge         | LIBERAL |
| <b>CARSTAIRS, Sharon</b>        | River Heights      | LIBERAL |
| <b>CHARLES, Gwen</b>            | Selkirk            | LIBERAL |
| <b>CHEEMA, Gulzar</b>           | Kildonan           | LIBERAL |
| <b>CHORNOPYSKI, William</b>     | Burrows            | LIBERAL |
| <b>CONNERY, Edward Hon.</b>     | Portage la Prairie | PC      |
| <b>COWAN, Jay</b>               | Churchill          | NDP     |
| <b>CUMMINGS, Glen, Hon.</b>     | Ste. Rose du Lac   | PC      |
| <b>DERKACH, Leonard, Hon.</b>   | Roblin-Russell     | PC      |
| <b>DOER, Gary</b>               | Concordia          | NDP     |
| <b>DOWNEY, James Hon.</b>       | Arthur             | PC      |
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| <b>DRIEDGER, Herold, L.</b>     | Niakwa             | LIBERAL |
| <b>DUCHARME, Gerald, Hon.</b>   | Riel               | PC      |
| <b>EDWARDS, Paul</b>            | St. James          | LIBERAL |
| <b>ENNS, Harry</b>              | Lakeside           | PC      |
| <b>ERNST, Jim, Hon.</b>         | Charleswood        | PC      |
| <b>EVANS, Laurie</b>            | Fort Garry         | LIBERAL |
| <b>EVANS, Leonard</b>           | Brandon East       | NDP     |
| <b>FILMON, Gary, Hon.</b>       | Tuxedo             | PC      |
| <b>FINDLAY, Glen Hon.</b>       | Virten             | PC      |
| <b>GAUDRY, Neil</b>             | St. Boniface       | LIBERAL |
| <b>GILLESHAMMER, Harold</b>     | Minnedosa          | PC      |
| <b>GRAY, Avis</b>               | Ellice             | LIBERAL |
| <b>HAMMOND, Gerrie</b>          | Kirkfield Park     | PC      |
| <b>HARAPIAK, Harry</b>          | The Pas            | NDP     |
| <b>HARPER, Elijah</b>           | Rupertstland       | NDP     |
| <b>HELWER, Edward R.</b>        | Gimli              | PC      |
| <b>HEMPHILL, Maureen</b>        | Logan              | NDP     |
| <b>KOZAK, Richard, J.</b>       | Transcona          | LIBERAL |
| <b>LAMOUREUX, Kevin, M.</b>     | Inkster            | LIBERAL |
| <b>MALOWAY, Jim</b>             | Elmwood            | NDP     |
| <b>MANDRAKE, Ed</b>             | Assiniboia         | LIBERAL |
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| <b>MCCRAE, James Hon.</b>       | Brandon West       | PC      |
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| <b>NEUFELD, Harold, Hon.</b>    | Rossmere           | PC      |
| <b>OLESON, Charlotte Hon.</b>   | Gladstone          | PC      |
| <b>ORCHARD, Donald Hon.</b>     | Pembina            | PC      |
| <b>PANKRATZ, Helmut</b>         | La Verendrye       | PC      |
| <b>PATTERSON, Allan</b>         | Radisson           | LIBERAL |
| <b>PENNER, Jack, Hon.</b>       | Rhineland          | PC      |
| <b>PLOHMAN, John</b>            | Dauphin            | NDP     |
| <b>PRAZNIK, Darren</b>          | Lac du Bonnet      | PC      |
| <b>ROCAN, Denis, Hon.</b>       | Turtle Mountain    | PC      |
| <b>ROCH, Gilles</b>             | Springfield        | LIBERAL |
| <b>ROSE, Bob</b>                | St. Vital          | LIBERAL |
| <b>STORIE, Jerry</b>            | Flin Flon          | NDP     |
| <b>TAYLOR, Harold</b>           | Wolseley           | LIBERAL |
| <b>URUSKI, Bill</b>             | Interlake          | NDP     |
| <b>WASYLYCIA-LEIS, Judy</b>     | St. Johns          | NDP     |
| <b>YEO, Iva</b>                 | Sturgeon Creek     | LIBERAL |

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, December 5, 1988.

The House met at 8 p.m.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY—NATURAL RESOURCES

**Mr. Chairman, Harold Gillehammer:** I would like to call the meeting to order to consider the Estimates of Natural Resources. When we left off, we were on item 1. Administration and Finance (j) Venture Manitoba Tours Ltd., \$130,000—the Member for The Pas.

**Mr. Harry Harapiak (The Pas):** I just wanted to make a few comments on Venture Tours. I hope that we could agree to not have further debate on it. We had an opportunity to discuss Venture Tours under Crown committees, so I think we should leave that well enough alone. But there are a few comments I would like to make, and one is I am glad that the Minister acknowledged that the previous Government had been taking some direction to change the Venture Tours around. I think one of the areas that we did move on was putting expertise on boards. One of the members was Alan Finnbogason who is a restaurant entrepreneur and Vicky Levine who is a hotel entrepreneur. I believe these members are still on and they were making a contribution.

We also are not opposed to having the private sector involved in having some involvement in that as well. As a matter of fact, we were looking at providing some lower-cost lodging in that area. We were looking at renewing the Scandinavian community to make it more of a tourist attraction. There was a major improvement in the road to the area which would help turn that place around, so I would just like to put that on the record and leave it at that.

**Mr. Chairman:** Item 1.(j)—pass.

Proceeding to No. 2. Regional Services. Provides for the delivery of services and programs at the community level relative to resource protection and utilization. 2.(a) Administration: (1) Salaries \$922,800—pass; (a)(2) Other Expenditures \$787,200—pass; 2.(a)(3) Problem Wildlife Control \$140,900—pass; 2.(b) Northwest Region: (1) Salaries, \$1,026,300—pass.

2.(b)(2) Other Expenditures \$360,000—the Member for The Pas.

**Mr. Harapiak:** Is there a park planner for the northwestern part of the province, and who is doing park planning for that part of the province now?

**Hon. Jack Penner (Minister of Natural Resources):** With your consideration, could we leave that type of question till we reach Parks?

**Mr. Harapiak:** Okay.

**Mr. Chairman:** 2.(b)(2)—pass.

2.(c) Northeast Region: (1) Salaries \$1,207,300—the Member for Dauphin.

**Mr. John Plohman (Dauphin):** I just wanted to ask whether the area of the capital for these regions, is that included under Other Expenditures for road and maintenance and bridges repair and so on, or is that in the Capital?

**Mr. Penner:** Yes, it comes under Capital.

**Mr. Chairman:** Shall the item pass? The Member for Wolseley.

**Mr. Harold Taylor (Wolseley):** Are we (1) or (2) there?

\* (2005)

**Mr. Chairman:** We are on 2.(c)(1) Salaries.

**Mr. Taylor:** What is the deviation that is in that one there?

**Mr. Penner:** It is the normal salary increases.

**Mr. Taylor:** Mr. Chairman, is it only that normal increase? There is nothing else happening there?

**Mr. Penner:** It could be pay equity and those kinds of things.

**Mr. Taylor:** But not staff increases?

**Mr. Penner:** No, there is no staffing. Staff will remain constant.

**Mr. Chairman:** Item 2.(c)(1)—pass.

2.(c)(2) Other Expenditures \$704,300—the Member for Wolseley.

**Mr. Taylor:** There is a small increase of \$40-some-plus-thousand there. Is there some different activity taking place?

**Mr. Penner:** Yes, there was, Mr. Chairman, the Hydro agreement and work done for Hydro, which is recoverable.

**Mr. Taylor:** So what we are seeing here is an expenditure that will be recovered from Manitoba Hydro?

**Mr. Penner:** That is right.

**Mr. Taylor:** Should that not be recorded in some other fashion then in that there will be a recovery there?

**Mr. Penner:** That is the normal way or recording these kinds of expenditures.

**Mr. Taylor:** Then what will you do? You will show the recovery as an exceptional recovery after the fact. Is that the way it is demonstrated then?

**Mr. Penner:** The income generated from the recovery of work done for Hydro will show up in General Revenue. You will see an item in some of these Estimates a bit farther on down that will address some areas of recovery on work that is done for other areas, and it will show up there.

**Mr. Chairman:** Item 2.(c)(2)—pass.

2.(d) Interlake Region: (1) Salaries \$1,349,400—the Member for The Pas.

**Mr. Harapiak:** It may fall under any one of these areas, but there was one particular instance where there were some American hunters who were charged for overhunting. They were going to plead guilty to the charge but, when they found out that they would lose their licence in the rest of Canada, then they decided to have their case postponed and plead not guilty. From the information we have got, the departmental staff felt they were not getting support from the department. I am just wondering what the Minister's views on that are.

**Mr. Penner:** Really, I do not think that has too much to do with our department or departmental staff. That sort of thing would be run through the Attorney-General's Department, and it would have no reflection on decisions made within our department.

**Mr. Chairman:** Shall the item pass? The Member for Dauphin.

**Mr. Plozman:** Just one question or maybe a couple regarding the small mesh fishery, this is not under fisheries here but the enforcement certainly is under this section. Does the department anticipate any problem with the number of officers available to adequately monitor the small mesh fishery? It seems to me that it is very important to have good enforcement on a program such as this because there is a great deal of opportunity for abuse of the system with the number of nets that can be made available, and a few number of officers to do the job that indeed they would not be able to adequately ensure that there is not a large amount of walleye being taken which, of course, would possibly lead to kinds of fears being realized that the people who are against the smallish fishery have voiced. I just wondered if the Minister has some thoughts about the enforcement ability of the department to handle that kind of a situation.

\* (2010)

**Mr. Penner:** First of all, I suppose in any kind of a commercial venture, whether it is fisheries or whether it is farming or whether it is the taking of wildlife or most any other business, there has to be, I suppose, some measure of trust in the people who you deal with. I think that sort of trust exists in the Fisheries Department and the fishermen who we deal with.

On the other hand, if you are asking, have we got sufficient staff to police as we would like to all aspects and regulation enforcements, no, we do not. I do not think that this Government has much more money to spend on enforcement than did your previous Government. You being the previous Minister of the department will certainly be aware of the kind of problems we do run into at times in enforcing regulations or laws. What I would suspect that the monitoring of, the taking of numbers or weights of fish, would most normally and best be done at the purchasing agency. I am quite satisfied so far that we have a quite valid checkpoint at those agents in checking their weights and measures.

**Mr. Plozman:** Not to take a great deal of time on this, but I think it is important that the fishermen themselves be encouraged to report people who are not adhering that they have become aware of. There are a lot of individuals who know that there is illegal fishing going on. From what I understand, I have been told in places of somewhat of a substantial black market for fish that may be sold through another system. I do not have any details, but I am told that it exists certainly. Therefore, there never would be a record of these fish being taken unless there is a concentrated effort to enforce, particularly when there is a new program such as this.

I am completely aware—I am not completely. I am certainly very aware of the problems with the number of officers available. You just never have enough to enforce all of the regulations to the degree that perhaps they should be and you rely on some element of trust, that is certain. It is in everyone's interest, certainly the commercial fishermen, the anglers, the game and fish associations, everyone, to ensure that there is no abuse or abuse is kept to a minimum when these programs are introduced.

But we all know there will be some and, in many cases, substantial abuse. I think this is the major concern that fishermen have, that wildlife organizations, game and fish associations, have when a program such as this is introduced. If the department and the Minister stick to the guideline that if over 5 percent of the fish taken are walleye that the program will be shut down—I do not know if that is the criteria this year, it was last year in the experimental short season that was put in place—then they do not have to worry as much as long as there is adequate enforcement. If no one really knows, then naturally there can be substantial abuse and it can lead to an undermining of the resource, contrary to the conservation efforts that we all want to see put in place. So, I just draw that to the Minister's attention.

\* (2015)

I would ask him if there is a 5 percent rule this year, and whether in fact he is taking any special efforts or putting in place any special efforts to have the fishermen, those people involved, help with the enforcement so that they can be part of the enforcement efforts. Surely we have to rely on that.

**Mr. Penner:** I am somewhat surprised at your initial comments indicating that there was abuse of marketing

privilege. If you are aware of that, I would suggest that we and our department and our enforcement staff would like to know who these people are that are abusing the system. If you have that kind of information, I would think that as a former Minister you would—

**Mr. Plohman:** If I had it, it would have been looked after.

**Mr. Penner:** —certainly want to leave that sort of information with myself or my staff—

**Mr. Plohman:** Certainly I would.

**Mr. Penner:** —and to make sure that sort of situation was rectified. However, I would indicate to you that in having discussed fisheries issues with numerous commercial fishermen and also sports fishermen, as well as the Wildlife Federation on numerous occasions, it would appear to me that those organizations are more than willing to be helpful to make sure that the enforcement of the regulations and fishermen do concur with the regulations. I have no reason to believe at all that there will be any abuse of the, I suppose, courtesy, if you will, extended to the fishermen that would allow them to take the smaller fish. We are dealing with the perch fishery. It would appear to me that the willingness of the fishermen to comply with a 5 percent level of take of pickerel still stands today as it did last year. We have indicated very clearly and any reference that we have made to the industry and the three-inch mesh fishery that we are going to be very carefully monitoring to the best of our ability to make sure that no more than 5 percent of fish taken are in fact pickerel.

**Mr. Plohman:** Just in concluding this brief exchange, surely if I had any specific information, I guess you could call it rumours or folklore or local folklore, whatever, there are sometimes people who say oh, yes, there is a lot of this going on, and I have no reason to absolutely dismiss it as a distinct possibility. I say that I think that is very possible, that there are some black market activities in the marketing of fresh fish, that clearly we have to be vigilant. The department has to be and Governments have to be. I think in talking to officers in the field, I know that they know they have limitations on their ability to enforce because of their numbers and various other things.

Fishermen know the limitations of enforcement as well. The public is aware of it as well. So we cannot be, if I can put it this way, naive insofar as expressing all of this confidence in our ability to enforce when in fact it is a very difficult job to be able to do it effectively. Although there are limited resources, I would just say to the Minister that it was something that I was always concerned about. I would ask that of course he be very vigilant with his department on these issues.

\* (2020)

**Mr. Penner:** As you are probably aware, we are concerned about abuses of hunting or fishing laws. I am sure you are aware as I am of the TIPS Program that is there and the phone numbers that can be called.

The 800 phone number for those of you who do not know is 782-0076. In Winnipeg, it is 945-0086. Those numbers can be called. Nobody will ask your name. You can turn in those who you think are abusing the system. The total calls under the TIPS Program this month had been 173 calls. There have been 13 charges laid in some areas. There are numerous areas that we do get, especially during the latest month, of hunting and that sort of thing where we do get calls. The program is working and working well.- (Interjection)- Pardon?

**An Honourable Member:** When was it started?

**Mr. Penner:** You would know as well as I do when it was started or probably better than I do when it was started. All I am saying to you, it is a good program that is working well and I would encourage you, if you have any information, to pass it on in that manner.

**Mr. Plohman:** Mr. Chairman, the Minister does not have to encourage Members of the Legislature to pass on information that they might have with regard to illegal activities. That goes without saying that we would do that.

I think what is important though is that the Minister take every effort, make every effort, take every opportunity to enlighten the public and make them aware of this. I know, for example, in the Parklands, the TIPS line is not used a great deal, for whatever reason. It is not, so there has to be more public education, more efforts put into that kind of thing.

We cannot point to a TIPS line, which is very important and which was introduced to enlist the help of the public to make it possible to enforce these laws, but that in itself would be sufficient is certainly not true and so we have to continue more and more of our efforts. That is all I am pointing out to the Minister and asking him to be cognizant of.

**Mr. Taylor:** If I was feeling in a devilish mood tonight after a decent dinner, I maybe could phone the TIPS line here and put in the name of the past two Ministers because of this small mesh fishery, because we have had a legitimization, as far as I am concerned, of the poaching operation that was going on there.

I feel what has been offered to the unfortunate conservation officers is an untenable position in which, whether it is the percent numbers of the pickerel caught in the nets or whether it is the where of the placing of the nets on the hard bottom, soft bottom, is totally unenforceable. I would suggest that it is probably the classification of employee that this Minister has that is probably the most frustrated in his whole department.

**Mr. Penner:** To Mr. Taylor and the rest of the committee Members, if you want to discuss fisheries under this item, we can certainly oblige.

**An Honourable Member:** Talk about enforcement and that is appropriate under Regional Services.

**Mr. Penner:** Worth Hayden here of Fisheries and I can reply to the value of some of the fisheries but, if you

are talking about enforcement only, you know and I know that without the compliance of the fishermen and the way they conduct themselves, it would simply be impossible to make sure that every abuse possible could be taken care of. That is simply not possible. That is the same as anybody driving or anybody walking across the street can break a law and we do not have enough policemen to enforce every traffic infraction that you would incur, and the same thing applies to any other sector, whether it is industry or natural resources or the like. It is, I think, somewhat naive to think that we could make sure that we have enough people in place to make sure that no laws would be broken.

**Mr. Taylor:** In the past three years, there were significant incidents of illegal fishing with the small meshes in advance of the small mesh fish nets becoming legal. The statistics I recall off the top of my head are 313 incidents in South Basin, 26 in the North Basin and that is an indication of practices that were going on, the conservation officers tried to enforce, and I think the hat should be tipped to them for attempting to enforce, obviously were not successful. The new rules, and I call them rules and not regulations, that are in place now as to the where of the placing of the nets is not enforceable and, from what I gather from stories from people in the industry, nor is it enforceable to put the percentage limit on pickerel versus other species caught.

\* (2025)

I think we have a bit of a joke out there when it comes to saying to the industry or the public that we have a set of regulations that are there for a purpose and can be enforced. We have conservation officers who are there and able to carry out the job. They cannot carry out the job, it is not just a numbers thing. It is unenforceable. I think we have to accept that. I think some responsibility should be accepted for what is going on.

**Mr. Penner:** I take exception to the language being used at the table here. I do not think that my staff, whether they be enforcement or managerial or biologists, I do not think my staff are a joke at all. I do not think the fishermen out there plying their trade and taking care of the industry are a joke at all. I think that most of them are honest people trying to make an honest living with the trade and the expertise that they have. I think our staffpeople are trying to do an honest day's work and, in that honest day's work, trying to make sure that enforcements and the regulations that have been put in place will be kept. I think that the advice that I have been given from my staffpeople as to the amount of fish that can be taken quite safely without hurting the fish population over the long term, I think, is done in a very professional manner. I take exception to the reference being made to them as being a joke.

I also want to say to you that the economic benefit derived from the small mesh fisheries and the perch fisheries, specifically, this past year is nothing to be laughed at. It is also no joke. A \$1 million return to fishermen in this province is one million bucks in their

pocket and will feed a lot of little kids and buy a lot of little shoes. That is also no joke. So I take exception to that.

**Mr. Taylor:** A joke was never made about the staff. The joke was made about the rules which should be regulations and which unfortunately cannot be enforced. That was the point that was made.

The issue is whether we can have a sustainable fishery in the fashion that is laid out and just like there were recommendations for Lake Manitoba on sizes of fish net and hence fish caught and whether the breeding stock will be there to breed and hence produce more fish was pointedly given out some year and a half ago by very senior staff in that section of the department. Those same staff say the same thing today about Lake Winnipegosis and the chap who runs the processing plant up there who, first of all, was one of the earlier advocates of a small mesh fishery on Lake Manitoba has made comments that three inch will not be sufficient. He suggested that it will be down to two and five-eighths—

**Mr. Chairman:** Excuse me, they are not picking you up on Hansard.

**Mr. Taylor:** —the Minister may or may not wish to make comment on that.

**Mr. Chairman:** Excuse me, they are not picking you up on Hansard. You will have to move the mike closer.

**Mr. Penner:** I simply do not think that the comments deserve a response.

**Mr. Chairman:** Shall the item pass—the Member for Rupertsland.

**Mr. Elijah Harper (Rupertsland):** I just wanted to ask the Minister on the enforcement over the dealing with fisheries that relates to the matter I had spoken to the Minister some time ago, last spring. I had waited for a response on a person who was fishing on an incident with a net. The individual had his net removed and cut up by the conservation officer. I had requested you to provide some investigation into that. I have not had a response to that yet. Remember I was in your office—

**Mr. Penner:** Yes.

**Mr. Harper:** —with the Deputy Minister?

**Mr. Penner:** I remember the request well. I have not received a response either yet. As soon as I get a response to that issue, I will provide you with an answer.

\* (2030)

**Mr. Harper:** I had discussions with the Garden Hill Band in regard to that. I guess I have been back there two or three times already and each time I have gone back, they have asked me the same question. I think what needs to be done is the band had asked the conservation officers several times to meet with the band and to clarify some things in respect to fishing.

The fish net that was taken was taken by the conservation officer, I believe an RCMP officer was present, and they both took the net and cut it up. To me, that is being a judge and at the same time convicting the individual without going through the due process of law. I think that needs to be clarified. I think you should instruct your conservation officers to be more sensitive and also be more approachable, to be more accommodating to the people that are exercising their treaty rights. Could the Minister comment on that?

**Mr. Penner:** You make a good point and I concur. If there were wrongs done, then we need to rectify that. I want to indicate to you that one of our senior resource officers is going to go up and meet with the chief and the band on that issue and some other issues that are outstanding.

**Mr. Harper:** I need to get clarification from the Minister in respect to the treaties and also to the fishing regulations. My understanding is that for a treaty person to fish domestically, the Indian person requires a licence to exercise his treaty to fish. Is that the correct assumption? Is that the correct statement?

**Mr. Penner:** Yes, that is correct. He requires a free permit. All he has to do is—

**Mr. Harper:** Are you saying that a licence is paramount over treaty rights?

**Mr. Penner:** No, really that is not what I am saying at all. What I am saying is that it is part of the—the treaty rights are a federal Act, is that correct?

**Mr. Harper:** Yes. What I am saying is I need some clarification into a person exercising their treaty rights. They cannot fish unless they get a licence, is that correct?

**Mr. Penner:** They need to get a permit, a free permit—not a licence—a free permit.

**Mr. Harper:** A free permit?

**Mr. Penner:** Yes.

**Mr. Harper:** Does a permit authorize a person to exercise their treaty rights then? Is that the correct assumption?

**Mr. Penner:** It would appear to me that would allow them to operate under the rights of the treaty.

**Mr. Harper:** If I am correct, under the Canadian Constitution, it reads under Section 35(1): "The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed." One of the rights is the right to fish. To me, the regulations or the permit somehow undermines that right.

**Mr. Penner:** It would appear to me that the treaties give them the right to fish. It would give them the right to apply for a permit, a free permit, to fish. So they have every right to fish as treaty Indians under the law,

but it does require them to receive or obtain that free permit which will give them exactly what you are saying.

**Mr. Harper:** I think that is an area that needs to be explained and clarified with the treaty Indian people, how the fishing rights, their treaty rights, are exercised particularly in the area of fishing because in the treaty it does not mention anything about fishing regulations or treaties. I might state also that under the Indian Act, under Section 88, it says that all laws of general application in the province apply to Indian people except to the terms of the treaties, and the treaties are fishing, they have fishing rights. I would assume that the Indian Act, being a federal piece of legislation, would override the regulation, especially a provincial regulation. Would you comment on that?

**Mr. Penner:** It would appear to me that the technicality that you refer to is just that. It does not take away at all from the rights of a treaty Indian to fish in Manitoba. It is exactly the same sort of legislation or regulation that was in place when you were the Minister of Northern Affairs. It would appear to me that you and your Government would have had seven years to change the regulation if you thought it was out of place or inequitable or not right. For that reason, I wonder why you questioned this at this time.

**Mr. Harper:** I am just questioning this because we have always, as a Government, felt that the Indian people had the right to fish, but we were in the process of negotiations during the constitutional conferences and we also were negotiating with the Indian bands on a number of treaty rights like fishing and other things.

What I am getting at here is that there are a lot of fishermen, individual Indian people, who do not have access to the C.O. like, for instance, in Red Sucker Lake where there are Indian people who are on a trapline who may use a fish net and they do not have the access to go to the C.O. any day of the week to apply for a permit. They just exercise their right, you know—they regard fishing as one of their rights that they negotiate with the federal Government. In that case, would they be breaking the law if they were caught fishing on a trapline that they do not have access to, let us say, if a helicopter came by?

\* (2040)

**Mr. Penner:** Elijah, it would appear to me I have not had any indication from my staff that they will at any time be out on a witch hunt. I do not think that our people have attempted to enforce to any great length the provision of the permitting. It is, however, a requirement of our regulation. I am not quite sure which Government put in place the regulation to require a permit, but it is, as I understand, a federal law and it is a federal permit that has to be obtained. You know, however, as you should know, that our enforcement officers do enforce federal laws and regulations in this province. So it is our staff people complying and enforcing the law that they are asked to enforce, and that is what we are discussing in this section.

**Mr. Harper:** I just wanted to get clarification since the province is the one that provides the regulations and

the federal Government that approves them. I just wanted to get that area clarified in respect to Indian rights to fishing. I guess, in that sense, if you do not have a licence you will not be able to exercise your rights. That is what I am getting at. Then again, it is not the provincial Government that negotiated the treaties. That is why I want to put that on the record. It is those things, I think, that we have to settle over time with the Indian people if we get in the right form and the people that are making laws are willing to make those changes.

**Mr. Penner:** It is with interest that I note this, and I know how serious this matter is to you and I appreciate that. However, personally, I do not think it takes away from the treaties and the rights under the treaties to obtain a permit to do what is lawfully the Indian people's rights. I am a strong believer in that. I believe that the rights that were given to the First Nation people under the treaty should be maintained as they are. This only requires that a permit be asked for to be allowed to exercise the rights that you have under the treaty.

**Mr. Harper:** I appreciate the Minister's comments. I know where he is coming from and I appreciate those comments, but again we are always at the short end of the stick all the time. Even though the Indian people thought that they were exercising their rights, I can probably name—or I do not have them in front of me. I can probably give you examples of where Indian people thought where their rights, you know, the requirements of regulations, not only fishing, sometimes degrade—or not necessarily degrade but seem to restrict—their ability to exercise their right to hunt, their right to fish. Like getting some permits, even hunting restrictions on firearms, things as such, those things Native people are beginning to question because it is not a question of sport or anything but rather a means of livelihood and traditional activity and that is why I raise those questions.

**Mr. Penner:** No response. I respect that.

**Mr. Chairman:** Shall the item pass? The Member for The Pas.

**Mr. Harapiak:** I wonder if we can deal with all of these together as one item down to (j) and then we can go on to the Northern Development Agreement after that.

**Mr. Chairman:** We will have to pass them line by line, but we could do it as quickly as I could read them.

**Mr. Harapiak:** There is one area that I wanted to raise was in the Whiteshell area, a region where there was a departmental initiative in the West Hawk and Falcon Lake area where there were some proposed hunting regulation changes. There was a common sheet put up on garbage cage stands and there was a meeting held in the area where I think the departmental staff on August 20 and 21, at which time I am told that there was a lot of concern expressed by people in that area who were really concerned about the possibility of increased hunting.

I am wondering what method the Minister used or the department used to contact cottage owners and

what kind-of a response they had because I am told there was only a primitive method used and that was just hanging up that notice and there was a lot of response. I would like to ask the Minister what kind of response you did get and how many people responded favourably to increasing the hunting and what percentage of the respondents were opposed to hunting altogether.

**Mr. Chairman:** I will let the Minister answer that and perhaps we can pass some of these lines and we will get to the Whiteshell.

**Mr. Penner:** First of all, the response was fairly negative on the proposal to expand hunting in the Whiteshell area. The message that was used to solicit response. I hope we never get to a point where we say that we should not allow our staff people to seek response from the general public because I think that is an excellent way of obtaining from the general public an opinion. If we want to ever restrict our staffpeople from seeking that public opinion, then I think we are only hurting ourselves and our ability to put in place regulations that the general public might be receptive to.

I would certainly encourage my staff to use methods of soliciting public opinion whether they were by public meeting, whether they were by some other form of public response or whether they were by written format, as I understand some of these solicitations in fact did take place.

So I would indicate to the Honourable Member that they would certainly have my support in trying to obtain public input into issues of a general nature such as hunting regulations.

**Mr. Chairman:** 2.(d) Interlake Region: (2) Other Expenditures \$499,600—pass; 2.(e) Southwest Region: (1) Salaries \$885,000—pass; (2) Other Expenditures \$291,100—pass; 2.(f) Western Region: (1) Salaries \$1,155,600—pass; (2) Other Expenditures \$419,000—pass.

2.(g) Southeast Region: (1) Salaries \$984,900—the Member for Wolseley.

**Mr. Taylor:** What is the reason for the increase on this one?

**Mr. Penner:** It is the same normal procedure that has caused increases in most of the other ones here. It is pay equity and the normal salary increases due to the agreement and other normal salary increases.

**Mr. Taylor:** I have similar questions on (h)(1), (j)(1), (k)(1) and (n)(1). So if the staff members can advise the Minister now and can say that there are not staff increases or reclassifications going on, but just can be attributed to increments, to contractual arrangements and to pay equity, if that blanket sort of an answer can be given, I can shorten off the questions.

**Mr. Penner:** Yes, I think we can answer in a positive manner to your query.

**Mr. Chairman:** 2.(g)(1) Salaries \$984,900—pass; (2) Other Expenditures \$326,700—pass; 2.(h) Eastern

Region: (1) Salaries 939,100—pass; (2) Other Expenditures \$287,100—pass.

2. (j) Whiteshell Region: (1) Salaries \$712,700—the Member for The Pas.

**Mr. Harapiak:** I had an additional question in this area. The information I have is there was a heavy loss of moose in that area due to wood ticks. There were over 90 carcasses found due to loss to wood ticks. Did the Minister consider closing down moose hunting season for one year because of those heavy losses?

**Mr. Penner:** As you are probably well aware, those kinds of decisions are made after season and probably later on towards spring when we will make those kinds of decisions. However, I want to indicate to you that the ghost moose problem is probably going to be a very serious problem this winter. Our staff has encountered moose with large numbers of ticks on them, up to I understand some 60,000 ticks per moose. It might well be we might lose a substantial number of moose this winter in some areas because of the high infestation of ticks. We will certainly take a good, hard look at next spring before we set hunting regulations for the proceeding year at what the population situation and what the losses really have been this winter.

**Mr. Harapiak:** Have you had any recommendation from any other jurisdiction, federal or provincial, to eliminate hunting in the Whiteshell area because of the danger to the cottagers from use of high-powered rifles?

**Mr. Penner:** No, we have not, to my knowledge, received any recommendation of that kind.

\* (2050)

**Mr. Harapiak:** We have heard that the RCMP were opposed to the hunting because of the danger to the cottagers in the area, which leads to another area, and that is the shooting that went on in rural Manitoba where the people had to hide in their houses during the hunting season. Is there any consideration being given to using a different type of rifle, like using a shotgun in those areas where there is population rather than high-powered rifles?

**Mr. Penner:** Again, I would give the Honourable Member the same indication I gave before is that hunting regulations and the enforcement of certain regulations will be considered before next season. It might well include assessing how to do business or how to set hunting regulations in more highly populated areas.

I think it is of interest to note that we do have some areas of this province that have fairly high populations of white-tailed deer and other species that probably need harvesting. They are in fairly densely populated areas and it creates a real problem. Some of these areas, as the Red River Valley, for instance, has a bow hunting season but that is the only hunting season that is currently in place over there. The numbers of white-tailed deer are fairly substantial in the Red River Valley now and are causing some problems not only in the

fields as far as crop damage is concerned but also on highways in the accidents incurred by vehicles travelling on the highways and hitting deer.

**Mr. Harapiak:** Is there a need for some consultation with wildlife associations to see what other safety measures can be taken into consideration? If people's lives are being endangered and if people cannot walk in their yard doing their chores, then there is something that has to be done to deal with the high-powered rifles. I think that there can be some different weapons used so that they can take into consideration the safety of the people who live in that area.

**Mr. Penner:** I guess I am as concerned as you are about the safety of the residents and the hunters in our province. I think it goes without saying, though, that the Hunter Safety Program that was initiated a number of years ago has been very, very successful in dealing with the safety of the hunters as well as the residents in given areas.

However, that is not to say that there will not be, at times, complaints from some individuals in some parts of the province dealing with the conduct of some people. You and I both know that we have probably as many various natured people in this province as we have people. Not everybody acts the same or is the same and regardless of how well we train them, there are periods of time when we do things unknowingly or when we unknowingly put other people in danger, whether it is through driving or drinking and driving, those those kinds of things. It is, however, sometimes difficult to make sure that we deal with safety in a manner that will ensure everybody's safety.

I think it is also safe to say that shotguns used for hunting and slugs used in a shotgun are known to travel up to a mile and are not as safe as we might think they are and are not as short distanced a weapon as some might think they are. So there are many considerations to be made when we deal with regulations and hunting allowances and how and who to allow to hunt where.

**Mr. Chairman:** 2.(j) Whiteshell Region: (1) Salaries \$712,700—pass; (2) Other Expenditures \$243,100—pass; (k) Northern Development Agreement - Provincial - Fire Program Development and Evaluation: (1) Salaries \$286,900—pass.

2.(k)(2) Other Expenditures \$362,200—the Member for Wolseley.

**Mr. Taylor:** I have a question about the central fire command. When was the last time that single-centre operation was evaluated as opposed to a two or three-centre type operation?

**Mr. Penner:** About two months ago, I did it.

**Mr. Taylor:** Could the Minister be a little more specific as to what that evaluation was and how it was conducted then?

**Mr. Penner:** I said what I did somewhat with tongue-in-cheek. However, I think it would be desirable to get

all Members to go down to the fire centre and have a look at how they operate, especially during a forest fire situation.

It might also be of interest to some of the committee members that the technology that is used to not only identify where fires might start or when fires might start—and I refer to the lightning strike mechanism that is in place—I think it is wonderful technology. When I say it was two months ago by myself that the evaluation was made, I have had the pleasure of visiting that facility a number of times this summer and the more often I visit the centre, the more intrigued I am at how they conduct themselves and how they conduct the activities of stemming forest fires in this province. I think it is a marvellous operation.

**Mr. Taylor:** I would like to take the Minister up on that offer and have a look at the operation. I have some familiarity with that type of operation. What I was asking, in that we have a single central compared to some of the other provinces, the question in my mind was, has there been the evaluation to say that it is serving the east and southern parts of the province? If there is information to that effect, can that be brought forward and tabled in some fashion?

(The Acting Chairman, Mr. Edward Helwer, in the Chair.)

**Mr. Penner:** You might be interested in knowing, and you might know this, that there is a central coordinator. It is a centralized operation as well as a regional coordination of the activities, as well as district coordinator, and the three functions tie together very well. I think the whole central fire system is well-known in North America, not only in North America but I think rather worldwide, at least in the Southern Hemisphere, because we have at times sent staff people and fire crews to other countries to help them coordinate and fight fires in their countries. So I think that speaks very highly of the organization.

When I say central coordinator, I talk about Canada as a whole. There is a coordinator for all of Canada which directs the action. It is a marvellous operation, and I am serious when I say that those committee members who would have an interest there, take some time to go out there and have a look at it because it is well worthwhile seeing especially when they are in action.

**Mr. Taylor:** Thank you. No other questions.

**The Acting Chairman (Mr. Helwer):** 2.(k)(2) Other Expenditures \$362,200—pass; 2.(m) Northern Development Agreement - Provincial - Fire Detection Program: (1) Salaries \$39,600—pass; (2) Other Expenditures \$288,100—pass.

2.(n) Northern Development Agreement - Provincial - Fire Prevention Program: (1) Salaries \$23,000—the Member for The Pas.

**Mr. Harapiak:** Just the reduction on there, what program would be affected by that reduction?

**Mr. Penner:** The departmental staff year being deleted was used to hire two fire prevention officers for a period of six months. There are currently two officers on staff in this position, and these two officers will be placed on a layoff at the end of the season and not recalled in future years. So it is the two fire prevention officers that are being deleted here.

**Mr. Harapiak:** Is that being looked after by some other area then, or is that going to be a loss in some fire prevention?

\* (2100)

**Mr. Penner:** It is basically, I suppose, a reliance on free media announcements and local Governments to promote fire prevention that we are going to depend on.

**Mr. Taylor:** In that regard, can the Minister give us an assurance as to the fact that we are not having a "wishing" that this will take place? Do we have assurances that we will, as a province, be able to take full advantage of those other options and, therefore, the saving is in hand? What has he got in written statements so that public announcements will be offered by various stations, or what?

**Mr. Penner:** I guess the only written form I have of assuring ourselves that we will get the kind of service and the kind of fire prevention activities is from my own staff. My own staff, I think, are quite capable of covering the positions that have been deleted. The new technology that we have put on stream again requires less man hours than what was required before.

**Mr. Taylor:** All right. Given some of the bad years we have had for forest fires, can the Minister indicate any other new programs or initiatives in the area of fire prevention that he has either got under way or contemplating?

**Mr. Penner:** There is a new technology that was started this spring. I guess you all remember the forest fires at Rennie and in the Whiteshell region. There was something tried there that I suppose had not been tried there before. It was a foaming agent that was used to cover some of the structures that were there. That was deemed very successful at the time. I had personally viewed some of the results of that new technique that they had applied over there. Since that time, four of our bombers have had foam sprinkler nozzles installed on them and that technology has been very successful.

There are also some 13 additional remote sensing weather stations that have been added to what was already in place. The lightning display indicators that I talked about before, the lightning sensors that were out there have also had two extra ones installed. The advanced technology that the department has acquired simply allowed us to delete the extra staff that were there.

**The Acting Chairman (Mr. Helwer):** 2.(n) Northern Development Agreement - Provincial - Fire Prevention

Program: (1) Salaries \$23,000—pass; (2) Other Expenditures \$66,900—pass; 2.(p) Northern Development Agreement - Provincial - Fire Pre-Suppression Program: (1) Salaries \$1,271,500—pass.

2.(p)(2) Other Expenditures \$2,266,100—the Member for Wolseley.

**Mr. Taylor:** A few moments ago, the Minister made reference to the purchase of an additional water bomber. Is this the area it is in or is it in the next item, the Fire Extra-Suppression Fund?

**Mr. Penner:** The water bomber is actually acquired by Highways and Transportation and we lease or rent the machine from them. It is put at our disposal. So it has really increased our fleet of water bombers to five this year from the previous four.

**Mr. Taylor:** Right. That was a decision made some time back—

**Mr. Penner:** Oh, certainly.

**Mr. Taylor:** —I believe by the previous administration, on a two-for-one sale—Mr. Chretien's initiative to stimulate the economy. That is actually just the completion of the original order. So you are not getting six, you are getting No. 5 of five ordered. Okay, fine. Thank you.

**The Acting Chairman (Mr. Helwer):** 2.(p)(2) Other Expenditures—pass.

2.(r) Northern Development Agreement - Provincial - Fire Extra-Suppression Fund \$14,800,000—the Member for Wolseley.

**Mr. Taylor:** Could the Minister explain what that large number is—it is larger in comparison to the previous year, up some over \$13 million—and if it is equally split between federal and provincial?

**Mr. Penner:** No. This is a provincial expenditure incurred by the province and having to be picked up by the province. It is additional funding that was required to suppress the forest fire situation that we incurred this year. I suppose the normal number of forest fires in this province will be somewhere in the neighbourhood of 480 to 500. We incurred some 980 forest fires this year and I think that is an indication of the added expenditures that you see in the Fire Suppression area.

**Mr. Harapiak:** Is this the highest on record?

**Mr. Penner:** Yes, this is the highest on record.

**The Acting Chairman (Mr. Helwer):** 2.(r) Fire Extra-Suppression Fund—pass.

2.(s) Northern Development Agreement - Provincial - Fire Tac Program \$990,100—the Member for Wolseley.

**Mr. Taylor:** Fire Tac—what is that, Mr. Minister?

**Mr. Penner:** We have the Helitac crews and we have the Fire Tac crews. These are the on-ground crews that

operate out of trucks instead of helicopters or aircraft and are probably very often the first hit—you know, the SWAT team that tries to get into the ground and extinguish the fire before added help is needed from the air or other sources.

**The Acting Chairman (Mr. Helwer):** 2.(s) Fire Tac Program—pass.

2.(t) Northern Development Agreement - Provincial - Helitac Program \$1,198,600—the Member for Wolseley.

**Mr. Taylor:** I could have asked it earlier but this is the last firefighting item here. Is this Government contemplating the ordering of additional aircraft through the Highways and Transportation Department for forest firefighting or for spotting, or are they in any way contemplating other standing agreements for contracted aircraft for the same purposes?

**Mr. Penner:** I think at this time the answer would have to be negative to that query. It is probably far more economical in most cases to bring aircraft in when needed. It is fairly costly to acquire aircraft and have them sitting around and use them when we need them. It would be, as we did this year, far more economical to hire on a contract basis if and when the actual aircraft are needed.

\* (2110)

**Mr. Taylor:** On that latter point to the Minister then, it is a case of you will contract out on an as-needed basis dependent on the crisis involved. Does that leave the door open for the potential for shortage of aircraft available, should a couple of other provinces be in the same boat at the same time?

**Mr. Penner:** We were, and I guess will be, in the future, very fortunate in being able to access aircraft from right across Canada, from the East Coast, West Coast. Also, our American friends have been very, very cooperative if and when we did need the extra aircraft, and we did need them this year a few times. Again, the central effort and the coordination of efforts out of a central location allowed us to access almost immediately additional aircraft if and when needed out of areas that we otherwise might not have been able to access.

Again, if and when you do go, you will get an indication as to how much of an inventory and how closely monitored the inventories of equipment, and when I talk about equipment, I talk about aircraft as well as other equipment are monitored, and where these aircraft are located, and within a few minutes can contact our central location, can contact those aircraft and ask, can we have a machine out in this area? So it is as quick as that. That, of course, would not happen unless you had a centralized effort, the likes of which we have in this city.

**The Acting Chairman (Mr. Helwer):** Any more questions?

2.(t) Northern Development Agreement - Provincial - Helitac Program 1,198,600—pass.

Resolution No. 119: Resolved that there be granted to Her Majesty a sum not to exceed \$34,835,100 for Natural Resources, Regional Services, for the year ending March 31, 1989—pass.

3. Engineering and Construction: Provides for professional engineering and technical support services necessary for the implementation of programs, activities and projects developed by the resources branches of the department, other departments and agencies. Provides for such other engineering and construction management services as may be required by the department. (a) Administration: (1) Salaries \$544,900—the Member for The Pas.

**Mr. Harapiak:** The Minister and the Premier (Mr. Filmon) have been making announcements recently about sustainable development and development of some dams. I am wondering if the Minister would share with us some of the plans that he has for buildings, what dams he is going to be building in this coming year.

**Mr. Penner:** I guess, to the Honourable Member, as he knows or should know, when you announce plans such as the likes of which we announced, it becomes a future developmental issue, an item. Therefore, there were no provisions made other than for a few projects that we initiated this spring and which could be included but we have not announced as part of the drought-proofing or strategy, because we believe and I believe that the announcement that we made is a future program and the projects that will be included under the program will be announced in future budgetary items. So I could very easily identify some of the projects that might be needed in the near future that we should be addressing.

However, I think that would be unfair to Manitoba and Manitobans to single out prior to going through the public process and holding the public hearings that we have indicated will be held under the development of this program.

**Mr. Harapiak:** Have you received any support from the federal Government to participate in this drought-proofing that you referred to?

**Mr. Penner:** We have been in discussion with our federal counterparts on some cost sharing on the initiative that we have announced. As you know, negotiations take some time. However, we are encouraged that there will be some support shown by the federal Government to the initiatives that we have taken.

**Mr. Harapiak:** In your discussions, have you been negotiating on the concept itself or are you negotiating on specific projects?

**Mr. Penner:** First of all, I should indicate that the process itself has been discussed with our federal counterparts with the intent of identifying some specific projects to them at some time and then making reference to that in some funding mechanism.

**Mr. Harapiak:** I just want to ask on one specifically. There were several projects I would like to ask about,

but in the interests of saving time, I just want to ask about one, a project that was on the drawing board for this year. It is in the constituency that is held by a Conservative Member, so I am wondering why he would not proceed. That is the one dealing with Duck Mountain in Cowan, the water project there to stop flooding in that area.

**Mr. Penner:** Much as I know the anxiety that the Honourable Member has for that area, and much as I know that blood runs thick and runs deep, I want to indicate to you—and I have not done this before and I appreciate very much a Member's concern for his home area and I think that is admirable that a person should have those kinds of considerations—I want to indicate to you that we have committed in this budget for 1988-89 a sum of money directed towards that project.

**Mr. Harapiak:** The people of Swan River will be very happy. No further questions.

**Mr. Taylor:** I will not bother asking about Omand's Creek. Could the Minister explain a little bit of what the public process will be? What will be the nature of it when talking about the water and soil strategy?

(Mr. Chairman in the Chair.)

**Mr. Penner:** As I have publicly indicated, I intend to take the first round of public meetings myself. I intend to go out to the public and enter into discussions with the people of Manitoba as to what should be on a priority basis, some of the initiatives that we should implement. I think it is important that the public process and the public, in general, be part of developing policy.

No. 1, we are in the process, in the middle of developing a water policy. I should say this to you that the previous administration, I think, had spent some two years deliberating a water policy and what should be included in a water policy. There was some groundwork that had been done in this area. Also, I think it is important to recognize that the other levels of Government in this province need to be involved in that developmental process. That is only one aspect of the total package that was announced. There are many other areas such as the forestry agreement and some of the funding for some of the initiatives that will be taken under the strategy that was announced will come from hopefully a forestry agreement. There are other things such as a soils arrangement with the federal Government, so you know the whole process I would suspect will take till spring till we come out with a specific program saying, this is where we will be.

When I say specifically it will only be the initial part of No. 1, the drought-proofing strategy and also the other initiatives, the conservation initiatives under the program that was announced that will be taken, it will be a long-term program and when I said initially it would be a 10-year program, I suspect that it will be a 30 or 40 or maybe even a hopefully 50-year program. I think we can build on the initiative that we have announced, and that Manitobans have so far shown a keen interest and substantial support, public support for the conservation initiative that we had indicated.

\* (2120)

**Mr. Taylor:** When will this public process commence and will the Minister explain the actual format as to whether it will be information sessions, bear-pit question and answer type sessions, or will there actually be formal hearings leading to a formalized strategy with meat on the bones?

**Mr. Penner:** I think it is safe. I can sort of lay out the whole process as we see it. No. 1, I think the No. 1 process has already taken place, that we have announced the initiative and the bare bones water policy in the speech that the Premier gave to the UMM and in a speech that I presented to the UMM. The third phase will be the testing of the public response to the land and water strategy and that can of course take two or three different directions. However, the direction that I have chosen is to take that initial step myself and go out to the public and test the land and water management strategy.

The second one, the fourth process will be through public input, through workshops into land and water management strategy, and then the fifth one will be a broad-based, public consultative process which will give us I think in the final analysis the kind of direction that we need and an indication for policy development, the final policy development that we require, and then hopefully before the end of the summer we will be able to say to Manitobans that here is the package that has been developed by Manitobans.

**Mr. Taylor:** I would like to get an assurance from this Minister as to his determination to employ environmental impact assessments on each of the projects that would fall out down the road after the development of the strategy particularly in light of the fact that we have not had on his part or that of the Environment Minister the determination to do the same thing on the Rafferty-Alameda impacts on the Souris in Manitoba.

**Mr. Penner:** I was wondering when you would get to that, Mr. Taylor. I like the way you come about asking or indicating that we are now into Rafferty-Alameda. I want to indicate very clearly to you and to other members of this committee that the environment is something that I hold very dear. See, I have to live the environment, some of you do not. I do. I think that farmers in general are far closer to the issue than most people would like to believe, and I am one of them. The safety of some of the materials that we use, the safety of the long-range effect on what we do on our land, and what we do in our waters is of key concern to me, and have always been, and I think it is important to realize that most rural Manitobans are very, very concerned when it comes to the environment, especially the environment they are forced to live in each and every day of the week.

So, for that matter, the responses that you have heard in the Legislature up to now are only, or the quality of the responses that you have heard up to now, are only indicative of the quality of the questions asked. I want to indicate to you very clearly that the environmental

impact studies will be done on those projects that require them. I say to you that if you are serious about drought-proofing or allowing rural Manitoba to develop properly, you are going to change your tune as to how you deal with Souris, or the Pembina River, or the Red River, or any other water projects that we and I are so dependent on using. The quality flowing down those rivers and streams is of more importance to me than they are to you, Sir. I assure you of that.

**Mr. Taylor:** If we can cut through a little of the rhetoric and maybe put aside a little of the arrogance maybe we can get to some of the questions that have to be on the table. We have not come out as a Party opposed to Rafferty-Alameda in itself. What we have said is that we are opposed to it in the absence of proper environmental impact assessment studies by Saskatchewan, by North Dakota, and in their total lack in this province, and I as a Minister certainly would not be proud of that sort of a statement there.

The issue is certainly it affects other people moreso than others and you can say, fine, there are great concerns in southwest Manitoba as there should be, but you are suggesting you are closer to those types of issues and those peoples, therefore you have all the wisdom that is to be had on the subject matter, is nothing short of insulting, Mr. Minister, and I would suggest that we would get further in the House and further here if that sort of sentiment were put aside. The issue is we do not know and it is lack of knowledge is what the issue is and that is only what the issue is. Hopefully with knowledge the best decisions will then be made.

**Mr. Penner:** I guess the response I can give you is that it becomes quite evident and clear that our friends to the south of us have done probably substantially more in making sure that the qualities of waters that flow into this province are better than the water that we flow in some of our rivers and streams. The actions taken to ensure that the waters will be actually be cleaned up on the American side are substantially, their record is substantially better than ours has been in the past.

I will say to you that any indication that I have received so far from either the technical study that we did on the Souris River, or either the environmental impact study that Saskatchewan did on their portion of the river, or for that matter what I have seen so far of the Army Corps of Engineers Study that they have done on North Dakota, would lead me to believe that there is absolutely nothing that would indicate that the quality of water will deteriorate after the projects in Saskatchewan have been initiated. I would suspect, Sir, that the dams will contribute substantially to the economy and the employment of people in Saskatchewan and enhance the possibility of farmers to survive in that drought-stricken area of that province. I would support it for that reason.

**Mr. Taylor:** We do not have that much time in Estimates—if we had the 48 hours in this department that Community Services got.

I would like to walk or read the Minister through—you would have been relieved I am sure. I would be

quite prepared to walk the Minister through the report and look at the references in the U.S. Army Corps of Engineers Impact Assessment as completed and as rejected by the U.S. EPA as being insufficient in the territory it covered and insufficient in its assumptions and insufficient in, therefore, the data that it produced. It shows that very deterioration in the quality the Minister says is not there. It is in the document. I told him where it was, or his colleague, Mr. Connery. These are flagged items. We can get into that sort of detail if we have to. We can talk also about the so-called study that was going on that the Minister was stonewalling for weeks on before telling us who was doing it. He would not even say, was it the federal Government, the International Joint Commission, or departments of this Government. He could not come clean on that and points of problems in here as well.

All we are saying is do enough studies so that you have got the answers. Do not be flying by the seat of your pants because somebody in Saskatchewan, one of your buddies or Mr. McMillan when he is signing the Grassland Agreement says everything is fine. We know he got his Devine retribution. I would hope that we will see a little more that is solid. I may make the occasional humorous aside when I got through these things. Maybe I do that to maintain my sanity in face of this incorrigible stonewalling that we have had from this Minister.

**Mr. Chairman:** Shall the item pass? The Honourable Minister.

**Mr. Penner:** I guess the only response I have to this kind of rhetoric is that if and when a province is negotiating a position that will supply the people of Manitoba with the kind of controls that we need on an ongoing basis that will ensure the quality, not just for one day but for a long time, when those kinds of negotiations are going on, you can call me whatever you like, but I will stonewall until we have the "I's" dotted and the "t's" crossed on an agreement that we have been negotiating long and hard for. I give my staff members a tremendous amount of credit for the way they have conducted themselves in those negotiations with not only Canada but with Saskatchewan and North Dakota and the United States. It is not always easy when you have absolutely no investment in a project whatsoever in dollars and cents, when you have no clout whatsoever except to go to the federal Government and ask for the same kind of consideration that your sister province gets. That is exactly what we have done.

We have been assured time and time again. I have assured the Honourable Member time and time again that we are protected under the 1909 Agreement which assures quality of water down the Souris River. We are assured of a certain quantity of water which we agreed to in 1959 under The Apportionment Act. We are assured those guaranteed flows. We, however, are negotiating for a better deal if we can get it. That is where we are at. I am not going to jeopardize those negotiations by bending over to your wishes to publicize each and every word of the discussions and the debates and negotiations that have been going on with those four-Party areas.

(2130)

**Mr. Plohan:** First of all, I want to say on this issue and I was going to discuss it under Water Resources, but I think it can be discussed probably equally under Engineering Construction. Perhaps staff in this section are involved as well in Manitoba's team of technical experts on the issue of Rafferty-Alameda and other water projects. I want to say to the Minister, first of all, as a person who just listened to what he said, that I think it is unbecoming of him as a Minister in his position and him as an individual to make the kind of statements about the motives of others when questioning matters of concern to Manitobans. I think he loses a great deal of credibility when he makes statements that somehow his concerns are greater than others who are questioning or raising the issues, that because he happens to farm, that he is closer to the environment, therefore he knows better and that his concerns are more significant or relevant than others.

That is what I read and that is what I heard from the Minister a few minutes ago and I think that was a putdown to everyone in this room. I think that is very unfortunate that the Minister chooses to take that position. I think he should deal with the Members of the Opposition on this kind of an issue with respect and with the understanding that they represent a substantial portion of the people of Manitoba and they have concerns and they want to raise those concerns.

Now, I want to get into some specific questions regarding this particular project. The Minister has attempted to leave the impression that the previous Government did nothing on Rafferty and that somehow we have, as an Opposition now, switched our position a great deal, that we were not concerned about what was happening significantly at that point in time and that now suddenly, therefore, we lack perhaps credibility on this issue.

I want to point out to the Minister that he in his report that was tabled in the Legislature in October, "the Rafferty-Alameda Dams Project Implications for Manitoba," published a chronology and in that chronology I notice a number of omissions from a chronology that I had done earlier.

I wonder why the Minister chose to leave out such significant happenings as a letter to Joe Clark, the Minister of External Affairs, regarding Rafferty-Alameda written by one of the former Ministers for Natural Resources, the MLA at that time for Swan River, Len Harapiak—and he was Minister of Natural Resources—which he wrote on May 8 and received a reply on June 3, 1986 which raised some serious concerns. I wonder why he would leave out that letter, why he would leave out the letter that I wrote to Joe Clark on December 21, 1987 and which I received a response from on March 1, 1988 from Joe Clark, why that was not mentioned.

I notice that the Minister has included dates, not just meetings as mentioned in the chronology, that were multilateral meetings or whatever the case was. He also included the dates such as the application for licence by Saskatchewan, the final report in Saskatchewan to

the Minister of Environment and Public Safety, the ministerial approval of a particular portion of that project, the ceremonies of the official construction kickoff, the awarding of a contract.

There were many paper things that were illustrated in that chronology and yet there was no mention of these two letters, very significant letters, and the answers by the Minister as well as a letter, I might add, on January 19, 1988, to Herb Swan, the Minister of Environment for Saskatchewan which was also not mentioned in that chronology.

Why did the Minister not choose to include those significant matters when putting forward a chronology? I think they were significant because to a large degree—and I think the staff of the department who were very much aware of this whole issue during that time will support what I am saying—they indeed give a great deal of credibility to the responses from Joe Clark and basically advised the Minister that because those letters existed we could rest assured that Manitoba's interests were being protected. Why did the Minister not include those in the chronology?

**Mr. Penner:** First of all, Mr. Chairman, if I have offended my honourable friends on the committee, I apologize for that. I want to indicate to you though, however very clearly, that the reason I indicated that I lived so close and am so closely a part of the discussions that have gone on in this province, and they come very close to affecting me very personally because I drink the water that comes down the Red River. I am forced to drink the water every day because it is the only source of water I have. I have no cleaner supply of water than what comes out of the Americans.

I recognize full well the benefits that I derive as a person each and every day, and many others in the southern part of the province, simply because the Americans had foresight enough to build dams that would retain water and hold water back. Regardless of how bad they were, they built them. We are now recipients of water running down that river because they built them, because they were able to store water. If it were not for that the towns of Emerson, Letellier, Morris, St. Jean, Altona, Gretna and, yes, even some others like Plum Coulee and Rosenfeld and many others, St. Joseph, many others would be out of water because the Red River would have been down to a trickle, if at best a trickle, and so is the water in the Souris River.

Tell me, how much water flows down the Souris River today out of Saskatchewan into North Dakota? Tell me that. How much has flowed all summer? Well, I will tell you. We have received a flow at a thousand acre feet of water out of Saskatchewan into North Dakota. We received 6,000 acre feet of water out of North Dakota into Manitoba down the Souris River simply because the Americans had the foresight to build a dam and store water. All of a sudden, the water quality that we are going to receive because we are going to store more of it in Saskatchewan on the Canadian side, and flowing down that Souris River is going to deteriorate and degenerate. Gentlemen, I ask you.

Now to the second part of your question, the 3rd of June, 1986, letter to Joe Clark deleted from an

indication that I gave, so were all other letters that were written either by your administration or our administration. I indicate to you that there were more letters written by our administration than your administration about the Rafferty-Alameda situation. All the references to those letters were also deleted. I say to you, all reference to ministerial letters were deleted from the list.

**Mr. Plohman:** Mr. Chairman, I just want to make one statement regarding the speech that was given by the Minister regarding the need for dams and the wisdom of dams. No one has said that no dams should be built. I do not hear the Liberals talking about that; I do not hear the New Democrats talking about that. We are talking about proper studies to ensure that other concerns are addressed and assurances given to those who are negatively affected when these kinds of things are undertaken. I think that has to be taken seriously by the Minister. I do not think he necessarily sees that side of it to the degree that I think he should.

Let me just say with regard to the issue of the correspondence, I think that correspondence was particularly relevant because the Minister has referenced a lack of action or concern by the previous Government on this issue. That is why I raise it. I think that those letters should have been included. It does not mean that just because other letters were excluded that makes it any more right. So I feel that the Minister was wrong.

The Minister also left out some important references on other issues that occurred. For example, the meeting of November 27, 1987, that was held with Canada External Affairs, the Saskatchewan Government, Environment Canada, he made no reference to the fact that possible effects on Manitoba re quality and quantity was a major topic of that meeting, no mention. It just said, meeting on the Souris River Rafferty and Alameda Dams Project in Ottawa, not on the possible effects on Manitoba re quality and quantity which was an essential part of that particular meeting.

On the December 1 meeting, he mentions water quantity and quality, but not on Manitoba. It could be in Saskatchewan, it could be in the United States, it does not say where. Of course, Manitoba was the concern there. The December 7, 1987, meeting was not mentioned at all in this chronology.

You know what that meeting was? That was a meeting that was initiated by Jim Downey, the current Minister of Northern Affairs who is the MLA for Arthur, and he was concerned about the impact of this on the communities in the Souris River area. So he called for a meeting and staff attended that meeting on December 7, the Souris River Basin Development Authority I thought that was an important development in the history of this issue in Manitoba. The Minister neglected to include that.

The Minister also neglected to include a memo from Dale Stewart to staff dealing with Government monitoring of the issue and tracking of the issue which is an important part of the internal record. But I can see where, if he was deleting all written material from

the chronology, that he might have left that one out. But I think that was important. I think that it was important that he did not include the Tom McMillan announcement of the licence being issued on June 20, 1988, a very important occurrence because, in fact, that changed everything. That changed everything when that licence was issued.

\* (2140)

So, even all of the arguments that the Minister makes about the vigilance or lack of it by the previous Government on this issue, is not relevant. One can say that June 20 was the magic day when the Federal Department of the Environment under Tom McMillan issued a licence without first safeguarding Manitoba's interest as we have been led to understand by the various pieces of correspondence that we had written and received from the federal Government.

So, I say to the Minister of Natural Resources (Mr. Penner) that there were a number of things that were missing in this chronology that I think he should have included to fairly represent what had happened previous to his becoming involved with this issue. I ask the Minister whether he believed that he was fairly representing the happenings of the previous Government on this particular issue in this report?

**Mr. Penner:** Well, I suppose one can be specific and identify what is suitable to ones interest if one wants to put everything on the record. However, I want to indicate to the Honourable Members of the committee that the report that you are looking at is a technical report. It was never intended to be an environmental study, nor have we indicated that it was. However, some have indicated that it is probably as close to an environmental impact report as you can get without being one.

I want to indicate to the Honourable Member for Dauphin (Mr. Plohman), he being the Minister previously should note that, on page 9 of the Technical Report, he should note that the date of June 17, 1988, Environment Canada granted a licence under the International River Improvements Act to Saskatchewan to construct, operate and maintain the Rafferty Dam on the Souris River, and the Alameda Dam on Moose Mountain Creek. I am not sure whether his dates are out by a few days or whether that is the same reference to the same issue that we are dealing with.

I would suggest also that he might read the next one, June 22 and 23. It indicates that was the first meeting of Canadian and American delegation on the proposed Canada-United States of America agreement respecting the Souris River Basin project, which was held in Ottawa. I want to indicate to the Honourable Member, seeing he was a Minister, and seeing he was so concerned about the quality and the quantity of water on the Souris River, that he himself did not take the lead in initiating those kinds of meetings to ensure that there would be an environmental impact study done on the project prior to the granting of the licence is somewhat surprising to me, as it is to many other people in Manitoba. I would suspect that might be one of the reasons that they are no longer the Government

and that he is no longer the Minister. I want to indicate to you, Sir, that because—

**Mr. Chairman:** Order, please; order, please. We will have time to recognize other Members shortly. The Honourable Minister.

**Mr. Penner:** If the Honourable Member towards the end of the table wants to speak, I would suggest that he do so now. Give him the time.

**Mr. Plohman:** Mr. Chairman, I guess the Minister has many ideas about why he is Minister right now. He has to realize, like all of us, that these things are temporary and that he may be a temporary custodian. As the Honourable Sterling Lyon used to say, that everyone elected is simply the temporary custodian of that particular area. He should not raise that too often about certain things, about why another might not have done certain things at a certain time, because of course that will be what others will be asking of him very shortly I believe.

**Mr. Penner:** I have no illusions.

**Mr. Plohman:** Let me just say that the Minister did point out that June 17 was the granting of the licence and those two dates are interchangeable. That is the only one that I see of the ones that I have mentioned that is actually included. I thank the Minister for bringing that to my attention.

The fact is, regarding the June 22 and 23 issue, thank goodness for small mercies, Mr. Minister, you did find one.

**Mr. Penner:** Right.

**Mr. Plohman:** But on the other issues, June 22 to 23, when the first delegation met, we have to remember that delegation was just being set up by the Canadian Government around the end of February or early March, about the time the election was called. That delegation was then going to meet with the Americans at the time that I was still Minister to ensure that Manitoba's concerns were dealt with prior to the issuance of a licence by Environment Canada. That is the key.

The Minister has to keep that in mind because he was the Minister when that licence was issued. There was not a word from that Minister publicly, that I recall anywhere, on June 17 or June 20, about the issuance of that. That was the critical point, because when that was issued, the horse was out of the barn, the cat was out of the bag—whatever you want say—it was too late to really have leverage. So that is why the negotiations should have taken place earlier.

They would have, had we been involved, or we would have been down on Ottawa's step, we would have been waving a Manitoba flag all over the place, raising proper hell on this issue, let me tell you. We were taking the assurances of the Ministers, Joe Clark and Tom McMillan, that we would be treated fairly and Manitoba's interests would be dealt with fairly. I believe your staff will substantiate that, if you want to have a heart-to-

heart talk with them about this issue. They knew what we were dealing with on this particular matter and why we have not raised publicly a great hue and cry, because there was no issue licence at that time and we were assured Manitoba's interests would be dealt with.

I point to the Minister one other meeting that was not mentioned in his chronology, January 27, '88. As far as I could see, there is a reference there on January 27, '88, but it deals with the Rafferty-Alameda Board of Inquiry, its final report to the Minister of Environment in Saskatchewan. It does not deal with R.J. Bowering, North Dakota State Water Commission, U.S. Fish and Wildlife Service, Corps of Engineers—St. Paul District, Souris River Development Authority meeting at Minot, North Dakota, to examine simulations of various Lake Darling operations. There is another meeting, a very important one, of officials that was not included in his chronology.

\* (2150)

I want to substantiate with the critic for the Opposition Party, he mentioned the environment studies that were done in Saskatchewan. There were a lot of flaws, a lot of concerns about those studies, because the Minister hangs his hat on the fact Saskatchewan actually did a study. The fact is, Mr. Bob Halliday, the Regional Director in Saskatchewan, of the Department of Environment, had issued a memorandum that raised a number of concerns on the part of the federal Department of the Environment about that study; another reason why we in Manitoba felt somewhat secure that our interests were being looked after. He raised a number of concerns with that particular study, just as many others have raised.

The Minister mentioned earlier—and I want to ask him a question—the issue of minimal flows. He said that the Boundary Commission's Treaty protected Manitoba and he said that we have those minimal flows regardless of this dam going into effect. I want to ask the Minister how many years have we reached those minimum flows on the Souris River into Manitoba? How many years is that actually needed to be in effect? How many years have we actually been above, in the last 20 years of 30 years, if the Minister can give us the details on that, have we actually been above those minimums?

We operate, I believe, as a norm much above those volumes that are guaranteed in that treaty, so saying to us that gives us some feeling of security and satisfaction that we are protected with those minimums, I would say is very little satisfaction indeed, if he can substantiate what my concerns are on those minimal flows.

**Mr. Penner:** Mr. Chairman, I find it rather interesting, the self-righteous way that the former Minister puts himself in, and the way he directs himself to the issues that we are talking about.

No. 1, if he had been as concerned as he indicates, or his predecessor had been as concerned about the environment and the actual quality of water down the Souris River, he would have in 1986, when the initial

discussions took place or it was indicated that Saskatchewan was going to proceed back in 1986 with the construction of the Rafferty-Alameda Dam, indicated to his staff and to the Environmental Department that we want an environmental impact study on the Souris River on the downstream effects of those projects.

I wonder why he did not do that, if he had the kind of concern that he is expressing now, because he certainly was in a position for six months to indicate that to his staff in no uncertain terms, that that sort of assessment study, environmental assessment study, needed to be done before Manitoba would enter even into discussions as to whether we would agree to the project or not.

However, that did not happen. You did not direct any, nor did you ask staff to do an environmental study, nor am I aware that you or your predecessor directed the Department of the Environment to do that kind of an environmental impact study, so I find that rather interesting.

The other one, there are roughly about four years, if memory serves me correctly, out of the last 20 that we would have reached those minimum flows down the Souris River and the rest of the years we have been above, and most years substantially above the minimum flow levels on the Souris River.

**Mr. Plohman:** Just my last point, because I want to give the Opposition Member an opportunity to question. Clearly the Minister's answer substantiates what I have said, that it is certainly not a great deal to hang our hats on, to be comfortable with, that being guaranteed those minimal flows should be of any solace and satisfaction to us, because it is far below what we normally receive.

I want to also bring to the Minister's attention, just one paragraph I want to read into the record, my letter of December 21, 1987, because he said we never asked for an environmental study. I wrote to Mr. Joe Clark on that date.

"I was very pleased with the active role that your department has played in bringing together the parties to ensure that there will be a thorough and credible analysis of the possible downstream effects of this project before the necessary federal approvals are granted.

"I am sure you understand the vital interest Manitoba has in any undertaking that could affect either the quantity or quality of the water in the Souris River, the main surface water source for the southwestern corner of our province.

"We are equally concerned with possible quantity and quality impacts but, given that up to this point Saskatchewan had not discussed water quality implications of the project with Manitoba, we outline our position on this issue at the November 27 meeting.

"We also indicated Manitoba's willingness to be cooperative and accommodating and as accommodating as possible provided that the widely accepted principles of megaproject environmental impact assessment are applied to either prove that

there will be no harmful effects to Manitoba or to identify mitigation measures to eliminate adverse effects."

It goes on to other issues. I say that statement in that letter clearly bears out the concern that I am raising here today and the fact that we were given assurances and we felt that the federal Government was not going to proceed with any licence approval prior to ensuring that we were satisfied with all of the studies that were undertaken. We have no reason to believe otherwise and frankly Elizabeth May's statements clearly substantiate what we have said when she made public the fact that the federal Government did not consider Manitoba's concerns as they had promised to do and as required by their own Act.

**Mr. Penner:** Well, Mr. Chairman, I wonder at this time where the Honourable Minister was during the last six months when he already knew that the construction of the Rafferty-Alameda Dams was going to proceed, and if he in fact was as concerned about the environmental impact to Manitoba as he now indicates to members of this committee, as well as others, why he did not initiate the kind of environmental impact study in Manitoba on the effects of the dams to Manitoba instead of wrapping other people on the head for not taking action.

I say to the Honourable Member that it is his negation of his responsibility that has caused the project to proceed without an environmental impact study in this province, and now he is trying to, in a self-righteous manner, try to justify by reading a letter that was sent to Joe Clark in 1986 indicating the kind of environmental concerns we had in Manitoba. I say to the Honourable Member that it is time that he recognize that he was in power at the time and that he could have demanded or done, implemented, an environment impact study in Manitoba on the Manitoba part of the Souris River.

**Mr. Chairman:** Shall the item pass? The Member for Wolseley.

**Mr. Taylor:** Mr. Chairperson, I look at the chronology too and I notice the Minister chose not to put down a date in the last week of July when I first started asking he and the Minister of Environment questions on this subject, (Interjection) but the thing is though there are three important small paragraphs I wish to read to the Minister to see if he has a comment on it.

The first two are out of the U.S. Army Corps of Engineers, "An Environmental Impact Assessment," Page 39, paragraph 4.89. It starts off:

Table 3-C, appendix 3, contains model results indicating how much water is likely to pass to Manitoba. The model results indicate that in any given year Manitoba can expect from 45 percent to 100 percent of the water they have been accustomed to receiving. The results indicate that over the long-term they will probably receive approximately 85 percent of the water they have received historically. The increase in the long-term average over the 67 percent expected at the North Dakota-Saskatchewan border indicates that distance and in-flows from U.S.

tributaries will modify the effects of the Saskatchewan developments by the time the flow reaches Manitoba. Thus, Manitoba will be forced to adjust to receiving less water than they have been accustomed to.

Second paragraph, also the same study, but Page 43, and it is the second half of paragraph 4.105 which relates to the EPA modelling and it is talking about the Souris Basin Development Authority modelling, and it goes:

The credibility of the quantitative results of both of the above model studies is severely limited by the lack of model calibration and verification based on historical data. Furthermore, the programs are highly simplified in that the normally variable flow, water temperature, and pH are held as constants and the assignment of initial input concentration and a reaction rate coefficient is highly subjective. Despite the uncertainties of the model results, there is a high potential for high un-ionized ammonia conditions to originate in the Canadian reservoirs that are developed downstream of the reservoirs due to the quality of reservoir releases.

\* (2200)

So some serious questions, and the last point that I want to bring out, and this is from another section of the same U.S. Army Corps of Engineers Report; specifically, a section from the U.S. Fish and Wildlife Service recommendations, and it talks about the fact on Page 40. It is titled "Manitoba Water Quality."

The final concern expressed—and this is interesting, and the Minister might wish to listen—is the effect of the project on the water quality leaving the U. S. for Manitoba. It is expected that if the Salyer pools degrade quality in the form of increased nutrient loading, which we have been talking about as a result of the project, the effect on Manitoba will be similar. The Boundary Water Treaties call for non-degradation of water paths to Canada. This requirement may not be satisfied with decreased flow regimes. Those are very significant points, only highlights, but pretty heavy material.

I wonder if the Minister has any comments on that.

**Mr. Penner:** First of all, can I ask what document you were reading from?

**Mr. Taylor:** The U.S. Army Corps of Engineers Report, as I said, the one that has to be half redone.

**An Honourable Member:** I think you would probably try to float down the Souris on a manhole cover.

**Mr. Chairman:** Order, please.

**Mr. Taylor:** No, I just simply asked some of the things you have been passing up.

**Mr. Penner:** Mr. Chairman, it is my understanding that the final report of the Corps of Engineers will be issued

some time before Christmas. As soon as we have the final report, we will share what we can garner out of that report. I want to indicate to you and other members of this committee that we have been negotiating in confidence with all Parties in this matter, trying to assure that the quality of water and the concerns that I have heard expressed by yourself and other Members opposite in this regard will in fact be protected.

I think you would agree that in order to arrive at the most advantageous position that we can out of these types of negotiations there must be a cooperative mood taken to the bargaining table. I think our staff has done that and I give them full marks for it. I would also like to indicate to you that the only way we are ever going to arrive at a position where Manitoba's interests are going to be fully protected as best we can arrive at an arrangement will be through cooperation.

I believe that kind of cooperation that I have seen throughout the negotiations, whether it is from our staff or staff from Saskatchewan, the federal Government staff, or the American staffpeople, all of whom I have had the opportunity of meeting, the negotiations have always been conducted and the discussions that I have heard have always been conducted in such a manner that would lead me to believe that everybody wants to make sure that their interests are protected. We have been taking a fairly tough position in some of these negotiations. You must remember that the only course of action we have to this process is through our federal Government. I think it is fair to say that our staffpeople have done a marvellous job under the conditions and circumstances that are there, in making sure that eventually we are going to arrive at a position whereby we will not be disadvantaged by the Rafferty-Alameda Project.

**Mr. Chairman:** Shall the item pass? (Agreed) The hour being 10 o'clock, what is the will of the committee? Do you wish to continue? We have passed the item. Is it the will of the committee to continue?

**Some Honourable Members:** No.

**Mr. Chairman:** Committee rise.

## SUPPLY—EXECUTIVE COUNCIL

\* (2000)

**Mr. Chairman, Mark Minenko:** I call the Committee of Supply to order, please.

**Hon. Gary Filmon (Premier):** I just want to finish off the remarks that I had started prior to the supper break by addressing a couple of specific things that the Leader of the Opposition (Mrs. Carstairs) threw into her initial comments about Executive Council, comments that I think were unwarranted and unfortunate. Typically, the Leader of the Opposition was wanting to make some cheap politics of her suggestion that there was a conflict of interest on the part of one of my staff members, who I might say, is in charge of speech writing, communications, correspondence for my office, sitting as an elected school trustee in a division in Manitoba.

I just want to, for the record, so that the public fully understands the hypocrisy that continues to come out of the mouth of the Leader of the Opposition, the comments that were made by her and her Member for Sturgeon Creek (Mrs. Yeo), immediately following the April 26 election this year.

One will recall that the Member for Sturgeon Creek (Mrs. Yeo) was at that time sitting as a member of the St. James—Assiniboia School Board. When asked whether or not she, as an elected official, and I might indicate elected official implies policymaker, as an elected official both in the Legislature and in the school board, whether or not she had a conflict of interest. This is what the Member for Sturgeon Creek is quoted as saying in an article in the Winnipeg Free Press. "I have given it some thought and I see no conflict of interest at this time," said the Silver Heights-Booth trustee. Yeo was back in her seat at the school board table the day after the election. "I sought legal opinion, was told in fact one can run, one can win and one can serve in both capacities."

However, I might say that the Leader of the Opposition says that because somebody is on Executive Council staff and on that same school board they do have a conflict of interest. Staff members do not set policy. The Leader of the Opposition may not understand that. Staff members do not set policy, especially staff members who are not in any way, and this staff member is no way involved in education policies because she happens to be Executive Council staff. However, her Member for Sturgeon Creek (Mrs. Yeo) could not see a conflict between her sitting as an MLA in which she would have to debate and discuss education policy in her Liberal caucus and no conflict with her sitting on school board at the same time.

Further, this is what the Leader of the Opposition (Mrs. Carstairs) herself said about that allegation of conflict of interest of her Member for Sturgeon Creek sitting both in the Legislature and on the school board. She said, "Carstairs", this is again in the Free press, an article by Terry Weber, "Carstairs said yesterday Yeo has no obligation to leave the board." This is interesting that she saw no obligation for the Member to leave the board, a Member who was sitting on both policy making bodies in both areas and yet there was no conflict there. But now, in a cheap shot, she wants to allege a conflict of interest of my Executive Council staff Member.

Mr. Chairman, this is another article. This is Wednesday, May 4, 1988, Metro One, entitled "Yeo intends to serve as both an MLA and trustee" and it quotes the Member for Sturgeon Creek (Mrs. Yeo) as saying, "She fully intends to try and fulfill her duties in both levels of Government, and noted the Public Schools Act allows her to do so." Quote, "I cannot see any conflict of interest at this point."

So, Mr. Chairman, here the Member can see no conflict of interest, her own Liberal Member. And here the Leader of the Opposition said she is not obliged to step down, but she wants to take a cheap shot and say that one of my staff members has a conflict of interest. One of my staff members, I might say, who (a) is not involved in policymaking; and (b) is not involved

in any way with the Department of Education. That person has a conflict of interest.

Mr. Chairman, I find it very sad that the Leader of the Opposition (Mrs. Carstairs) would say that in the presence of her critic for the Status Women because, in fact, what she is doing there is particularly picking on a woman who has difficulty, and we all recognize that there are few enough opportunities for women to take responsible positions. All of us want to encourage women to run for public office, to get more involved in public office. The Leader of the Opposition who from time to time says that is what she believes in is encouraging women to get more involved in public office, to encourage women to be elevated to higher levels of responsibility within Government. She wants to go out of her way to allege a conflict of interest to try and deny and prevent a very talented and capable woman from either seeking public office or having a responsibility as a senior staff member in the Executive Council office.

I might say, Mr. Chairman, that she made no commentary whatsoever about that situation when she was a Member of this House. The Member for Springfield (Mr. Roch) was sitting for six months as a Member of the school board, and also as a Member of the caucus of the Opposition at that time. She made no comment about that. She made no comment about the fact that on St. James School Board currently is a senior staff member of the Department of Finance in the Province of Manitoba. Are those conflicts of interest because of that situation? If not, then why is it because there is a staff member in Executive Council who also happens to be on the school board? Is it because that person is a very outspoken person who has been very critical of the Liberals in the past? Is it because that person is a woman and she would not like to see that person being given a high profile? Why is it that she would single out that individual for her allegations? I might say, trumped up allegations, because in no way, shape or form, could that be construed a conflict of interest under any legislation anywhere in this country.

That is the kind of thing that we are dealing with. I might say that the Leader of the Opposition has difficulty I think in understanding what conflict of interest involves, because I heard her interviewed on Friday, after the conflict of interest legislation was introduced in this House, and she said it had a glaring weakness in that it did not say anything about the Government appointing its friends to positions on boards and commissions in Government, or giving its friends contracts.

The Leader of the Opposition, I assume, is going to come forward for us with amendments to that Legislation that will prevent a Government from appointing its friends. I would say that she is many years too late because the Government that she is so fond of, the Trudeau Liberal Government, made an art of that kind of thing. In fact, she was a beneficiary of that kind of appointment. When as President of the Liberal Party in Alberta, she was appointed as the Chairman of the Board of Referees in the Unemployment Insurance Commission. Yes, Chairman of the Board of Referees on the Unemployment

Insurance Commission Appeals Board. Yes, and of course, in putting forward her qualifications for that particular job, she listed among other things, that she was a very active worker in the Liberal Party and president of a particular Liberal association, Mr. Chairman.

\* (2010)

That is the kind of thing that, of course, the Liberals found it certainly within their power to do. Her Deputy Leader was appointed by the former Liberals to the CBC board. Let us not suggest that the Liberal Party is so pure and clean that they did not appoint their friends to anything or give their friends contracts.

Lloyd Axworthy had on his payroll, directly or indirectly, something in the range of 100 political appointments when he was Minister of Transport and those people were all there so that they could organize and work for and run his campaigns permanently year after year after year, in preparation for the next year.

Those were the kinds of things that they did as Liberals in Government. That was their form of having a pure heart and pure mind about the public trust, was appointing these people, not just to the known positions—boards and commissions are there to serve the public and have been there and they carry on, their membership changes—he created literally dozens of positions that were just simply for the purpose of employing all of his friends in Winnipeg-Fort Garry and beyond and so on, Mr. Chairman. These are the kinds of things.

I want to know what her suggestion is in terms of how we avoid appointing people to boards and commissions who are known by the Government in power as perhaps, heaven forbid, friends. Who does she suggest that we appoint? Her Liberal friends? Is that who she wants us to appoint to those boards and commissions? Okay, now that is the point that the Member for St. James (Mr. Edwards) is suggesting, that we are not appointing qualified people. That is really interesting.

I would like to sit down and go through—I will match our appointments to any appointments that have been made by any Government in recent history in this province or this country. If he wants to say that people like Harold Thompson are not qualified to be the chairman of MPIC, then let him come forth and say that. He believes that those women and men who we have appointed, women in greater numbers than have ever been appointed to boards and commissions in the history of this province are not qualified, then let him say that, because that is the kind of argument I would love to have head on with him anytime, or the Leader of the Opposition.

If they are suggesting those appointments, then tell us who the unqualified appointments are. Say them publicly and let us have a discussion about them because the fact of the matter is, she is saying, the Leader of the Opposition (Mrs. Carstairs), that we should not be allowed to appoint our friends and that is what the conflict of interest legislation should cover, she said last Friday in response to it.

What is the definition of a friend? Is a friend somebody who you have gone to school with? Is it someone who you have gone to church with? Is it somebody who you have met, or is it somebody who you have just appointed and therefore they become a friend? Is that how we are supposed to govern ourselves? Mr. Chairman, this is absolute nonsense and I just do not buy any of it and I do not accept that kind of ridiculous kind of—

I wonder if the Member for St. Norbert (Mr. Angus) would stop sending me notes in the middle of my train of thought.

I think that the kinds of comments that the Leader of the Opposition made and the kinds of criticisms that she makes are both highly political and undeserving of our attention in the Legislature because they simply are not the kind of thing that is to the benefit of the people of Manitoba.

Let us get on discussing some of the issues like the Leader of the New Democratic Party (Mr. Doer) brought forward about whether or not we are making progress vis-a-vis the economic development of this province, what the Leader of the New Democratic Party said in his opening statement about the fact that our economy is not faring well under our jurisdiction. The fact of the matter is that in the areas in which this province must develop in order to see some future benefit and expansion in our economy.

Manufacturing employment is up 10.8 percent for the first nine months or 10 months of this year. It is up 10.8 percent, Mr. Chairman. It is up in the period of the last six months and it is up dramatically. The fact of the matter is there is strong growth in other primary industries, and these are things that are happening because people are recognizing that the Government is starting to look at better management of the economy.

He questions why we have difficulty with unemployment in this province. He questions why we have difficulty with retail sales growth in this province. All he has to do is go and talk to people in retail sales in this province. They were absolutely devastated in that period following the New Year this year. Why? Because there was the aftermath of the Christmas shopping where people had spent their money. They got hit with the 2 percent tax on net income and they got hit with a 25 percent increase in their autopac rates, all which absolutely devastated retail sales in Manitoba, and they have not recovered. They have not recovered because of the devastation of the NDP policy.

We are doing everything possible and making some strides now to restore some confidence as a result of the Budget that we brought in. But what has happened in terms of employment? There are more people employed today in Manitoba than there were employed when his Government left office. He does not tell you that. The fact of the matter is that we do have more people employed. We are standing exactly where we were when we took office, third best in the country in terms of our unemployment rate. The fact of the matter is that the figures are now starting to look a little better despite the effects of the drought and, of course, the Leader of the New Democratic Party (Mr. Doer) and the Leader of the Liberal Party (Mrs. Carstairs) choose

to ignore the fact that we had a devastating drought that caused a reduction in crops this year of at least one-third. And, despite all of that we continue to show good signs for next year.

Leading economic forecasters are suggesting that we will be above the national average in growth next year. So, I just put on the record that there are two sides to every coin and if the Leader of the Opposition and the Leader of the New Democratic Party want to put their side on the record, I will put my side as well.

I might mention just in conclusion of these remarks that I do have staff available and should the Leader of the Opposition or the Leader of the New Democratic Party wish now to go into any of the specifics of my Estimates I will call them into the Chamber whenever they are ready.

**Mr. Chairman:** It is the custom that item 1.(a) Salary of the Premier and President of the Council shall be deferred. I would draw Members' attention to 1.(b) Management and Administration: (1) Salaries—the Honourable Leader of the Opposition.

**Mrs. Sharon Carstairs (Leader of the Opposition):** Before I get into any specific questions, I feel it necessary to answer a few of the half-truths that the First Minister has just put on the record. Your know, every time that I listen to the First Minister I am always reminded of the nursery rhyme: "Sticks and stones will break my bones but names can never hurt me," because he has a wonderful habit of throwing all kinds of weird and wonderful names at me across the floor of this House.

For example, he talked about the stats with regard to Health Estimates. It might interest the First Minister to know that in 1986-1987 they spent 28 hours on Health Estimates. In 1987-1988, they spent 29 hours and 58 minutes on Health Estimates. This year, we spent 35 hours and 56 minutes on health care Estimates in this process, but on through the kind of misinformation, Mr. Chairman, he talks about a conflict of interest—

**Mr. Filmon:** On a point of order, Mr. Chairman.

**Mr. Chairman:** The Honourable First Minister, on a point of order.

**Mr. Filmon:** The point that I made was that they spent 30 minutes on MHSC which is 1.4 billion. I said nothing about Health Estimates and now the Leader of the Opposition is the one attempting to put half-truths on the record.

**Mr. Chairman:** The First Minister does not have a point of order.

\* (2020)

**Mrs. Carstairs:** No, he certainly does not Mr. Chairman, and of course everybody knows that MHSC is a part of the Health budget, that is the interesting thing. But to go on with the misinformation, he talked about conflict of interest and he mentioned the Honourable

Member for Sturgeon Creek (Mrs. Yeo). I suspect that he just did not read far enough into the clippings because, of course, the Member for Sturgeon Creek resigned from the school board at my recommendation because, while she had no legal conflict of interest, I believe that she did have a conflict of interest in terms of her interaction with members of the school board. So she did resign as I recommended to her and that, of course, is what the Premier (Mr. Filmon) should have recommended to his staff.

Then he makes reference to the fact that I was a chairperson for the Unemployment Insurance Commission. I was a chairperson. In those days it was called a chairman but now we use the term "chairperson." Interestingly enough it has been on every biographical sketch I have ever issued since I have been the Leader of the Liberal Party in Manitoba. Why it all of a sudden seems to come of great news, I can only assume because Members on the other side do not read my biographical sketch, but it is something of which I was very proud and something for which I think I made a contribution, and it predated my presidency of the Liberal Party in Alberta by some two years, just so we get the facts on the agenda here.—(Interjection)— I have always been a Liberal, Gary, always a Liberal, no question about that.

In terms of the comments, for example, last Friday, again we have this development of the half-truth concept because I was talking about the tendering of contracts to one's friends and associates. Of course, this Government went on the record in the election campaign with regard to CF-18, of which, by the way, I was in full agreement. It then went on to discuss how it will change the procedure and it would tender all of its contracts, and within moments of its coming to office, it gave part of a \$500,000 contract for auditing which, of course, was untendered. So they obviously learned something from their brothers and sisters in Ottawa about the way one issues contracts in the Province of Manitoba and tendering is not supposed to be a process which we should follow.

I happen to believe, as do my colleagues, that tendering is a very important part of granting Government contracts. I think that the First Minister (Mr. Filmon), in yet once again a flip-flop on his campaign policies, has, of course, incurred the wrath of Manitobans. Perhaps we can help him out by changing the legislation so it would reflect his original ideas. We will do our best to keep him honest to the campaign promises that he made to the people of the Province of Manitoba last spring.

If the First Minister would like to bring in his staff, we can then begin with our first questions.

**Mr. Gary Doer (Leader of the Second Opposition):** Just a question to the First Minister (Mr. Filmon), notwithstanding staff, a technical question, I was wondering whether the First Minister, in reading his legislation, feels that he has followed in his own proposed legislation on conflict of interest, with the definition of a Member being a Member in this Chamber, with the appointment of the former Member for St. Norbert as Chair of the Liquor Control Commission.

Would that be inside the definition of one year of his own Conflict of Interest Act or under the Premier's interpretation outside of that Act?

**Mr. Filmon:** Is the Member suggesting that the Member for St. Norbert is not qualified?

**Mr. John Angus (St. Norbert):** Mr. Chairman, on a point of order. That is the former Member for St. Norbert.

**Mr. Chairman:** The Honourable Member for St. Norbert does not have a point of order. The Honourable Member for Concordia.

**Mr. Doer:** It is a very serious question. It deals with your legislation as proposed. The legislation states a Member may not get an appointment from the Government for a period of one year. You have appointed the former Member for St. Norbert to chair the Liquor Control Commission, an area that he had the critic responsibility for. I think that is certainly an area I would like to hear comments from the First Minister. Is that appointment not contrary to the Premier's own Act?

**Mr. Filmon:** The legislation with respect to appointments of people has to do with former Ministers and senior officers. As the Member knows full well, backbenchers, ordinary Members of the Legislature, by and large, are not in a position of either inside information or areas of critical responsibility. That is an area that differs between a Member and a Member of the Executive Council who is in a position to have inside information, who is in a position to have acquired knowledge and influence vis-a-vis any departments of Government. The same is true of a senior Government official as defined under the Act.

**Mr. Doer:** I would ask the First Minister (Mr. Filmon) to look at the legislation where it does talk about a Member, a Member of the Executive Council, a senior civil servant. It talks clearly about a Member and I am assuming a Member is under the definition of The Legislative Assembly Act.

I question whether that would be (a) that that is the interpretation of that Act. I think it has very serious ramifications for the appointment of Mr. Mercier to that position. Was that the intent of the Act in terms of appointments of former Members to Government boards such as that in a critical role?

**Mr. Filmon:** I have said before, and the Member has heard me say in this House, that there is a vast difference between the responsibilities of Members of the Executive Council and senior public officials in terms of their knowledge and influence and insider information that they gain vis-a-vis an ordinary Member on that side of the House or in the back benches on this side of the House. Clearly, the intent is to prevent those people from using that kind of inside information or influence in their first position on leaving Government.

**Mr. Doer:** I would ask the First Minister to review that matter in light of the legislation he has tabled in this

House. It may be useful to get a legal interpretation of that and we will certainly pursue it as well.

My question to the First Minister deals with the appointment of the former Member for Turtle Mountain and now Chair of the Manitoba Energy Authority. During the Estimates of the Energy Authority, I asked the Minister whether there was in place a mandatory disclosure provision for that person insofar as the individual was not a civil servant under the definition of a civil servant following through on the disclosure under The Civil Service Act, and was not a Cabinet Minister or a Member of the Legislature who would have to disclose under the provisions of The Legislative Assembly Conflict of Interest Act. I asked whether something would be put in place for that kind of situation where you have an individual who is part-time working with an investment corporation and part-time working with major investments on behalf of the province.

My question deals with the system, not with the individual. Is there a system in place at this point for full disclosure to the Government of that position in the Government public service?

**Mr. Filmon:** Is the Member asking just about that or is he asking a broader policy question? Is he asking about one individual, Mr. Ransom, or is he making an allegation of conflict or is he asking about a general policy situation?

**Mr. Doer:** During the Estimates of Hydro, I asked the question whether there was a system in place for disclosure of the individual who is in that position, a system, a policy in place in Government that deals with a person who is in that type of position where disclosure would be appropriate and consistent with other conflict of interest guidelines but there is no direct policy on that issue.

The Minister of Energy (Mr. Neufeld) said that it would be a good idea to look at some kind of disclosure provisions. I was wondering whether the First Minister has followed up on that idea that came out of the Hydro Estimates, and in light of his commitment to conflict of interest, which I applaud, has put a policy system in place for that position and any other like and similar positions dealing with major appointments of the Crown that have major financial implications in the community and may be involved in other major financial commitments as a private citizen working in the private sector—no allegation to the individual, just the system, that is the key.

\* (2030)

**Mr. Filmon:** First and foremost, the Member knows that there is no legislation that was provided for by his administration that would provide for that, but I have certainly had discussions with and indicated very clearly at least to the people involved with the senior boards, and I would say that I am talking principally about Hydro, Telephones and Autopac, to the effect that they have to be very cautious and very careful that they separate any and all dealings and operate in the same way that anybody would were they a Member of Cabinet and that is if they believe that they are dealing with

something in which they might, they or their immediate beneficiaries or spouses, have a pecuniary interest, they are to reveal that and absent themselves from any discussion or decision that may involve their own or their direct beneficiaries' or spouses' pecuniary interest.

**Mr. Doer:** There is a system in place. It is Bill No. 58 and Bill No. 37, that is the Bill to replace it, it is similar, almost identical in nature, I would point out, to the previous Bill. I would ask the First Minister to look at that in terms of the system.

Is there a system in place for Ministers? I notice that the former Minister, Mr. Desjardins, had all his holdings in a blind trust. I notice from debates on previous issues in this Chamber that there were Members who were actively involved in business while Members of the Cabinet. Is it the policy of the First Minister to have all his Ministers who have active private interest to put it in a blind trust? Or, is there just the provisions of the disclosure in terms of the existing Conflict of Interest Act, or what is the policy on blind trust, Cabinet Ministers, and private business in terms of the Premier's guidelines?

**Mr. Filmon:** Firstly, we do have the conflict-of-interest legislation and I presume that the Member thought that was adequate or he would have changed it himself when he was in Government, because it was the Bill that was brought forward by his administration and amended once by his administration; I might add with the support of all Parties of the House. I personally have my holdings in a blind trust. Several others of Cabinet Ministers do as well. Among other things, they are keeping things separate in all respects and following all of the provisions of the conflict-of-interest legislation, and I believe that under those circumstances there is nothing that has occurred, nor will occur, as a result of any conflict occurring between their public responsibilities and their private holdings.

**Mr. Doer:** I thank the First Minister for that answer. He mentioned several Members of Cabinet have their holdings in a blind trust. Can the First Minister indicate how many Ministers are involved in private business in an active way that do not have their business placed in a blind trust?

**Mr. Filmon:** If the Member is referring to farming as being an active business, then I could not answer that. To my knowledge, there are none who have active business interests who do not have their holdings in a blind trust.

**Mr. Doer:** I just asked the First Minister, and I respect that answer and the policy of blind trusts, I think he is doing the right thing. I thought Mr. Desjardins did the correct thing as well with his holdings.

We heard answers, and I am not getting into the disagreement on the issue, but I was quite surprised when I heard someone was signing cheques for a company. I do not want to talk about the merit of the case, because I think that is a different issue, but it appeared to me to be not a blind trust situation, and I was somewhat surprised at that when I heard the

answer in this House. Is that situation now in a blind trust, because I think that is a good idea for Cabinet Ministers, and I do applaud the Government if the Cabinet Ministers have developed that situation? I think it is a better way to go, I think we all read, all politicians of all political stripes read with interest the Parker Commission on this issue and I think it protects Ministers themselves and their family from unfair accusations really. It certainly did not appear that way with the answer from the one Member but I would ask if that situation has been rectified in terms of a blind trust?

**Mr. Filmon:** I will have to get that information and bring it back specifically for the Member.

**Mr. Chairman:** Does the First Minister wish to invite his staff?

**Mr. Filmon:** Yes.

**Mrs. Carstairs:** Mr. Chairman, in his opening remarks, the First Minister made reference to 48 staff years, I think. Can he give us now a list of those who are employed by Executive Council with their salaries and their positions?

**Mr. Filmon:** Would the Opposition like me to read them all out?

**Mrs. Carstairs:** Well, in the past they had been tabled.

**Mr. Filmon:** I will endeavour to have this information put together for the next sitting of the committee in the form that it can be typed and what list it is on. It is on four different pages.

**Mrs. Carstairs:** Perhaps the First Minister would like to tell us how many, as he used to call them, "apple polishers" or communicators he has employed in his staff?

**Mr. Filmon:** Four.

**Mrs. Carstairs:** Can the First Minister tell us how that differs from the previous administration who also had four apple polishers on their staff?

**Mr. Filmon:** In terms of the direct staff of my department, which I might say service all of the Executive Council, and I am not certain if the former Premier's four communicators serviced all of the Executive Council but mine certainly do, there probably is no difference in those direct staff positions because of the fact that we have cut a considerable number of positions from the former staff complement, over all, that services all of the departments of Government. That number that had grown to 100 and whatever it was, 30 or however many—there were some substantial reductions as I recall through the process of Estimates before Treasury Boards—those do not appear on my staff in detail as they are on the staffs of various departments. I assume that on a department-by-department basis the Leader of the Opposition would have obtained that information from each individual Minister.

**Mrs. Carstairs:** Into some of the functions that some of these individuals carry out, it would appear in relationship to many of the decisions that are made, even with regard to the answering of questions in the House, that much of the activity has been centralized in the Premier's Office. Can the Premier give us a brief outline of just what the staff responsibilities are in relationship to him and to the Ministers of the Crown in terms of deciphering what new directions are going to be taken by this particular Executive Council?

**Mr. Filmon:** Is the Leader of the Opposition referring to the four communications staff in that question or to whom is she referring?

\* (2040)

**Mrs. Carstairs:** The Leader of the NDP (Mr. Doer) made some reference to it in his opening remarks. I would like to address it at this particular moment, and that is that we seem to be very slow at getting legislation and then, for example, when some of the legislation comes to the House, it seems strange in its wording. I refer specifically to the amendment on child welfare in which it would now appear every child who is in any way damaged or injured, even a child beaten up on the way home from school, may find himself made a ward of the court instead of guardianship being retained.

I want to know if it is the Premier's Office that is controlling the flow of legislation into this House and, if it is, just what is the relationship in that flow of legislation? Who is initiating it? Who is writing it? How is it making its way into this House through the Premier's Office?

**Mr. Filmon:** Legislation is drafted by, for the most part, Legislative Counsel. I am not sure if there are exceptions but it is drafted by Legislative Counsel and presented by the individual Ministers for whom the legislation is drafted after it has been reviewed by Cabinet.

**Mrs. Carstairs:** But presumably before a piece of legislation goes to Legislative Counsel, the ideas for that legislation come from Cabinet and therefore directly from the Premier himself. My question, therefore, is the holdup in the way we have been getting legislation into this House as a result of holdups in the Premier's Office, or is it as a result of holdup in each individual ministerial office?

**Mr. Filmon:** Certainly not as a result of a holdup in my office, Mr. Chairman.

**Mrs. Carstairs:** If it is not a holdup in the Premier's Office, then obviously it is a holdup somewhere down the line. The reason I ask that question is that I have a number of letters sitting on my desk, letters which individuals say they have written to the Premier's Office and they have been unable to get a reply from the Premier's Office. I had thought perhaps because they were busy on legislation they did not have time for correspondence, but perhaps the First Minister can tell us why citizens in the province are having difficulty getting replies from the Premier's Office.

**Mr. Filmon:** Very simply, a lot more people write to me than write to the Leader of the Opposition and that is understandable. That is not said in any way as a facetious remark. I can tell her that from the time I was an ordinary MLA till I became Leader of the Opposition my correspondence volume probably increased tenfold, and once I became Premier it was tenfold increased again. So the fact of the matter is that we have reduced our staff complement, as I said, substantially in the office of the Premier. I might say to her—and I am not asking for her sympathy, believe me—but I was astounded to come into the office of the Premier and find that we did not have modern word processing equipment, that every Minister's office had better equipment and means at their disposal to respond to correspondence than my office did. I had far better support when I was the Leader of the Opposition in terms of my word processing equipment, and two staff members could do more for me because of that modernization that we undertook in the office of the Leader of the Opposition, which she is the beneficiary of.

I congratulate her. I think it is wonderful. I tell you as somebody who ran a business college, who trained people in word processing since the mid-70s, it was like walking into a time warp.

I do not criticize my predecessor in terms of his approach to it, but my understanding from speaking with his senior official, in the transition phase, was that this was a matter that he did not give a priority to. That he and the former clerk of Executive Council, both being very frugal and not wanting to expend money on their own offices and operations, they did not see a need for word processing equipment.

So, my Estimates would actually be less than last year's Estimates in terms of total dollars spent if it were not for two unusual items. One is a 100,000 for upgrading of word processing in the Executive Council offices. The second is some three hundred and some odd thousand which was for the severance to all of the political support staff that was done by the Order-in-Council of the last administration as their last act of leaving office. The word processing is something that is frustrating to me. It is something we are finally getting on top of, but if you can imagine, we send out literally dozens of letters every day and every week; congratulatory letters on 65th birthdays, on 25th wedding anniversaries and 50th, and these were all individually hand-typed.

I mean it was absolutely outrageous, Mr. Chairman. I found it, as I say, more than frustrating. We have undertaken to modernize that office and get up to date, and up to speed on all those things. We are just about there, but it has taken significant investment and time and effort to get that office in a position where it could respond. In so doing, I might say in anticipation of this we have not filled some of the positions so that we could try and further reduce the numbers of staff by utilizing that kind of modernization and ability to use the technology of today to get the work done.

I can only say to the Leader of the Opposition, that given that volume and given those circumstances, I am not surprised. I am sorry that we are getting criticism

for not responding, but I am not surprised because it just simply is impossible to feed that kind of volume given the lack of technology and support staff that we have to do the job.

**Mrs. Carstairs:** I certainly do not begrudge the First Minister getting proper equipment for word processing in his office. I do thank him for leaving such good equipment in my office which I have been able to access and have added to.

To a couple of policy issues, and then I am going to defer to the other leader so that we can keep this on a fairly balanced basis, I really would like to ask the First Minister, because he is in overall frame of reference responsible for all Government policy, why this Government made the decision not to build the Municipal Hospital?

\* (2050)

**Mr. Filmon:** It continues to be on the schedule of Capital Works. I believe it is on the five-year Capital plan at the present time. It continues to be an area that needs addressing. Very simply, given the fact that the former administration had effectively frozen Capital investment in health care and personal care homes for a period of time leading up to the election, which we were not aware of until we took office, it becomes a case of attempting to do so much with limited funds. Mental health is a huge priority. There are requirements in many other areas that we have talked about and have been announced since our Government took office. There have been a number of expansions to hospitals and personal care home construction commitments that have been made by our administration. Overall, we have only certain numbers of dollars that we have to spend on major Capital facilities. We have to say with the greatest of regret and concern that the Municipal Hospitals are on the five-year plan, that we would intend to get on with that commitment to the Municipal Hospital rebuilding but that at the present time it had to be not in the first year of our Government's commitment to Capital works. Hopefully it will be soon thereafter but it is not in this year's plan. It is just a question of the total dollars. As I have indicated to the Leader of the Opposition, there is a 9.1 percent, I believe it is, increase in health care spending. It is very significant. Yet, it does not cover all the needs.

**Mrs. Carstairs:** The First Minister makes reference to mental health. There was a major announcement last week about mental health but there were no new dollars. It has not been mental health that got the dollars that were going to go to building the Municipal Hospital.

The Municipal Hospital was first indicated and approved as a Capital project in 1987. This is not something that needed reapproval. It just needed action. Why did this Minister and his Government go back on the plan? In case he is asking the Minister of Finance (Mr. Manóss), let me clarify that the Minister said, it was \$1 million but it was being taken from the overall Budget figures. It was not any new money going into the field of mental health. In terms of the Municipal Hospital, this was a pull-back. It has been approved.

It was yanked back. I do not understand why when people had been living in this place, some of them since 1953, and there has been no renovation done on this hospital with a deliberateness on the part of staff. They said, there is no point doing renovation because we have got it all approved. We are going into the building phase. We built the new front entrance. We built the power plant. We are now going to build the hospital. Why did this Government just turn its back on these people?

**Mr. Filmon:** I really do want to give the total information to the Leader of the Opposition. I do say with all respect that the Minister of Health can and should be answering these questions.

The fact of the matter is that I recall him having made an announcement, just within the past month about a facility at the Health Sciences Centre that I believe was a psychiatric wing or something. It was—

**Mr. Gulzar Cheema (Kildonan):** That is a different thing.

**Mr. Filmon:** What?

**Mr. Cheema:** That is a different thing. It is a different policy. It has no new dollars. He said—

**Mr. Filmon:** No, no. There was a Capital works facility, the psychiatric facility that he announced. I believe it was about \$30 million. It is an example of the competing priorities that you have for the dollars. There were not enough acute care beds in psychiatry in this province. The Leader of the Opposition and her critic have talked about it. There are needs in every area of the health care system.

The Minister of Health (Mr. Orchard) is here. Perhaps I can get more information from him. It is a psychiatric building at the Health Sciences Centre. It is \$30 million. That is the example of the kinds of commitments that are on our Budget and our Capital works. Those are the kinds of things that we have to balance as priorities. I know that the Leader of the Opposition and her critic can ask for different things every day but somewhere, somehow the Government has to try and balance these priorities.

**Mrs. Carstairs:** I find it very difficult to deal with this matter because it is not a pleasant place. I think the First Minister has been there and he knows it is not a pleasant place.

Let us move into another area, the Provincial Auditor. I asked this question in legislation and I was told to ask it to the First Minister so that is why it is being brought forward here. The decision of this Government was to hire outside and independent auditors rather than to use the Provincial Auditor to do an additional audit of the books which they wanted when they first came to office. Can the First Minister tell us why they went that route, an untendered route, and why they did not use the route of the Provincial Auditor itself?

**Mr. Filmon:** There were two things, Mr. Chairman. One was that we needed to have information in a very timely

basis in order to get ready for a Budget that was presented to this House on August 8, just a matter of three months from the day we took office. We hated to have all of this information, a review of what the current debt of the province was. The Leader of the Opposition (Mrs. Carstairs) knows full well that she and we expressed concern about just how big the debt was and what eggs were hidden in other baskets and not showing up on the books. For example, major losses and obligations in Crown corporations that were not transferred to the balance sheet. Liabilities on a longer term from Government expenditures and undertakings that were now shown up on the balance sheet. So we needed to do all of that as quickly as possible so that our Budget would have complete information, timely information, and all ready for us in the process in basically half that period of time to deal with the thing. We had three months between the time of taking office and presenting a Budget. We had to get that information in about a six-week period as part of that.

Mr. Chairman, it would have taken an extra full month to go through a tendering process. Firstly, the issue of why the Provincial Auditor did not do it. He does not have the resources to put onto that kind of task and leave everything else under his responsibility aside. So the Auditor, we worked hand in glove with him. We asked him to assist us in this process, developing the terms of reference, the guidelines and all of the objectives of the audit. He did so willingly, eagerly, and in fact he was part of the process of deciding who could do the work.

I might say that informal consultations were held with the provincial Auditor and the Deputy Minister of Finance along with Government officials, and reviewed who might be able to carry this kind of study out in a short period of time. I might tell you that their conclusion, and it was the conclusion of both the Auditor and the Deputy Minister along with our Government, that there was really only one firm that possessed the resources and the understanding and the capability to do this in four weeks here in Manitoba that knew Government well enough to do it. Stevenson Kellogg Ernst & Whinney were chosen by them.

I might say to the Leader of the Opposition (Mrs. Carstairs) that she may feel that she is making some political points on this issue and so does, I know, the Member for Concordia (Mr. Doer). The fact of the matter is that the relationship of that audit going to a firm that was associated with a member of the transition team was a matter of grave concern to all of us including that member of the transition team. He took absolutely no part in it and wanted nothing to do with it, wanted to be as far away from it, because he knew of what politics could be made of.

Having said that, there was no real alternative. They were the only firm that could do that in that period of time and do it thoroughly with an understanding of the Government of Manitoba's operation. So we took that decision knowing that we were going to take the big political flak that we have taken ever since. But in the final analysis they were the only ones who could do it in that period of time and could get the job done well. I think that by virtue of any comments we have heard

from people who examined the analysis, whether they be the Provincial Auditor, Finance people, outside people out there in the community with financial background and knowledge, they all said it was an excellent audit, not one bit of criticism as to the work that was done. I say to you that we had to get the job done and get it done well and thoroughly. It formed the foundation for our Budget and I guess we are going to have to take the political flak for having done it without tender, but those are the reasons why we did it.

\* (2100)

**Mrs. Carstairs:** Mr. Chairman, but you know the Premier, in his opening remarks, made comments about the fact that it was necessary to get the House back here by the 21st of July.

He will recall that I had a meeting with him and I understand the Member of the New Democratic Party, the Leader of the New Democratic Party (Mr. Doer), had a meeting with him, too. We did not put any such demands on the First Minister at all, that we told the First Minister that we were quite content to let his Ministers get an opportunity to take a look at their departments, and that if he wanted to call the Session in after Labour Day, we would agree to doing that, because we knew that this transition period of time was going to take them a period of time. So it was not upon us that the demands were placed for calling back this House back into Session on the 21st of July. Those were demands that he placed upon himself. I would like to know, as a result of those demands because he had to have the Budget within a certain framework of time of coming back, how many people who were brought in from outside of the Province of Manitoba to work on this audit.

**Mr. Filmon:** I must admit that I could not give an absolutely accurate answer on that, but to my knowledge, none. That is the reason why we felt and the Auditor felt and the Deputy Minister of Finance felt so strongly about it being done by this firm because they could do it, (a) in a brief time period, (b) as well as anybody would want it to be done, and (c) basically with the resources that they have here in Manitoba. That is the whole rationale and in our judgment made eminent good sense despite the political flak that would obviously occur over it. I might say that I will acknowledge fully and completely that the Leader of the Opposition (Mrs. Carstairs) and the Member for Concordia (Mr. Doer) did not put the pressure on us to come back early.

We felt that it was in the best interests of everyone to get a new Budget and a new set of Estimates because, from being chairman of the Treasury Board, that they, week after week after week, organization after organization was calling and saying when can we get confirmation of our grants, when can we get confirmation of our budgets. I mean the volume of calls, letters, time being spent by Ministers and deputies and senior staff responding to those people who are operating essentially without a budgetary commitment was immense. We gave them temporary assurances.

We gave them interim indications of increase and support, but we are after all a minority Government and many of them take very seriously the fact that they wanted assurances that they were making commitments. Boards of directors were saying to us things like what happens if we run over, are we personally liable? We were entering into all of these kinds of discussions that could be washed aside by us bringing in a Budget and Estimates as quickly as possible.

We took the judgment that we should do that. I might say that if we had waited another six weeks to get into Session, I mean look where we would be in terms of this Session. We would be having this discussion now somewhere in the latter part of January or early February and we would still be grinding through this process. So we did it in a way that we felt was in the best interests of operating Government in a sensible way and I will admit that it is our responsibility and that it was not because of pressure from the Leader of the Opposition or the Leader of the NDP.

**Mrs. Carstairs:** Just a final question on the same topic. It has been brought to my attention that indeed there were staff brought in from Toronto to work on this particular budgetary process. Can the First Minister look into this matter and let me know at a future date just how many staff hours in fact were given to individuals who are not permanently located in the province?

**Mr. Filmon:** Understanding that (a) this whole topic comes under the responsibility of the Minister of Finance (Mr. Manness) and should really have been discussed in his Estimates, and (b) it is all within the ambit and the purview of that company, the management consulting firm of Stevenson Kellogg Ernst & Whinney—I am corrected by the Minister of Finance who does acknowledge, as the Leader of the Opposition has said, that there were staff from out of province come because they were the best available staff to do that job. If she believes that it is important for me to get that information from Stevenson Kellogg, we will ask them to review their records and try and separate out what portion of the time was put in by people from outside the province.

**Mr. Doer:** I just want to say on the record that the Leader of the Opposition has confirmed what our analysis of the Order-in-Councils indicate that there is indeed equal staffing in the Communication section of Government. I can remember many speeches—

**Mr. Filmon:** In my office.

**Mr. Doer:** —in the Premier's Office. Yes. There are four in the former Premier's Office, there are four in the present Premier's Office. Let the record show that notwithstanding all the comments about it, it is equal numbers of staffing in the Premier's Office.

My question is to the First Minister (Mr. Filmon) again. I would like to put on the record that the untendered contract, I believe, is not perceived that well in the financial community. No financial auditing firm is going

to be critical of the Government for obvious reasons. They will not be critical of the Government for obvious reasons because it is one of the greatest sources of business in this province in terms of auditing. My contacts in a number of financial organizations have been very critical of the way that contract was issued and the circumstances under which it was issued. I do not believe the First Minister—you can believe both sides of this issue. That will be his choice. Do not believe that in the community there is not a lot of rumbling about the way that contract was issued and the manner in which it was produced and the perceived partisan agenda that it may have achieved.

People are not going to criticize the Government because how many audits were handed out a couple of weeks ago? About eight audits. As I have already said, the Minister of Finance (Mr. Manness) is going to be the man of the year for the auditing firms in this province in terms of the business. I do not believe any auditing firm—they will not have any auditing firm complaining about this Government and this Minister of Finance, I can assure you. They do not want to be disenfranchised for potential future contracts. Be that what it may, we agree to disagree.

My question is to the First Minister. You have a Policy Management Secretariat in the Executive Council, the secretary of which is Mr. Bessey. Could the Premier please inform us—I did not say otherwise. My question to the First Minister is, what is the function of the Policy Management Secretariat? Does it report directly to the Premier? Does it report through the Clerk of Cabinet to the Premier? How many staff are working there? What is the breakdown between professional and non-professional staff?

**Mr. Filmon:** I just want to point out that the Leader of the Opposition has said that we criticized—sorry, not the Leader of the Opposition, the Leader of the New Democratic Party (Mr. Doer), that we criticize severely the communications function in the previous Government and yet we have not changed. There is a vast difference between the four staff who are in the Premier's Office and the entire communications function of Government.

**Mrs. Carstairs:** They still huddle outside.

**Mr. Filmon:** Well, the Leader of the Liberal Party (Mrs. Carstairs) says they still huddle outside. They have their communications staff outside all the time trying to hustle interviews for the Members of the Liberal Party and trying to do a little trolling to see if anybody has an interest in a late night news blast or something like that. Come on, let us get serious about that. I have always said with grudging recognition that the Cramer-Balagus-Scotten trio did a good job for Howard Pawley. There is no question, I used to make comments when they were up in the gallery about which of them had written those lines that Howard used in some of his speeches in the House because they were so out of character with him.

\* (2010)

The fact of the matter is that is not where our criticism was aimed and the Leader of the NDP knows that full

well because he aimed his criticism the same place when he was president of MGEA. He labeled those people apple-polishers. He numbered them as 132 in an article that was done by Maryann Fitzgerald, and in that article he talked about how the NDP were white wine socialists because they hired all these communicators, while at the same time they could not put two grader operators in Dauphin, that they were removing two grader operator positions in Dauphin.

That is where we talked about reducing the communications function and, Mr. Chairman, that function has been reduced. I cannot give him the exact number because it is not in my Estimates but the overall numbers amongst Culture, Heritage, Recreation, Information Services and all of the department functions are down by something in the range of 15 or 20 positions, and more is going to come because that is where we believe savings can be made.

Now, to get to his question about the Policy Management Secretariat, firstly, it reports through the Clerk of the Executive Council. Secondly, its responsibility is policy coordination and development for the Government. In that respect it is similar to the Planning and Priorities Committee Secretariat that the previous administration had, which is a central policy coordination function of Government that virtually every Government that I know has.

These figures, because my Estimates detail was prepared some time ago and there were a number of vacancies there, I am trying to recall some of the numbers in terms of what may have been filled since this book was produced for me a number of months ago. We were optimistic at that time about finishing early, Mr. Chairman.

There are, I believe, nine professional positions and two support staff. That may be overstating it. It may only be seven but—it is seven and two, I am told, I am sorry. It is seven and two, seven professional positions and two support staff and that is what consists of the Policy Management Secretariat.

**Mr. Doer:** We noticed that the people who were to be contacted for the round table and some other groups have been contacted directly by the Policy Coordination Branch rather than the Minister's office. Can the First Minister explain where the Policy Management Secretariat gets involved in those kind of appointments on behalf of the Premier vis-a-vis the responsibility of departments of Government?

**Mr. Filmon:** To begin with, I might say that the nine positions in the Policy Management Secretariat compares to 15 in the Planning and Priorities of the previous administration, so it is indeed a lesser number of total staff.

**Mr. Doer:** A lot less policy.

**Mr. Filmon:** Pardon?

**Mr. Doer:** A Lot less policy.

**Mr. Filmon:** No, no, no, no, much better policy.

The Leader of the NDP (Mr. Doer) asked the question, why somebody from the Policy Management Secretariat would be calling members of the round table rather than a department Minister or designate, because I am the Chairman of the Round Table on Environment and the Economy. It is a body that comes out of the Premier's area, Executive Council, and therefore I delegated that to a member of my staff to do that on my behalf.

**Mr. Doer:** Yes, as chairman of the round table, why was the sustainable development proposal from Agriculture not discussed in detail with the round table prior to its release, and were the items that remain outstanding between the City of Winnipeg, has there been a strategy discussed with the members of the round table under the meeting that took place two weeks ago under the chairpersonship of the Premier?

**Mr. Filmon:** We have only had the first meeting with that round table. It was a meeting at which we essentially set out our terms of reference and our view of what the round table's responsibilities should be. We agreed on an agenda for our next meeting and what issues and items we would cover and so, in that respect, that is what the first meeting did and was a very productive and an excellent meeting, I might say. I might say as well that the round table is a development initiative of Government. It follows upon the Brundtland Report, "Our Common Future," that sets out very clearly that in the world today we have a variety of different options to try and ensure that our world can be environmentally healthy and sustainable for future generations.

One is to say that we will have no growth, no further development, no further exploitation, shall we say, of our resources, use of our resources, we will just simply cut back and not expand the development of our world, and that, of course, would lead to devastation not only for the developed world, but for the underdeveloped world. Third World countries' only hope of achieving a better quality of life and a better way of living is if we are going to have development so that we can give them the kind of standard of living that they must have to bring them up to the levels of the rest of the world. The key is that environmental considerations have to be at the table every time a development decision is made so that it becomes environmentally sustainable development that we produce every time we make a development decision. And so it is that bringing together of those two interests that have in the past been competing interests.

The environment have always been the policemen, the regulators, the people who came in after development decisions were made, and had to clean up for the effects of bad development decisions. We have bought into and adopted the philosophy of the Brundtland Commission of the Canadian round table's approach to things, the Task Force on Environment and Economy that Canada produced, and that is that we are going to be leaders in this process and that we are going to have environment represented at the same table as development decisions are made, and that we are going to bring in the broadest cross section of leaders in our community to sit at that table to be part of that development process.

So that is why we are proceeding on this basis and it is not a matter that I would suggest that we would just simply refer environmental issues such as the issue of what to do with the environmental problems of the City of Winnipeg to that round table. Rather, they are the future visionary people who are going to be looking at future development decisions and ensuring that we map out a strategy for future development that is totally consistent with harmony with the environment, and Environment as a department will remain the regulators, the so-called policemen, and they will work out a strategy with the City of Winnipeg to implement The Environment Act vis-a-vis the City of Winnipeg regulations and requirements, and that is a separate issue from the round table.

We do not want to get into the day-to-day operations of Government, the kinds of decisions and issue management situations that he wants to pursue with the Environment Department. They are two separate, two totally separate and distinct issues.

**Mr. Doer:** Mr. Chairman, assuming the position of the First Minister on the City of Winnipeg list, the second part of that question, I would ask, I know the theory behind the sustainable development, the Brundtland Commission in terms of sustainable development, even though they left agriculture out of one of the criteria, the Brundtland Commission, much to my concern about the fact that I think agriculture, economic development, and environment should be together.

\* (2120)

My question to the First Minister is, just in terms of a future program, and certainly the announcement made by the Minister of Natural Resources (Mr. Penner) on the drought situation and water situation in Manitoba and the policy document that was a future concept document, why was that not discussed at the round table? I accept the First Minister's position on the check list with the City of Winnipeg because that really is a past issue. That should have been done 20 years ago. I think all of us are to blame for not having the City of Winnipeg in The Environment Act. I am pleased in the last two years we did move in that respect, so I accept that from the First Minister. Many of those items are past issues, but what about the policy that was now announced by the Minister of Natural Resources (Mr. Penner) and why was it not referred to that group in terms of a future policy of sustainable development?

**Mr. Filmon:** This is an example of we are damned if we do and we are damned if we do not. That document which we consider to be a very important document vis-a-vis the long-term sustainable development of agriculture in Manitoba, the long-term sustainability of agriculture as we practise it was a commitment we made during the election campaign that we repeated in the Throne Speech and was worked upon throughout the period of time by our departments responsible for Natural Resources and Agriculture from the day we got into Government. We had that document ready to go at a time when the round table was not ready to even set its own terms of reference.

So we had two choices: one was to leave that document on the back burner until the round table got

up to speed a few months down the road; or put it forward as a very, very important and critical initiative. I know that the member is aware of the great concern that is out there about long-term climatological change, about the fact that agriculture, as we practise it and have practised it for the last decade, may not be sustainable given a potential of major dry conditions and hot weather conditions that may last indefinitely in the future, that may be a total change of our climatological environment.

So we had to make the decision which we believed was the right one because, if we had not come forward with that proposal, we would have been faced with the same questions. Why have you not produced the White Paper on Seniors yet? Why have you not established the health advisory network? Why have you not done this? Why have you not done that? It is all part of your promises. We had worked on it, it was ready to go, and we felt that it was important enough and it covered the concerns, in our judgment, of environment and agriculture, natural resources, all those issues, because should there be, and there will undoubtedly be, major projects come out of that overall plan and strategy for water and soil conservation, any major project will still have to be reviewed by the Department of Environment, perhaps have an environmental assessment and all of those other safety factors and checks and balances that will be in the system.

I might say to the Leader of the NDP (Mr. Doer) that I concur wholeheartedly with him that the whole idea of environment and the economy, the round table, and so on, does involve agriculture. It does involve agriculture and it should involve agriculture as a phase of development of this province's future. That is why we have the Minister of Agriculture, the Minister of Natural Resources, the Minister of Environment and the Minister of Industry, Trade and Technology all sitting on that round table.

**Mr. Doer:** Yes, a couple more, and I believe the round table did meet that week that you made the announcement, and I believe it should have gone there. Again, I accept the First Minister's position on getting it out to the public. It is a very important public issue obviously for the people directly affected and we will wait for the whole issue of stewardship on water as well as the comments that are contained within the policy statement of the Minister of Natural Resources. We will also await the downstream water assessments that the First Minister gave this House and Manitobans as part of a statement.

The other question, and I will not touch the numbers of communication officers except to say that I never had one as Minister of Urban Affairs because I would have gotten clobbered. By the time I had four or five portfolios when I left Government, if I would have ever had a communication person, I would have had to eat so much humble pie that I never have experienced the use of a communication staff—(Interjection)—well, that is probably true. No, communication would not have worked, it was something called a \$40 million dollar discrepancy in Autopac the way it worked—twenty we were going to lose and twenty we just made this year.

I mentioned, before the hiring of Mr. Segal and his firm by the Government—a nice little contract I might

point out, for hiring a communication person, sort of a double benefit to the Government, but Mr. Segal, of course, is known for his connections with the Big Blue Machine. I do not think anybody can deny that in this Chamber—good contact with Mr. Davis, as we all know in his years in Government.

Is there any other similar work that the Executive Council has contracted out with consulting firms of a similar nature to Mr. Hugh Segal's consulting firm, Public Affairs International, other consulting firms that ply their trade across the country? Has the First Minister in his six months, has he got any other consulting contracts in the last six months, and could he please table the firms and the amount of money for the public interest?

**Mr. Filmon:** I want to address the point that the Leader of the NDP is making, saying that, because this firm happens to be—and it is Advance Planning, it is not Camp Associates or any of those others that he attempted to say it was in the past, that—(Interjection)—it is Advance Planning and one of the functions that they perform is executive search. That is the same function that is performed by every management consulting firm in Canada. They have a specific guideline that they charge for seeking out an executive and that is—I believe it is something in the range of 30 percent of the first year's salary to do the so-called "head hunt." Before that, they place ads in all of the relevant newspapers, the Free Press, in the Sun, in the Globe and Mail, and right across the country, and they accept applications. Those applications as he well knows are in the dozens, and then they do the screening, and then they set up the interviews, and then they make recommendations and set up perhaps contacts with the client for the short list and so on.

It is a process that is well accepted and well regarded. I might say that wherever the former Government did a legitimate search for an individual who they did not have a direct political tie with, they did it by this executive search process. I say to them that some of the people who they got by that kind of process, such as Mr. Reg Bird as CEO of the Telephone System, were good people. They met the criteria and test, and we did not criticize them.

I might tell you that in the areas in which they did not use that process and went out and hired somebody like a Marc Eliesen, or like a Cliff Scotton, well, they did not go through a process of executive search because they already knew who they wanted. We can honestly tell the Leader of the NDP (Mr. Doer) and anybody else in this House that we did not know who he wanted for that senior Executive Council position of secretary of the Planning and Communications Committee of Cabinet.

We were prepared to take what the executive search found and, yes, indeed, it found somebody who happen to be in employment with Don Mazankowski. What I am saying is that is a process that is well accepted and that, if we wanted to go directly and hired somebody who is just a Tory, we did not have to use a firm of people or do executive search. We legitimately were prepared to consider any qualified applicant, and we got one who served our needs by this process. It is as straightforward as that.

He is asking whether or not we are hiring any other people to do that kind of communications, consulting on our behalf. We are not hiring people to do any other communications, consulting, under Executive Council, I can tell him.

\* (2130)

**Mr. Doer:** My question was not whether you are hiring any other communications consultants, it is whether you have hired any other consultants for Executive Council. I mentioned before that the individual who worked for Mr. Mazankowski—Mr. Mazankowski does have a reputation of being a bit of a straight shooter I am not begrudging the Premier's decision; it is his right to make that decision. My question is, and I am not going to talk about the difference between Hugh Segal's management consulting firm and Woods Gordon and some of the other firms, we will just agree to disagree on that one again because I think it is a lost issue. We just disagree, nothing wrong with that.

My question to the First Minister is what other consulting firms has the Executive Council office engaged in business since the Premier has been in office, and could he table those contracts and the firms and the amount of money?

**Mr. Filmon:** Mr. Chairman, I might say, just in response to that, he says that he would not compare Hugh Segal's firm with Woods Gordon. Would he compare them with the October partnership, Michael Dexter's firm? Would he compare them with Peat Marwick who Michael Dexter is now with? (Interjection)- Different, different, okay.

It just shows you that the same people, if they went into a different firm, would not have the same connotation in the mind of the Leader of the New Democratic Party (Mr. Doer). I think that is a ridiculous position to take. There are some very political people who were associated with his administration who went and worked for some legitimate consulting firms, such as Peat Marwick and Coopers Lybrand and others. There is no question in my mind that the people who were given the work in those firms were very closely politically tied to the New Democratic Party. But I leave that aside because it is not relevant to the issue.

Yes, Mr. Chairman, we will hire other firms to do policy consulting with us, policy advice and analysis from time to time, people who can assist us in some of our dealings with corporations on divestitures and other issues that we are dealing with in Government—feasibility studies, economic analyses, things of that nature. I can tell the Member that one such firm that we have hired is GPC, Government Policy Consultants, and they are providing us with some of this economic analysis and policy advice.

**Mr. Doer:** Can the First Minister inform the House the size of the contract with GPC and are there any other groups and consulting firms that the Government has engaged through Executive Council directly in terms of the Province of Manitoba?

**Mr. Filmon:** The total amount of contract—and it has been a number of different contracts and

assignments—as I understand it amounts to approximately \$75,000.00. There is one other contract out of Executive Council with an individual, a Winnipeg school teacher by the name of Rod Brown, who has done some writing on specific matters for Executive Council.

**Mr. Doer:** So the \$75,000 includes Advance Planning and GPC and other contracts? Does it exclude Mr. Brown, and can the First Minister please tell us how much the contract for Mr. Brown is for writing?

**Mr. Filmon:** Contracts with GPC and Advance Planning were the \$75,000.00. It is approximately \$75,000, slightly less I believe. The contract with Mr. Brown is something under \$10,000.00. I could get the exact amount, it is between \$5,000 and \$10,000.00.

**Mr. Doer:** Mr. Chairman, so the contract for GPC is approximately \$50,000.

A new question to the First Minister. All Governments believe in affirmative action and state it. Is affirmative action used as one of the criteria for downsizing the size of the senior public service? It is intended to be the criteria for selection of members of the senior public service. Is it used for purposes of downsizing the senior civil service, specifically for Deputy Ministers and Assistant Deputy Ministers, given the rationalization process that has gone through the First Ministers engaged in the Government since taking office?

**Mr. Filmon:** Every decision is made on the individual case in point of what changes we want to make in terms of departmental amalgamations or other shifts that are taking place. In my own judgment, I can tell the Member for Concordia (Mr. Doer) that I have made a commitment publicly to anybody who will listen to increase the number of women working in the senior levels of the Civil Service. That process I think is one that is difficult to be judged upon a six-month record. I will do everything to ensure that as we make moves in the senior civil service that women are prominently considered in the judgments that are made vis-a-vis hiring.

**Mr. Doer:** Mr. Chairman, in the previous administration, the three comparable positions, two out of the three, were women in terms of the senior public service, the principal secretary, the clerk, the Cabinet and the head of the Planning and Priorities Branch. I do not want to get any personal—well, I do not want to get into that one individual—but I notice without any disrespect to the incumbents, it is zero for three in the present First Minister's line-up of talent.

I was wondering, could the First Minister not find any capable women with comparable skills to the incumbents to fulfill one of those three positions to give a message to the people of Manitoba about the priorities. I would not see, certainly having the zero for three, I think is something the First Minister would admit is less than consistent with all our statements about getting senior public employees from female potential employees.

\* (2140)

**Mr. Filmon:** The Member knows full well that it is not always easy, that those individuals who are in those positions did not start in those positions with the former administration. In fact, one of those individuals, the principal secretary, worked from a rather junior position all the way up to that over a period of six years in the former administration. You have to recruit qualified people and promote qualified people along the way up through the ladders. The fact of the matter is that if we were to take a snapshot six months into the previous NDP administration, we would have found precious few women in senior positions with that administration. As time went on, they did find a number who they groomed and promoted, and I compliment them on that. We will be doing the same thing.

I might indicate to the Member for Concordia (Mr. Doer) that two of the senior policy analysts in the area of the Policy Management Secretariat are women. I indicate that in my own personal staff, my special assistant, my executive assistant, are women, very capable women. Despite the efforts of some in this Chamber to try and convince one of them to resign, I believe that she is doing an excellent job, has tremendous talent, and is somebody who can be promoted and will indeed grow in stature and capability in our Government. These are things that we are committed to and, by virtue of this process, they can then move along to senior positions within departments.

**Mr. Doer:** Mr. Chairman, the question of the First Minister, we have gone from two female Deputy Ministers in Government to one, I believe, with the dismissal of Mrs. Eady. I believe there has been a reduction in the number of women now who are Assistant Deputy Ministers. Can the First Minister please tell us, because all Assistant Deputy Minister positions like Deputy Minister positions are Order-in-Council appointments and do go to the Cabinet Table chaired by the First Minister, confirm that there has been a reduction from two to one in the Deputy Minister ranks? What is the status now in the Assistant Deputy Minister ranks in terms of women in the senior public service? A record by the way, Mr. Chairman, that I am not particularly proud of, in terms of our status as well.

**Mr. Filmon:** I might say that we have had a net production, I believe, of three deputies, and one of those is a woman. I regret that. It is part of our ongoing commitment to find more women to take senior positions.

I might indicate by the same token that of the four communications people who were on the staff of my predecessor, I believe they were all men. Yes they were. Two of the four communications people on my staff are women. We are working very diligently to move women along into positions of responsibility. The Member knows full well—I am sure he admires the talent of some of those people we have working in communications including the women. We are trying to ensure—I said admired the talent—we are working to ensure that we continue to move women along in good positions and with more responsibility.

**Mr. Doer:** Just a couple more on the same issue. I know that there was a reduction of three, and one of

them was a woman. Did the Premier not think it was important enough, given that person's skills, in the redeployment was to take place to leave that individual in the senior public service? There were other hirings from the outside, I believe Mr. Tommason was hired from the outside. Would it not have made more sense to, in his realignment of staff perhaps, to have left that person there so we could have at least two women still in the Deputy Minister's ranks rather than bring in somebody from the outside?

**Mr. Filmon:** Without getting into sort of the personal discussions and negotiations, I can say that the individual who was involved was close to retirement age on a normal basis, received under the senior officer plan a relatively generous severance package that added to her reasonable pension situation.

When we looked at the redundancy that was being created by two departments melding into one, that individual chose to take the package that was there and available because she felt that it was in her interest to do so. It is part of the discussion and negotiation. As I say, we can revisit this and argue whether or not the removal of one woman from a senior position represents a trend or a policy of Government. I am here to assure the Member it is not a policy of Government and that our trend is to find qualified senior people who are women to get involved in the senior levels of Government.

**Mrs. Carstairs:** The Premier answered some questions earlier about sustainable development. Can he let us know today just what is the status of the Centre for Sustainable Development in the Province of Manitoba?

**Mr. Filmon:** Discussions have been ongoing and have been progressing well in my judgment, between the federal and provincial Governments. Because of the fact that we were, for the last number of weeks, seven weeks or more, tied up in an election campaign and have not had a new Cabinet appointed in Ottawa, understandably those discussions have only been at the senior bureaucracy level. The reports that I get back from our senior staff are that they believe that their discussions have gone well, that they are looking at potential chairs for the Sustainable Development Centre, that they are looking at people to be involved in heading up that issue. I can tell the Member for River Heights (Mrs. Carstairs) that she would know one individual who I have spoken to personally who is very anxious to be involved with us in that effort, that is, Morris Strong, a Native Manitoban from Oak Lake. I believe a member of the Leader of the Opposition's Party, or at least certainly somebody who had been associated with the Party in the past, an individual who does have some substantial public renown for his interest in environmental issues and this kind of sustainable development matter, and he is going to be here this week to talk with me further on the issue and to meet with our round table and so on.

We have had substantial interest from people without our province. We had the secretary to the Bruntland Commission, a Canadian, Dr. James McNeil, come and visit us, offer his advice, support for the Sustainable

Development Centre. We have had meetings with other recognized world leaders in environmental matters come and visit, contact us, express their interest in doing anything they could to support the development of the centre. I might say that I think it is safe to say that even the federal Government has been tremendously impressed with the kind of attention that has been brought to Winnipeg and our association with the centre, and our contacts that we have been able to further as a result of a number of groups who are already active here in Manitoba. The Sustainable Development Partnership, which is a private sector group that Dr. Runciman, Alan Scarth, and many others are involved with, the Fort Whyte Environmental Centre, all that are kind of associated. There is a researcher up in the Interlake area who is world-renowned for some of the work he is doing and so on.

These people are trying it all together, acknowledging the appropriateness of Winnipeg as a location and further, sort of expanding the ties of really quality people who are going to be involved with the project. So I might say that as delighted as we were at the announcement, we are even more delighted at the response to the announcement from many, many experts throughout the country and the world.

**Mrs. Carstairs:** The Premier did make reference to the Project for Sustainable Development and the individuals who are involved in that particular venture. They feel very strongly that this Centre for Sustainable Development should have a good mix of both private participation and public participation. Is it the position of this Government that would be a good balance, and has he raised that with his federal counterparts and have they indicated what kind of mix they think would be most suitable for such a development?

\* (2150)

**Mr. Filmon:** As a matter of fact, I am happy to say that the very fact that we had that kind of private sector interest, expertise and group here influenced the Prime Minister in his ultimate decision. It added to the work that had been done by the former administration in Manitoba, and public sector groups in Manitoba. I might say that we have held out very strongly our belief that this will only be a major success if there is a significant relationship and involvement of the private sector with the public sector. If the federal bureaucrats differed with us on that issue, and I think that they might not have felt as strongly as we did in the beginning, I am confident that we have convinced them that is essential to the process to have that strong relationship and involvement of the private sector. As a result, I have no hesitation in saying that we believe it will be successful because we bring to the table that sound relationship with the private sector that we think will make it successful.

**Mrs. Carstairs:** I would like to go on record as supporting that mix. I think that will make for the most exciting and vital Centre for Sustainable Development within our community. It is not a centre that is hopefully going to be narrow in its outlook, it is going to be very broad-based and I think that very mix will contribute to the broadness of its orientation.

Since we are on environmental issue, there certainly has been an issue which has dominated this Session of the Legislature in terms of environmental issues, and that has to be the Rafferty-Alameda Project. We heard the First Minister (Mr. Filmon) any number of times give us assurances, quite frankly, we just do not believe. We do not believe that studies were done because studies were not done because studies were not done. We do not believe that Manitoba's interests have been protected in this matter and we have been at a loss somehow to understand why the Premier and his Minister—Ministers, because both Environment and Natural Resources have been involved—why they should have been so narrow in this particular aspect using definitions produced by the States, produced by the U.S. Corps of Army Engineers, used by Saskatchewan, used by Ottawa; but never have they attempted to come up with a Manitoba definition with a Manitoba protection quotient.

I found it somewhat amusing, particularly as the Minister of Northern Affairs (Mr. Downey) has been involved in this issue for some time and in fact it was in his constituency that this whole matter was first brought to my attention, and that he was very, very concerned about the whole Rafferty-Alameda Project, but for some reason or other he seems to have lost that around the Cabinet table. Either he has lost his interest or he has lost his voice, one or the other.

Why have we not had definitive statement of protection for Manitoba by the First Minister of Manitoba?

**Mr. Filmon:** Firstly, the Leader of the Opposition started out by saying she does not believe what I have said on it. Now she says she wants a definitive statement. If I give her a definitive statement she will not believe it anyway. That is my problem. How do you deal with somebody who will not believe what you are telling them even though it is the truth? The fact of the matter is that from Day One we have been involved with, from the day we were elected, because quite honestly the former administration was negligent in the way in which they handled it.

Firstly, they refused to be involved in a direct consulting way with Saskatchewan on that basis. The Member for Arthur (Mr. Downey) said that they had been asked to be involved with Saskatchewan on the issue. They said it was not their responsibility to carry out an environmental assessment review. They did not get involved in any way with the process. They were trying to stonewall the process, quite frankly. We from the day we were elected followed through on the interest of the Member for Arthur, who when he was just the Member for Arthur not a member of Executive Council, was attending meetings with Saskatchewan officials about Rafferty-Alameda.

He made a presentation on behalf of his constituents with respect to Rafferty-Alameda at a public meeting, attended just within the last six weeks or so with the Minister of Natural Resources in Saskatchewan to see and view and walk in the area in which the projects are taking place and attend a public meeting again with officials, with farmers from Manitoba, farmers from

Saskatchewan who were invited to have all their questions answered on the project. So, not only have we taken an interest but we have spent time of our Ministers' and our Members' to become fully informed and to ensure that we were knowledgeable enough to represent Manitoba's interests in the project.

What are Manitoba's interests in the project? Very simply, we want to have assurances that our quality will not in any way be diminished by the project, our quality of water, that we receive downstream from North Dakota and that our quantity of flows, not our average flows. I want the Leader of the Opposition to understand that there may well be an average flow in that Souris River annually of something in the range of 300 cfs. The problem is in the low-flow periods. There are months in which there would be a trickle or no flow in that river and we have to have assurances that in those low-flow months, which I believe are five months of the year, that we do not get any less flow than we are getting today and hopefully that we get more flow, and that assurance that we have from the Apportionment Agreement of 1959, I believe it is, is 20 cfs in the five-month period of lowest flow. Now that is our bottom line. We will not get any less flow in the low periods of time and we will have our quality assured, that it will not in any way be diminished, in any way be despoiled, that quality will remain our commitment.

Now, those are the two bottom line issues that we have always had on the table with the federal Government because it is the federal Government that must give us those assurances. The federal Government has to then deal with the Federal Government of the United States and the State of North Dakota to ensure that the water coming into our province out of North Dakota is not less in terms of minimum flows during those five-month periods and is of at least as good a quality as a result of Rafferty and Alameda. That is our bottom line and we have continued to work towards achieving that bottom line and nothing has changed during the course of months of discussion on that, Mr. Chairman.

One of the things that has been put forward by the Leader of the Opposition and some of her critics and even the Member for Concordia (Mr. Doer) and some of his critics is that the average flow will be reduced. But the average flow is meaningless in terms of what our critical issue is on the Souris River. It is the minimum average flow in those five months in which it slows to a trickle. That is the assurance that we have to get and maintain and we have always said that is our bottom line.

So even though the average flow may be reduced from 300 cfs to 250 cfs over the long haul, it is not

that average that is critical in the overall concern for Rafferty and Alameda, and downstream effects. It is the average flow in the minimum months. That is what we have put our bottom line on. That remains the focal point of all of our deliberations and discussions with the Federal Government. At no time have they suggested to us that they could not meet that requirement on our part of providing us with an assurance of quality and quantity that is not diminished as a result of the construction of Rafferty and Alameda.

I say that is all that Manitobans can and should be expecting out of this issue. You can not say to the province of Saskatchewan or somebody else that you want something that you do not currently have. You want to have assurances that you are not in any way damaged by the construction of that because North Dakota some time ago constructed a reservoir and dam system on the Souris River that has given us the downstream benefits of minimum flows of 20 cfs. At the present time, because of the dry year that we have been through, there would be virtually no flow in the Souris River, but thanks to that dam that is on the Souris River in North Dakota, we are getting minimum of 20 cfs. Lake Darling is the reservoir of that dam that was created in North Dakota. We are very fortunate to have had that, Mr. Chairman. That is the way in which we have approached this issue. We think it is a sensible, rational, and sound way.

**Mr. Chairman:** Committee rise.

Call in the Speaker.

### IN SESSION - COMMITTEE CHANGE

**Mr. Deputy Speaker, Mark Minenko:** Order, please. The Honourable Member for Churchill.

**Mr. Jay Cowan (Churchill):** Mr. Deputy Speaker, I seek leave from the House to make a committee change.

**Mr. Deputy Speaker:** Does the Honourable Member have leave? (Agreed)

**Mr. Cowan:** I move, seconded by the Member for Concordia (Mr. Doer), as he sits in his seat, that the composition of the Standing Committee on Economic Development be amended as follows: Brandon East (Mr. Leonard Evans) for Interlake (Mr. Uruski).

**Mr. Deputy Speaker:** The hour being after 10 p.m., the House is adjourned and stands adjourned until 1:30 tomorrow afternoon (Tuesday).