

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, January 9, 1990.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, I rise to table an historic agreement which was signed today between my colleague, myself, Chief Oscar Lathlin of The Pas Indian Band. I want to table that agreement as it relates to gaming on The Pas Indian Band.

* (1335)

Hon. Gerrie Hammond (Minister of Labour): Mr. Speaker, I would like to table the investigation report of the explosion and fire at Solvit Resources Incorporated.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mr. Speaker: Would there be leave to revert back to Presenting Reports by Standing and Special Committees? Leave granted.

Mr. Parker Burrell (Acting Chairman of Committees): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

MOTION presented and carried.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct the attention of Honourable Members to the Speaker's Gallery where we have with us today Chief Oscar Lathlin of The Pas Band and Councillor Jerry Henderson.

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Health Sciences Centre Emergency Facility Upgrading

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, on November 23 and 24, we brought to this Government's attention the inadequate conditions of the Health Sciences Centre relating to safety as well as comfort. We were particularly concerned about the transfer of patients from the emergency rooms to surgery, which required a circuitous route through the corridors and also a trip of seven floors on an elevator.

Mr. Speaker, can the First Minister (Mr. Filmon) tell the House if this Government has changed their minds

with regard to upgrading these facilities, or are they still prepared to wait 15 to 20 years as enunciated by their Minister of Health (Mr. Orchard)?

Hon. Gary Filmon (Premier): Mr. Speaker, I will take that question as notice on behalf of the Minister of Health.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please.

Mrs. Carstairs: Mr. Speaker, this Minister had warning that conditions were inadequate. On December 30 at 2 p.m., a patient died while being transferred from emergency to surgery because while in the elevator the elevator was stuck. Twenty minutes it took to get this patient out, and by that point it was too late.

Can the Premier of the province now put on the record his Government's commitment to the upgrading of emergency facilities at the Health Sciences Centre?

Mr. Filmon: Mr. Speaker, I will take that question as notice on behalf of the Minister of Health—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Health Care Premier's Intervention

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, the Premier of this province sat in the House while it was outlined what these emergency difficulties were at the Health Sciences Centre.

Can the Premier (Mr. Filmon) tell us what he did to ensure that his Minister of Health (Mr. Orchard) was adequately looking after the health needs of Manitobans?

Hon. Gary Filmon (Premier): Mr. Speaker, I would like to remind the Leader of the Opposition that this Government, in two successive budgets, has provided increases to health that were double the rate of inflation, has brought in, in this most recent budget and set of Estimates, a program of capital construction that is one of the highest in the history of this province.

I might say that the Leader of the Opposition (Mrs. Carstairs) voted against those increases to health, voted against giving them increases of double the rate of inflation, voted against the most ambitious Capital Program to expand hospitals and health care facilities in this province. So she need not lecture this Government on what we are doing on health care.

* (1340)

Health Sciences Centre Emergency Facility Upgrading

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, 60,000 patients per year are treated at emergency at the Health Sciences Centre. That is why it has been raised continuously for the need of upgrading.

Can the Health Minister (Mr. Orchard) inform the House as to whether he has reviewed this and has now made the commitment that is so essential to the upgrading of these facilities?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I presume my honourable friend, the Liberal Leader, is referring to the 15-year-old temporary emergency services ATCO trailer at the Health Sciences Centre. I might say, 15 years old.

We have been Government for a little over a year and a half. I indicated to my honourable friend, and she is wont to forget, that there were plans ready for the reconstruction of the emergency services at the Health Sciences Centre when I tabled the capital budget this year. It would have been added to the \$40-million-plus reconstruction long awaited that this Government has committed to the Health Sciences Centre.

Health Sciences Centre Elevator Inspection

Mrs. Sharon Carstairs (Leader of the Opposition): A question to the Minister of Labour. Can the Minister of Labour (Mrs. Hammond) explain why the Health Sciences Centre elevator has not been inspected since April of 1987?

Some Honourable Members: Oh, oh!

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): I did not hear the question, I wonder if the Leader of the Opposition could repeat the question.

Mrs. Carstairs: Yes, Mr. Speaker, I will repeat the question. Will the Minister of Labour tell this House why the elevators at the Health Sciences Centre, which are over 20 years old, have not been inspected since April of 1987?

Mrs. Hammond: I will take that question as notice.

Mrs. Carstairs: Come on. Mr. Speaker, can the Minister of Labour -(interjection)-

Mr. Speaker: Order, please; order, please.

Health Care Facilities Elevator Regulations

Mrs. Sharon Carstairs (Leader of the Opposition): The question to the Minister of Labour is this: can the Minister of Labour tell this House why the regulations for elevator inspections for hospitals, personal care

homes and other life and death threatening situations are no tougher than a three-storey warehouse?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): People are people wherever they are. We inspect all elevators the same. Surely someone in a warehouse, his life is not any more at risk than anywhere else. People inspect and make sure -(interjection)-

* (1345)

Mr. Speaker: Order, please; order, please.

We are experiencing some difficulty with our Hansard services, so I would ask the co-operation of all Honourable Members. The Honourable Leader has posed a question and she is having great difficulty in hearing the answer. The Honourable Minister of Labour.

Mrs. Hammond: Mr. Speaker, I think the Members opposite want to make light of the elevators - (interjection)-

Mr. Speaker: Order, please.

Mr. Speaker: The Honourable Leader of the Opposition, on a point of order.

Mrs. Carstairs: The Minister is imputing motives. There is no way that we are making light of a death on an elevator because of inadequate inspection by the Department of Labour.

Mr. Speaker: Order, please. The Honourable Leader does not have a point of order, it is a dispute over the facts.

An Honourable Member: Mr. Speaker, on a point of order.

Mr. Speaker: On a new point of order? The Honourable the First Minister (Mr. Filmon), on a new point of order.

Hon. Gary Filmon (Premier): If the Leader of the Opposition is concerned about comments being made by the Minister of Labour, then she ought to keep her caucus under control so they will not be so - (interjection)-

Mr. Speaker: Order, please; order, please.

I should point out to Honourable Members that a point of order should be raised to bring to the attention of the Chair and the House, breaches of the Rules or departures from the normal procedures of the House. I would ask for co-operation from Members.

The Honourable Member for Thompson, on a new point of order.

Mr. Steve Ashton (Second Opposition House Leader): Mr. Speaker, we seem to have technical difficulties here. We are having difficulties in not only making out

questions but also with Hansard. You know, on the points of order there is a great deal of difficulty.

I am wondering if you can get some indications when the technical problem can be resolved. If we require a five-minute recess—(inaudible)—if the situation were— from this side of the House we cannot even tell you who the answer is from.— (interjection)— Well, whether they were answers or not we cannot make out any of the comments from the Minister of Labour. So can we have some direction, Mr. Speaker, on it?

Mr. Speaker: I would like to thank the Honourable Member for Thompson. I am informed that only the interjects and the Speaker's mike are operating at the moment. Apparently, we have had a power jolt and we would have to shut down operations for 90 seconds. Is that agreed? Agreed.

We will recess for two minutes.

RECESS

Mr. Speaker: I believe Hansard has repaired the technical problems.

The Honourable Member for Concordia.

Mr. Gary Doer (Leader of the Second Opposition): Thank you, Mr. Speaker—

An Honourable Member: It does not work.

Mr. Speaker: It does not work? Order, please. The Honourable Minister of Labour, to respond.

* (1350)

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, I would like to indicate to the Liberal Opposition Leader (Mrs. Carstairs) that no matter what, a life is a life; but we will make sure that those elevators are inspected.

Solvit Resources Inc. Public Inquiry

Mr. Gary Doer (Leader of the Second Opposition): My question is to the Minister of Labour and falls upon the long-awaited tabling of the report in this Legislature. The report, and I quote, of the extensive damage caused by the fire and explosion has made it impossible to confirm a specific cause. We go through the brief report and we find no causes attributed to the fire and explosion.

Time and again since June, prior to the fire, after the explosion and subsequent to the explosion, we have called upon the Government and the Minister to have an independent public inquiry under 39(1) of The Dangerous Goods Handling and Transportation Act so the public could have the right to know what some of the circumstances were leading to the explosion, and what we can learn in dealing with dangerous goods and potentially dangerous goods, as citizens, through

the process of a public open cross-examination type of inquiry.

Is the Minister now going to give us the commitment to have a public inquiry so there can be proper cross-examination and we can go from the Fire Commissioner's Report and learn from this terrible explosion that could have had tragic consequences for Winnipeggers?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, in light of the investigation where they were not able to find a cause, the Fire Commissioner's Office did a very thorough investigation, and they compared it to the only existing operation that was the same as the Solvit operation. In light of that, we are referring the report to the Advisory Council on Workplace Safety and Health where it is a tripartite council. They may call in independent people if they have any questions and review the report. They are certainly free to do that, and we welcome any recommendations that they will bring forward.

Mr. Doer: I am very disappointed that the public does not have the right to go from the Fire Commissioner's Report and be involved in a public inquiry so we can learn from this major explosion and learn what lessons the public can inject into this process for the future.

Fire Commissioner Report

Mr. Gary Doer (Leader of the Second Opposition): My question is to the Minister of Labour. She has just stated that it was a very thorough process. Did the Fire Commissioner have access to the Department of Environment's files? Was the Fire Commissioner apprised of the fact that 157,000 litres of solvent material were deposited on the Solvit site in the three months prior to the explosion, which was literally three times more than the volume prior to the explosion? Did the Fire Commissioner have that material and if he did, or the Report Committee had that, why is it not referenced in the terms of the capacity issues in this Fire Commissioner's Report?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, the Fire Commissioner had all the information that they could receive. They were in touch with the Environment as well as other agencies.

Mr. Doer: My question again is to the Minister of Labour (Mrs. Hammond). Is the Government satisfied that the volume of material that was sent into the Solvit explosion site, the 157,000 litres of dangerous or potentially dangerous material that eventually blew up in the skies of Winnipeg, that the volume of material that was three times more than the previous three months, was adequate and safe for purposes of Manitoba citizens and the citizens of Winnipeg adjacent to that site?

* (1355)

Mrs. Hammond: Mr. Speaker, if that information is not in the report, I do not know where the Member is getting

it. So I would question the volume that he is referring to, but I will certainly go back to the Fire Commissioner and ask him if there is any truth to the allegation that the Member for Concordia is making.

Storage capacity Statistics

Mr. Gary Doer (Leader of the Second Opposition): The volume deposited, the number of litres received by Solvit in May or April was 54,000 litres; in April it was 70,000; and in June it was 32,000 prior to the explosion—32,000 litres, Mr. Speaker.

I would ask the Minister to confirm those numbers, and was that any problem for the safety and capacity of the plant that did blow up eventually?

Workplace Safety and Health Regulation Amendments

Mr. Gary Doer (Leader of the Second Opposition): Second, Mr. Speaker, we have called time and time again for the Government to rescind their changes that were opposed by the tripartite committee on cancer-causing goods in the workplace. Why has the Minister taken so long to return back to the old standards of cancer-causing goods?

She is now saying she is waiting for the tripartite report. When she did not have agreement from the tripartite report, the Government and the Cabinet went ahead and put at risk all cancer-causing goods and labelling goods in this province.

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, the recommendations that have come out of the report certainly will be followed. We will be bringing in regulations to deal with the health hazard regulation. That will be coming as soon as we hear from Workplace Safety and Health on the labelling.

Health Care Facilities Elevator Inspections

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, regulations introduced by the Department of Labour under the previous administration in 1987 weakened the need for compulsory inspections because new elevators, they said, did not require annual inspections. However, the regulations clearly stated that more frequent inspections should take place if age, maintenance or circumstances ordered by the Minister as relevant were determined that they should take place more frequently.

Can the Minister of Labour tell this House why she does not consider the annual inspections of hospital elevators to be a relevant circumstance to make that order?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, at this time, that has not been an issue to have a yearly inspection. The Health Sciences Centre, I understand, has their own maintenance staff right at

the Health Sciences Centre who look after it, and if there are any problems they ask the mechanical and engineering to come in to inspect. At this time we have not had that type of reference and are in contact with the hospitals, but I certainly will ask our division to take a look at that specific regulation, and if they recommend it, then we will do so.

Mr. Speaker: The Honourable Leader of the Opposition, with a supplementary question.

Mrs. Carstairs: Common sense would indicate that an elevator which is over 20 years old carrying emergency patients to surgery should be inspected at least once a year.

* (1400)

Workplace Safety and Health Regulation Amendments

Mrs. Sharon Carstairs (Leader of the Opposition): Mr. Speaker, I have a supplementary question to the Minister of Labour. Can the Minister of Labour tell us what evaluation of regulations, all Workplace Safety and Health regulations, are going on in her department in that they do not inspect chimneys, and a person dies of carbon monoxide poisoning despite the fact that we have up-to-date equipment that can do it, and now they do not inspect elevators?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, I am sure that the Opposition Leader would not expect the Department of Labour or any Government to be able to inspect absolutely every chimney in this province and every elevator every week, but we do what is sensible and what is practical. We do protect the safety of our citizens, and when there is a problem that comes up we will correct it.

Elevator Inspections Regulation Amendments

Mrs. Sharon Carstairs (Leader of the Opposition): There is a problem right now. That hospital elevator, over 20 years old, has been almost three years since an inspection. Can the Minister now tell this House that she is prepared to introduce a regulation in which elevators over five years will be automatically inspected once a year?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, the Health Sciences Centre has their own maintenance staff. They are looking after that elevator at all times and an inspection is not going to change that immediately, something can happen from day to day. We will certainly inspect that elevator right now and we will take a look at the regulations.

Village at Portage Place Government Intervention

Mr. James Carr (Fort Rouge): Mr. Speaker, my question is to the Minister of Urban Affairs (Mr. Ducharme). No one takes any joy in the serious financial trouble which currently faces the North Portage Corporation. Events have conspired to throw the housing component of the development into a financial crisis and the question remains: what can be done about it?

The property is scheduled for public auction on January 24, but the president of the North Portage Development Corporation says, if necessary, he will step in and assume the arrears and payments which are reportedly in excess of \$1 million. What role has the Minister played in this decision, and what is the position of his Government?

Hon. Gerald Ducharme (Minister of Housing): First of all, Mr. Speaker, the Member for Fort Rouge follows the same procedure from '89, he calls everything a crisis.

First of all, the role that this Minister has played is, "I am Minister of Housing and in our mandate in Housing we must put the building on public auction." In talking to the chairman of the board just this morning, the board will be holding a meeting on January 15 and they will decide what they will do with the building. They will decide under a mandate that they do hold. As long as there are no additional funds required, they can take over this building and carry it on where the tenants are not affected and proceed just as normal.

Cost to Manitoba

Mr. James Carr (Fort Rouge): Mr. Speaker, what is normal? Normal is taking over \$1 million in arrears and topping up the payments each month which could be \$30,000, \$40,000 or \$50,000.00.

My question to the Minister is: what will it cost the North Portage Development Corporation, therefore the taxpayers of the Province of Manitoba, to do what the Minister wants them to do?

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, you have to remember that because I wear two hats—in this particular, I am the Minister of Housing—I have to watch in case of some legal complication that might arise.

This agreement was signed by the previous federal Liberal Government and the previous NDP Government in 1983 giving them the authority to take this building over.

My main mandate, as Housing Minister at this time, is to make sure \$18.5 million is protected under insurance agreement with CMHC.

My mandate under Urban is that this is a very important part of the North Portage mandate, and we want to see the housing stay so it can be so successful as the rest of the project.

Vacancy Rate

Mr. Speaker: The Honourable Member for Fort Rouge, with his final supplementary question.

Mr. James Carr (Fort Rouge): Mr. Speaker, judging by the Minister's answer, some people may think he is wearing too many hats, two too many hats already.

My final question to the Minister is very simple. What is the vacancy rate at the Village in Portage Place, and how much a month is it going to cost to keep it afloat, taxpayers money? How much a month? What is the vacancy rate?

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, it goes without saying that the Member for Fort Rouge was negative in '89; he cares to be so negative in 1990. North of Portage is a very, very positive project, Mr. Speaker, and we will not put any further monies into this. I have had the assurance of the chairman at a meeting on January 15 that they felt that they will go and carry on with this project through their cash flow that they have in existence right now.

Solvit Resources Inc. Fire Commissioner Report

Mr. Steve Ashton (Thompson): Mr. Speaker, in reviewing the investigation report following the explosion and fire at Solvit Resources, the situation that emerges is a very scary one. The report lists five separate events or possible combinations of events that could have lead to the explosion, and yet the report also says that there is no evidence to suggest that the normal Government regulatory process was not followed, apart from a number of cases where citations were made. Where problems were identified, no action was taken.

In view of that, in view of the fact that this long awaited report really does not make any recommendations about improvements when it is clear that those improvements and regulations are necessary, in fact it only recommends a long-term process, I would like to ask the Minister of Labour. Will she immediately, on an emergency basis, attempt to draft up regulations that will deal with the scenarios that are outlined in this report? Will she indicate to this Legislature today when those emergency regulations will be in place to ensure that we do not have a reoccurrence of this type of explosion?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Before a licence is let for this type of operation, they have to apply to the Minister of Environment (Mr. Cummings), who then in consultation with Workplace Safety and Health and the Fire Commissioner's Office, we are now liaising. When the former Government, when this Member was in Government, they did nothing to prevent this type of occurrence from happening. We in turn will make sure that we will put in regulations that are needed now. Once the advisory council has reported to us, then we will make other recommendations and corrections.

Hazardous Goods Storage Emergency Regulations

Mr. Steve Ashton (Thompson): This document states that all the regulatory processes were followed, and also states however on the other hand, there were serious omissions of important safety considerations. This is identified in the report.

What action will the Minister of Labour take on an emergency basis to bring in regulations to ensure that those types of breaches of safety do not occur again and that we do not end up with another major explosion in the City of Winnipeg or in the Province of Manitoba?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, because of this explosion, we were able to amply investigate the only other business that there is doing this type of thing who are following all the types of regulations that we would want in a new building. I would think right now that we will be putting in measures to make sure that another Solvit occurrence does not happen.

Solvit Resources Inc. Public Inquiry

Mr. Steve Ashton (Thompson): I have a final supplementary, Mr. Speaker. In view of the fact the Minister is not willing to bring in emergency regulations, will she at least on an urgent basis call for a public inquiry to ensure that there is a complete investigation not only of this particular occurrence but of other situations that could develop in Manitoba? How many more Solvits are there in Manitoba, and how much longer is the Minister going to delay any action in terms of dealing with the kinds of problems that are identified in this report?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, there is only one other Solvit of this size, and the Fire Commissioner's Office did a very thorough investigation. We are referring this matter to the Workplace Safety and Health Advisory Council, who have technicians, who have labour represented, who have management, and they will be looking into the issue. They will be reporting back to the Government, and we in turn then will take action.

Women's Post-Treatment Centre Minister's Intervention

Ms. Avis Gray (Ellice): My question is for the Minister of Family Services (Mrs. Oleson). This Government preaches words about commitments to women and services for women. While this Government talks about the commitment, crises are happening at their doorstep.

The Women's Post-Treatment Centre, a specialized counselling service for women, has closed its doors to new clients effective yesterday. One reason given for the closure is the lack of adequate stable Core funding. My question to the Minister is, because of this

Government's piecemeal approach to services, is the Minister now prepared to quickly intervene and resolve this crisis?

Hon. Charlotte Oleson (Minister of Family Services): Mr. Speaker, I will look into that matter immediately.

* (1410)

Waiting List

Mr. Speaker: The Honourable Member for Ellice, with a supplementary question.

Ms. Avis Gray (Ellice): Mr. Speaker, 140 women are on a waiting list, waiting for services from the Post-Treatment Centre. My question to the Minister is: is the Minister prepared to immediately after Question Period today meet with the board of directors to discuss what some of the options should be so that services can resume to the many women who are in a need?

Hon. Charlotte Oleson (Minister of Family Services): The Member knows full well that the Estimates of Family Services are being debated this afternoon. In the light of that, I will make arrangements at my earliest opportunity to meet with that board of directors should they wish a meeting with me.

Mr. Speaker: The Honourable Member for Ellice, with her final supplementary question.

Ms. Gray: Mr. Speaker, I always thought that staff were able to make phone calls for Ministers, but that may not be the case.

I would ask the Minister of Family Services, is she aware that with the piecemeal funding approaches that have been given to the Post-Treatment Centre over the year that in fact they knew, and her department knew, they would be forced to close their doors to new intakes and still sit with over 140 women who were waiting over one year and half for any type of service?

Mrs. Oleson: Mr. Speaker, I have indicated to the Member that I will look into that matter and that I will meet with that organization.

Solvit Resources Inc. Arson Investigation

Mr. Gary Doer (Leader of the Second Opposition): In the report tabled by the Minister of Labour (Mrs. Hammond), it states that the financial information on the property was turned over to the Winnipeg Police Department on September 19, 1989. Can the Minister report on the state of the investigation by the Winnipeg City Police on that issue raised in the report?

Hon. Gerrie Hammond (Minister of Labour): Mr. Speaker, I understand that the Winnipeg Police Department is still investigating.

Mr. Doer: Mr. Speaker, the report deals with arson but does not take a definitive position of whether arson

can be—the whole thing blew up seven months ago, Mr. Speaker, and you would not have an investigation, a public investigation as we called for.

My question to the Minister of Labour is, has the issue and the questions raised on the overcapacity, as well as the arson issues, been referred to the Winnipeg City Police and what was their conclusion?

Mrs. Hammond: Mr. Speaker, as far as I know, the Winnipeg City Police have not made a conclusion, and they have been involved actively in the investigation. In fact, it was the Winnipeg City Police Department that asked us to delay the report.

Storage Capacity Statistics

Mr. Gary Doer (Leader of the Second Opposition): Mr. Speaker, the report on page 20 states that the fact that the plant was unattended also worsened the situation, an accusation and an issue we have raised with the Minister on previous occasions. I would ask the Minister whether in fact the unattended plant, combined with what we believe to be overcapacity, in any way led to this explosion. What is the conclusion and action going to be taken by her department to protect Manitobans from this unattended plant which is stated on page 20 in her report?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, the Fire Commissioner was not able to answer that question and certainly I cannot, but we do feel, from the comparison of the prime motor oils, that these machines should not be left unattended. I understand that the manufacturer made a point of calling them automated, and they felt quite safe doing that.

Solvit Resources Inc. Labour Citation

Mr. Paul Edwards (St. James): Mr. Speaker - (interjections)-

Mr. Speaker: Order, please. The Honourable Member for St. James has the floor.

Mr. Edwards: Thank you, Mr. Speaker. It is true that the Fire Commissioner was unable to conclusively determine the cause of the explosion at the Solvit factory; however, at page 11 of the report the commissioner does find as fact that the Mechanical and Engineering Branch of Manitoba Labour cited this building occupied by Solvit Resources for a fire separation violation between the boiler room and the main plant area. No action had been taken to correct the violation.

Mr. Speaker, for the Minister of Labour, how long had that violation been occurring up to the time of the explosion? Why had her ministry not made sure that a fire separation wall violation in a solvent plant with highly flammable, highly hazardous materials was not taken care of immediately?

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr.

Speaker, that was not a protocol that was in place under the former administration, but we have now, since this explosion, found that this is one of the areas that we are going to correct in our department. We have a committee set up now who will track compliance orders to make sure that they are followed up on and that action is taken.

Mr. Speaker: The Honourable Member for St. James, with a supplementary question.

Mr. Edwards: If the Minister is saying that regulation was not in place at the time of this violation, she is absolutely incorrect and at odds with the Fire Commissioner. Mr. Speaker -(interjections)-

Mr. Speaker: Order, please; order, please. The Honourable Member for St. James, kindly put his question now, please.

Mr. Edwards: Mr. Speaker, for the Minister of Labour again: again at page 11, I ask the Minister why had her department not enforced the regulations which required these flammable materials to be kept on pallets at least six metres from any building or property line, which was not done and which was found and proven by the Fire Commissioner in this report, again at page 11?

Mrs. Hammond: Mr. Speaker, these are procedures that the Fire Commissioner's Office has found, and these are areas that will be looked at, not only looked at but will be corrected. Before any other licence is issued we will make sure that this type of incident does not happen. This is the kind of area also that the Winnipeg Fire Department does inspect, and they did not inform our department in any way that they were in violation.

Workplace Safety and Health Regulation Amendments

Mr. Speaker: The Honourable Member for St. James, with his final supplementary question.

Mr. Paul Edwards (St. James): Mr. Speaker, the Mechanical and Engineering Branch is part of her department. Finally for the Minister of Labour, will this Minister commit today to coming up with a new policy with respect to these work orders which protect Manitobans and Manitoba workers all over this province and indeed people living in residences near these hazardous storage sites, commit today to coming in with a policy that makes these work orders final and makes them binding, so that they are not consistently extended because in fact they lose their—

Mr. Speaker: Order, please. The question has been put. Order, please. The Honourable Minister of Labour.

Hon. Gerrie Hammond (Minister of Labour responsible for Workplace Safety and Health): Mr. Speaker, if the Member had listened to the first answer, I indicated that we have already done that. There is a

committee in the department put in place and protocol will be followed.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order.

LynnGold Resources Inc. Creditors Meeting

Mr. Jay Cowan (Churchill): Mr. Speaker, my question is to the Minister of Energy and Mines (Mr. Neufeld). As the Minister is aware, the creditors of LynnGold Resources met early in the new year to discuss the situation with the bankruptcy of LynnGold Resources.

The Minister had previously indicated that the Government would be sitting at that table hoping to recover its money as well as to protect the vacation pay, severance and wages owing to workers at LynnGold.

Can the Minister now indicate what action he has taken in response to that meeting, or further to that meeting, to protect the investment of the province in this area and also, more importantly, to protect the vacation pay and the severance pay of workers at LynnGold Resources?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, at the first meeting of the creditors of LynnGold Resources, the only action that was taken was to the appointment of inspectors. Aside from that, no action was taken.

As far as the Government's position is concerned, that will be decided in terms of its position in the line of creditors. The liability to the Government is not secured, and it will have to wait in line for the secured creditors to be paid off.

Severance Pay

Mr. Jay Cowan (Churchill): Mr. Speaker, earlier when we had addressed this issue with the Minister, we asked him to ask his colleagues to ask the Government to step aside with respect to the monies owing them or to collect those monies and then disperse them to the employees so that the employees would have the monies owing to them coming to them.

I would ask the Minister if he has taken any further action to ensure that the Manitoba Government, when it is in line with the creditors, whether it be preferred or unsecured or secured, is not inadvertently taking money out of the hands of employees of LynnGold Resources in Lynn Lake.

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, when that time comes, a decision will be taken. I should remind the Member for Churchill (Mr. Cowan) that the Minister for Labour (Mrs. Hammond) is working on behalf of the employees, on behalf of the union employees, as well as on behalf of the non-union employees and using her good office to protect the position as far as possible of the workers.

* (1420)

LynnGold Resources Inc. Employee Benefits

Mr. Jay Cowan (Churchill): Mr. Speaker, perhaps then the Minister of Labour would indicate if she has had any response from her letter, just previous to the new year, to Barbara McDougall, in which she asked for the federal Government to forego the regulations which require the vacation pay to be assessed against unemployment insurance payments and benefits to workers in the area.

Also, if she can indicate why it is that Manitoba Labour, particularly the Pension Commission, shows up as an unsecured creditor for an unknown amount on the list of creditors for LynnGold Resources.

Hon. Gerrie Hammond (Minister of Labour): Mr. Speaker, as of this morning we had not received any information from the Honourable Barbara McDougall, but we have been in touch with her office and are expecting to hear back.

Louise Dacquay Policy Adviser Appointment

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I have a question for the Minister of Housing (Mr. Ducharme). It concerns the recent appointment of Louise Dacquay, a former executive director of the Conservative Party of Manitoba, to a position of policy adviser to the Minister of Housing for the sum of \$49,836.00.

We are concerned how the Minister could select someone as policy adviser on Housing who has no apparent expertise in this area. In fact, during her three years at Winnipeg City Hall—

Mr. Speaker: Order, please; order, please. Kindly put your question now, please.

Mr. Lamoureux: Mr. Speaker, my question to the Minister of Housing is: on what criteria did he use to justify an appointment of this nature to this particular position, given that Ms. Dacquay has no apparent visible qualifications for the Department of Housing or housing issues?

Some Honourable Members: Oh, oh!

Mr. Speaker: Order please; order, please. The Honourable Minister of Housing.

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, I am surprised that the Member from across the way, after a year and a half, has not decided that a Minister is in charge of Housing and Urban Affairs. I am honoured to have selected this individual. I am sure she will do very much to benefit Urban Affairs and Housing.

If he would like I will start reading through her resumé. It would probably take about 10 minutes, Mr. Speaker, and I am sure that the Member, through his correspondence with this individual, will find her very, very nice to deal with.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. The Honourable Member for Inkster.

Mr. Lamoureux: Mr. Speaker, let there be no doubt that the reason why she received this appointment was strictly because she was—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please. The Honourable Member for Inkster will take his chair now, please.- (interjection)-

Mr. Lamoureux: My question—

Mr. Speaker: Order. Order, please. I do not think the Honourable Member for Inkster (Mr. Lamoureux) heard me through all the ruckus, but I did ask the Honourable Member for Inkster to take his chair now, please.- (interjection)- Order. Order, please.

The Honourable Minister has answered the question. I will remind the Honourable Member for Inkster that Hansard has been instructed that once the Speaker says "order, please," all mikes are dead. The rules are very clear. When the Speaker is standing and asking for order, Honourable Members will take their seats.

The Honourable Member for Inkster has time for one very short question.

Mr. Lamoureux: Mr. Speaker, first I must apologize. I did not hear you calling for order.

Mr. Speaker: I understand.

Mr. Lamoureux: Mr. Speaker, my question to the Minister of Housing is: can he justify or explain to all Manitobans on what criteria did he use to justify the appointment of this past executive director activist in the Conservative Party?

Hon. Gerald Ducharme (Minister of Housing): Mr. Speaker, first of all this qualified woman candidate—the Liberals speak with forked tongue, Mr. Speaker.

Our Leader, Mr. Speaker, Premier . . . Communications has a qualified woman, his special adviser is a qualified woman. His special adviser on communications for the Liberal Party—woman.

On this particular resumé, Mr. Speaker, her communications skills, her resumé makes her fully qualified to handle the job.

Mr. Speaker: Time for Oral Questions has expired.

ORDERS OF THE DAY COMMITTEE CHANGES

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order. The Honourable Member for Gimli has the floor.

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the Member for Lac du Bonnet (Mr. Praznik), that the composition of the Standing Committee on Municipal Affairs be amended as follows: Manness for Findlay.

Mr. Speaker: Agreed? (Agreed)

Mr. Steve Ashton (Thompson): Yes, Mr. Speaker, I have a committee change. I move, seconded by the Member for Dauphin (Mr. Plohman), that the Member for Rupertsland (Mr. Harper) be substituted for the Member for the Interlake (Mr. Uruski).

Mr. Speaker: Agreed? (Agreed)

Hon. James McCrae (Government House Leader): Mr. Speaker, we are setting the Municipal Affairs Committee to sit this afternoon at 3 p.m. I believe that would be in Room 254 because we will have Estimates in the Chamber and in Room 255, Estimates being Family Services in the Chamber, and Energy and Mines outside the Chamber.

Mr. Speaker, I move, seconded by the Minister of Health (Mr. Orchard), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker, I am reminded by the Clerk of the House that in order for us to schedule the Municipal Affairs Committee for 3 p.m. this afternoon in Room 254, we would require the leave of the House, and I would be asking for that.

* (1430)

Mr. Speaker: Is there leave of the House? (Agreed)

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Energy and Mines, and the Honourable Member for St. Boniface (Mr. Gaudry) in the Chair for the Department of Family Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—ENERGY AND MINES

Mr. Chairman (Harold Gilleshammer): Order, please. I call this section of the Committee of Supply to order to consider the Estimates of the Department of Energy and Mines. When last we sat, the Committee of Supply had been considering item 3.(a) Mineral Resources Administration; 3.(a)(1) Salaries, \$201,000—pass; item 3.(a)(2) Other Expenditures, \$45,000—pass.

Item 3.(b) Mines; 3.(b)(1) Salaries, \$1,519,900—the Honourable Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Mr. Chairperson, I do not have a lot of questions directly related to the expenditures in this area, particularly in the Salaries area, but there are some questions related to mines that I would like to follow up on.

I would like to know what the latest position is with respect to negotiations on HBM&S modernization.

Hon. Harold Neufeld (Minister of Energy and Mines): The latest was a meeting on Thursday last week in which a proposal was put forward to HBM&S, and they are going to take it back to their boards of directors.

Mr. Storie: When the Minister says a proposal, is that a joint proposal from the federal and provincial Governments, or is that a federal proposal?

Mr. Neufeld: This is a proposal that the Manitoba Government felt was fair to all parties and is a proposal therefore of the Manitoba Government.

Mr. Storie: So Manitoba has participated. The Minister has been saying all along that the negotiations that had yet to be done were between the federal Government and HBM&S. The Minister is now saying that they were tripartite negotiations and that there is some support level on the table from the province. Is that correct?

Mr. Neufeld: The province has always been at the table. It is true that the federal Government and the company have to reach agreement, but we are trying out a proposal which might be acceptable to the other parties.

Mr. Storie: Well, that leaves one to have some concern. This Minister's track record when it comes to negotiations is a dubious one to say the least. My question is, is this a final offer?

Mr. Neufeld: I think we should wait until HBM&S and their boards of directors and the boards of directors of their parent company have looked at it and have decided whether or not they are prepared to accept it. If they are not prepared to accept it, then it is also a matter of the federal Government accepting it. There are some negotiations still to be done on this matter, and to do it publicly I do not think would be in the best interest of all parties.

Mr. Storie: Well, Mr. Chairperson, perhaps the people of Lynn Lake would still be employed if there had been a public process or a more public process.

* (1440)

Mr. Neufeld: Let the record show the Member snickered.

Mr. Storie: No, Mr. Chairperson, it was a cynical laugh, not a snicker.

Mr. Chairperson, the Minister raises an interesting point. He said that while there is an offer on the table, there is no certainty that the federal Government will accept the offer. Do you mean that an offer has been

made by federal civil servants that has not been authorized by the federal Government? How are negotiations proceeding? How can an offer be made and then retracted? I do not understand what this form of negotiations is if that is the case.

Mr. Neufeld: The federal Government and the company are negotiating and have presumably come to a reasonable conclusion. By reasonable I mean they have gone as far as they can go as far as the federal Government is concerned. In light of that, the Manitoba Government has put forward a proposal using the federal Government's bottom line as a starting point.

Mr. Storie: So the Minister is saying that the federal Government has put forward a proposal that is an ultimatum if the Minister is interpreting the federal Government's actions correctly.

Mr. Neufeld: Well, I would never call somebody else's proposal an ultimatum. It is the offer that the federal Government says it will not improve upon. An ultimatum is describing it probably a little too severe.

Mr. Storie: Mr. Chairperson, can the Minister indicate what the price of copper and zinc is today? Perhaps we could have some comparison prices with six months ago and a year ago.

Mr. Neufeld: It is our opinion that copper today is about \$1.10, zinc today is about 60 cents. Six months ago copper was approximately \$1.30 and zinc was approximately 75 cents.

Mr. Storie: You can never be certain when you are quoting copper or zinc or metal prices because it depends on the basis on which the quote is made. My last recollection is that zinc is now 44 cents; that may be a U.S. price.

Clearly the circumstances for Hudson Bay Mining and Smelting are deteriorating fairly rapidly. There was a window of opportunity, a time in which it was a good time to negotiate as far as the province is concerned, but because negotiations have dragged on I am concerned that negotiations are likely to become more difficult, certainly from the province's perspective.

I want to be certain that this Minister understands that his obligation to the mining communities in Manitoba is a serious one and that he has failed on a number of occasions. We have had communities close down, two of them since this Minister became responsible for Energy and Mines. I do not want to be the MLA who has to see his communities further eroded by an attitude that says, well, these people have to survive on their own regardless of what the circumstances.

So my final question on this topic is, has the Minister indicated in any way to Hudson Bay Mining and Smelting that this is the Government's best offer?

Mr. Neufeld: The only thing we have ever indicated to the people of Hudson Bay Mining and Smelting is that the Government stands behind the community and will do all in its power to ensure the continued operations in Flin Flon. We have never at any time indicated to

the directors of Hudson Bay Mining and Smelting that this is an ultimatum.

Mr. Storie: While that may reassure some people, it does not reassure many, because the same words of sympathy and empathy were made to the people of Lynn Lake. Obviously I do not want to jeopardize negotiations by asking the Minister for further specifics, but I certainly put him on notice that if there is any sense that negotiations are not proceeding in a positive light that I will not be shy about asking this Minister to step aside and let someone else assume responsibility who I guess understands the consequences of failure in this instance. I am not convinced that the Minister appreciates what this means to not only the community of Flin Flon, but the surrounding area.

Mr. Chairperson, I would like to move on to another topic that I want to spend—I am sorry. Yes, go ahead.

* (1450)

Mr. John Angus (St. Norbert): I am not sure I am going to be as kind as the Honourable Member for Flin Flon (Mr. Storie). He has a different constituency that he has to pay attention to, and perhaps even more familiarity with the function.

I am not entirely satisfied with the answers that the Minister has indicated. Lloyd Nielsen made it perfectly evident, very clear that they were looking for a three-party loan arrangement where each partner would put in the same amount of money, accumulating to in excess of \$100 million.

In the report that I read he very adequately explained, in what I considered a fairly logical fashion, the proposal. If I remember correctly, and I am going from memory, it was \$45 million or \$40 million apiece that he was looking for.

I think he cited, perhaps the Member for Flin Flon can refresh me on this, but I think he cited an example, a precedent example of the federal Government, and he took his model for this, I am not sure if it was Baie-Comeau or some place in Quebec, in Noranda in Quebec, which had made a similar proposal, and fortunately they had received the funding.

Perhaps you can just fill me in on what the state of the negotiations are, because we have gone from that which was black and white, factual on the table, to newspaper reports of, perhaps we can get people in Saskatchewan to make contributions to help this company survive as they use power, or something of that nature.

The reason I would like to pursue this vein of questioning, just so that the Minister is totally aware, is pretty simple. We did not ask these questions in LynnGold, and when we tried to ask them after the fact, after the deal was done, when we tried to keep out of the negotiations, we did not want to interfere with the negotiations, we recognized that there was some sensitivity or some delicacy to them, we found that did not do us any good at all. So I want to ask these questions up front in advance.

I do not want to see happen to the people of Flin Flon the same thing that happened to the people of

Lynn Lake. I want to know that there is sufficient money in this particular portion of the budget, Mines portion of the budget, for salaries, for any expertise that you need, and I want a full explanation, if you like, of what is currently happening in this set of circumstances.

Mr. Chairman, with that sort of opening salvo I will turn it over to the Minister. There are specific questions that I would like to ask, but I would like a better review of the proposals, the negotiations, the procedures, what can be expected, when are the deadlines. They had to have commitments to meet their SO₂ emission controls by last fall as I understand it. Are they going to meet these deadlines?

Mr. Neufeld: First of all, Mr. Chairman, the emission control deadline is 1994. The time frame for the construction of a new mill is approximately two to three years, so we do have time in which we must start the construction.

I must remind the Member for St. Norbert (Mr. Angus) that the monies involved are rather substantial in amount. It is no longer \$43 million per party, it is now closer to \$65 million per party. These are monies that the taxpayers of Manitoba must put up. I think it behooves us to treat the taxpayers of Manitoba equally.

It is not for us, as the Member for Flin Flon (Mr. Storie) suggests, in negotiating to simply capitulate to any requests that the company puts forward. We cannot allow ourselves to be railroaded into making a decision. We are not going to be held to ransom by the company. We expect that the company shall pay its own share of the cost, and if it makes money to repay the entire amount. Those are the terms of the negotiations.

I think with having said that, we should not openly discuss too many of the details. I will discuss privately with either of the Members the state we have come to, but I do not think we should discuss openly the negotiations and the extent to which they have come at this point. I should mention also that the negotiations have been amicable to this point and we expect them to remain that way. The company understands that the Government has to protect the taxpayers of Manitoba. The company understands also, obviously, that the Government of Manitoba wishes to see the Town of Flin Flon continue to flourish.

I should mention to the Member also that Noranda was not exactly the same kind of situation we have here. It is safe to say that political forces on all sides came into play when the request came down for help in financing this new smelter. I must say at this point that negotiations are going along as well as can be expected and we would hope that they will come to a conclusion sometime before spring is here.

Mr. Angus: Is there another deadline, Mr. Minister? Is there a point of no return? The last report I had was the same one as you, in relation to the SO₂, the acid rain emissions, but I was lead to believe that they had to make a decision sooner. They had a tighter time frame. What is the new deadline for decision?

Mr. Neufeld: The only deadline we have is the one for the emission reductions in 1994. It is obvious that we

have to have the lead time to bring that about. We in our department are confident that we will bring this to a conclusion sometime in the very near future and would like to think in those terms. We do not think in terms of not bringing them to conclusion, but we will bring them to a conclusion in the interests of all Manitobans and not to special interests groups.

Mr. Angus: I appreciate that, Mr. Chairman, through you to the Minister, it sounds good. There must be some form of a point of no return. There must be a time where the company has said, or your department has said, if we do not order the equipment for the upgrading of the plant by this particular date then we will not meet the deadlines that have been imposed by the provincial Government. So that would be what is commonly referred to as a point of no return, that is a deadline as far as I am concerned. I would assume that you would have worked that deadline out so that you know what you are negotiating to.

Mr. Neufeld: Well, if it is a two-and-one-half-year construction program, then our deadline would be June 30 of 1991, inasmuch as January 1, 1994, is the deadline for the emission reduction. Going back 30 months would put us back to June 30, 1991.

Mr. Angus: June 30, 1991, you have from now until then to negotiate?

Mr. Neufeld: If it is a two-and-a-half-year construction program, and that is what I am lead to believe, then that is the period of time.

Mr. Angus: Is there any explanation then as to why the indications were that it was this fall that they had to have, was that simply a pressure tactic by the negotiating committee for the company?

Mr. Neufeld: The company will tell you that the construction period has to be during the summer months, so if we cannot start the construction period by fall it is a six-month delay before spring before we can start construction again. I guess that has to do with the weather. I am not familiar with the construction program to the extent that I know when, and when they cannot work in Flin Flon.

* (1500)

Mr. Angus: I can tell you from experience, Mr. Chairman, it is pretty cold there in the winter and in the shaft. It would be hard to be installing equipment and whatnot. Let me just—you said something that caused me to think, and that is in relation to the winter months and the winter construction. Your 30-month construction period—is that 30 months of summer weather, given say March until October constructions? Is this somewhat misleading?

Mr. Neufeld: Mr. Chairman, it is the groundwork that has to be started in the spring of the year, I am told, and not the building part. The building part can be done in the winter months, but the starting point is all the groundwork which has to be done in the spring of

the year and in the summer of the year when the frost is out.

Mr. Angus: On another point, you had suggested that it was money, but are you still negotiating in terms of a loan arrangement or are you now talking in terms of a giveaway?

Mr. Neufeld: We in the Manitoba Government, since we have taken office at least, have never talked in terms of a grant. We have talked in terms of a repayable loan of some kind. It is a type of repayable loan or a type of repayable advance that is part of the negotiations.

Mr. Angus: Mr. Chairman, in relation to the negotiations with the—there are three players in this game: the feds, yourselves and the company.

The company has the need. The provincial Government and the federal Government are putting the regulations in that are sort of pre-empting that need. Have you actually met with anybody from Ottawa yourself? Have you taken the negotiations sort of first hand? Have you gone to Ottawa to discuss these with the people or have they come to you here in Manitoba to carry on the negotiations?

Mr. Neufeld: Yes, on both counts. I have met in Ottawa with the Minister, and I have met in Winnipeg with the Minister. The negotiations, by and large, are being carried out at a staff level at the Deputy Minister's level.

Mr. Angus: Our Deputy Minister is talking to the Deputy Minister of the federal Minister trying to negotiate those two. I presume they are going in tandem then to the company to make a presentation of some form of an offer. Is that accurate?

Mr. Neufeld: We at times meet collectively. At times we meet alone with the federal Government. At times we meet alone with the company. I presume that at times the company meets alone with the federal Government. We are trying to reach a point where all three Parties are agreed on the type of arrangement that is best for all concerned, for all concerned being the people of Flin Flon, the workers in the company and of course the taxpayers of Manitoba who are going to advance the money.

Mr. Angus: Have you worked out the costs, the payback, the revenue that is generated from this company in terms of—hydro is certainly one of the big bonuses, they use an awful lot of hydro—but income tax, any of those other items that are applicable?

Mr. Neufeld: Hydro is—I will not consider a payback. Hydro is something that we sell to them of course, but hydro is also something we can sell at any time and at all times.

As far as income taxes are concerned the company has not paid income taxes for a number of years. The company has not paid royalty taxes for a number of years. The decision for the Government is not a commercial one. The decision for the Government is, very simply put, a social one.

We have to do everything in our power to ensure the continuation of Flin Flon. It is a different situation completely from that of LynnGold. Here we have base metal mines. Here we have a smelter that could contract the milling of ore from other mines. We are not totally dependent upon the discovery of new orebodies in the immediate vicinity. We are dependent upon the discovery of orebodies in any number of places in the North. It is my information that base metal mines are probably a better future for the North than are gold mines at this point in time.

Mr. Angus: Mr. Chairman, could you just advise me as to the—there were allegations, there was a suggestion, there was some communication that you had made the suggestion—and correct me if I am wrong, which I am sure you will—that we should be asking the Saskatchewan Government to make some contribution. I was wondering why you were making that suggestion.

Mr. Neufeld: It is indeed correct. I have met with the Minister of Energy and Mines of Saskatchewan, and the Premier (Mr. Filmon) has discussed it with the Premier of Saskatchewan. The reason is, very simply, approximately one-quarter of the people who work at Hudson Bay Mining and Smelting live in Creighton, Saskatchewan. Creighton, Saskatchewan, makes up approximately—the Member for Flin Flon will correct me—25 percent of the total population of the area. Creighton, Saskatchewan, will definitely benefit from a new smelter in Flin Flon. Aside from that there are a number of deposits in northern Saskatchewan that may well be developed if a new smelter is built in Flin Flon, so the Saskatchewan Government would benefit again.

Another reason is half the plant, as it is presently designed, will be located in Saskatchewan. So half the plant—if the total cost is \$180 million, over \$90 million will be subject to sales tax to the Saskatchewan Government. Yes, indeed we have asked the Saskatchewan Government to participate in the construction of the smelter.

Mr. Angus: And?

Mr. Neufeld: And what?

Mr. Angus: And has the Saskatchewan Government, your Tory partners in Saskatchewan, have they agreed at this windfall, have they agreed to contribute?

Mr. Neufeld: We have not had agreement from the Saskatchewan Government at this point in time. We are not at the same time laying back and forgetting about it. We are continuing to discuss or follow up on our original proposal to them.

Mr. Angus: Okay, let me just see if I have this straight. You have the company that directly employs 2,400 people in northern Manitoba, indirectly affects another 1,900 people in the surrounding areas, would provide probably a direct loss annually in excess of \$100 million. The Governments have said, we want to control acid

rain, we think that sustainable development and the economy have to be linked to the environmental protection and all of those good things at both levels, the federal level and the provincial levels. They brought in measures to control the acid rain. By 1994 they want at least, I think it is 25 percent controls, or up to 25 percent more controls—

Mr. Neufeld: No, minimum.

Mr. Angus: Minimum at that particular time.

Mr. Neufeld: Reduction.

Mr. Angus: Reduction of 25 percent. So the company comes forward and says, we would like to borrow because you are bigger than we are and because you have more authority. Well, they come to you for whatever reason and they say, look we would like to borrow the money from the province, not a grant. We are prepared not to borrow it all, but we are prepared to put up our third of the cost of doing this, we would like you to put up a third and we would like the federal Government to put up a third. We use as a precedent the same deal that Quebec got from the federal Government earlier.

Jack Epp, I suspect, is the Minister you have been working with in Ottawa?

Mr. Neufeld: And the previous one.

Mr. Angus: Okay. They have been dragging their heels, as I understand it, so that now the cost has escalated from \$45 million, which is the original request, to \$60 million. We are looking at another year and a half before we have to finalize the arrangements. Who knows what the costs will escalate to then? I am sure they will escalate to the fact that they will be beyond the capabilities of Manitobans. The federal Tories have said, gee, we are not sure we really want to get involved in this. The Saskatchewan Tories, who you have indicated have a great advantage, have said, we do not want to get involved in this. We are not really sure we want to get involved in this. Meanwhile everybody in Flin Flon is sort of waiting to see what happens. Is that a fairly good review of what is happening, Mr. Chairman?

* (1510).

Mr. Neufeld: No, Mr. Chairman. The federal Tories have not said we do not want to get involved in this. The fact of the matter is they have made offers. The Saskatchewan Tories have not said we do not want to get involved in this. They have not come and offered any amount, but they have not said they do not want to get involved in this.

The provincial Government has certainly never said we will not get involved in this. We have said from the start we want to get involved in this. I might also say, Mr. Chairman, that the escalation from \$132 million to \$175 million to \$180 million is because of inflation. That would have happened regardless of when it was built.

The original numbers simply no longer apply and inflation was not applied to the original numbers. That

would have escalated in any event and will escalate from here on in, I suppose. In the meantime there is a certain number of dollars that are not spent, so we saved the interest on those dollars. It is as broad as it is long. I have to repeat that the provincial Government has and is and will continue to work toward a conclusion of having the smelter built so that the community can continue to flourish.

I might say, as well, that the building of a smelter will not only help in the reduction of SO₂ emissions, it will also presumably increase the profitability through efficiency of the company, so it has a two-pronged effect.

Mr. Angus: Yes, and I am sure that the company is looking at repaying the loans out of the improved efficiencies. It seems to me to make some sense that some sort of an arrangement be entered into very quickly. If you had totally ignored the federal Government in the first place and said, to heck with them, we will jointly fund this 50-50 and get started right now with a cap on how much we are going to pay them, it would be all over, signed and sealed. You would be a hero, the people of Flin Flon would be secure and the deal would be done, and you would not have paid any more money than you are looking at paying now as your third.

Mr. Chairman, through you to the Minister, you are also responsible for Manitoba Hydro. Are you aware that the Hudson Bay Mining and Smelting Company is the second largest consumer of electrical power in the province? They generate \$20 million a year in revenues for Manitoba Hydro or close to \$20 million.

Mr. Neufeld: Yes.

Mr. Angus: I am pleased about that. Does it not concern you that you run the risk of losing that \$20 million revenue? It is just not a replaceable, it is not going to be transferred over to somebody else. It is just going to go.

Mr. Neufeld: It could well mean then that we could postpone the building of a \$5 billion generating station and bipole line.

Mr. Angus: Mr. Chairman, and losing all of that money that we have negotiated successfully through loan arrangements with the Province of Ontario.

Mr. Neufeld: What loan arrangements?

Mr. Angus: Well, the ones that you had to cancel or that were cancelled on your behalf because of the poor state of your management skills, I am sure.

Mr. Chairman, you are also aware, through you to the Minister, that some \$12 million per annum in additional tax revenue is generated for the provincial Treasury in terms of tax revenues, that if the Town of Flin Flon is forced to close or if the mill closes and those people are thrown out of work that we are likely to lose that revenue as well. Do these figures, this \$32 million annually, form any part of your equation in terms of making an offer to the company?

Mr. Neufeld: We are well aware of the revenue losses if the mine should close. We do not look at this and we never think about this as the mine closing. We look at this as a positive conclusion. We will negotiate it, but we will not give it away.

Mr. Angus: Mr. Chairman, with respect, I heard exactly the same type of thoughts in relation to the Lynn Lake negotiations. With respect, and I appreciate that you are in a difficult situation because of the recent poor track record that has developed through the demise of LynnGold, but I do not want to see it happen with this Hudson Bay Mining and Smelting.

Can we get back, Mr. Chairperson, to the proposal that I am sure that the Minister is aware of, which is the conversion option or the sunrise scenario, and the amounts of money that you are prepared to put on the table, and the conversion process? Could you just go over again, in as much detail as you feel comfortable in giving, including deadlines, the negotiating process, and who in fact is in control?

It sounds to me like the company is caught, much as a pinball in a pinball arcade, bouncing between levels of bureaucracy, and I do not have a comfortable feeling that anybody is in charge of the negotiations on behalf of the company or trying responsibly to solve this problem. Could you just run the scenario by me again so I can get a more comfortable feeling?

Mr. Neufeld: I am not quite sure what you want run by you, but we are—the company is negotiating in the way it feels it should. The negotiations have been amicable as I have said earlier. The Manitoba Government has discussed, in the greatest of detail, the numerous scenarios and the numerous projections that have been put forward by the federal Government, by the provincial Government, and by the company.

The company in turn has looked in detail at the projections put forward by the other two parties. We have in turn made a proposal to the company, which as I said earlier they are taking up with their board of directors as late as last week, which takes into account the federal Government's position of their final offer. We have then put this into our proposal, and we will await the company's reaction to that.

Mr. Angus: When do you expect to have that reaction, if you do not mind?

Mr. Neufeld: I am told that we may have it as early as tomorrow. I would hope—if we had it early next week, we would be happy.

Mr. Angus: Obviously, hoping for a positive response.

Mr. Neufeld: I would guess, yes.

Mr. Angus: Mr. Chairman, let me just ask, have you done any mineral exploration in the area? Have they got sufficient resources in terms of raw material to be able to meet their demands for the next 25 or 30 years?

Mr. Neufeld: The company, Hudson Bay Mining and Smelting, has seven years of reserves.

An Honourable Member: Seven?

Mr. Neufeld: Seven years of reserves at this point in time, but they have had seven years of reserves for the last 40 years.

Mr. Angus: It could be a damned if you do and damned if you do not scenario, Mr. Chairman, because the wheel could turn, depending on how much money you decide to give away to the people of Flin Flon. Have you just taken the company's word on the seven years, or have you actually sent your people in to ensure that the minerals are there?

Mr. Neufeld: We have no reason to doubt. Our people have seen sufficient amount of their records to feel satisfied that there are seven years in reserves. As I said earlier, the seven years in reserves may not sound like a great deal, but they have had seven years of reserves for the last 40 years. As they mine out a body, they find new orebodies, and hopefully that will continue. We can only go ahead with the positive assumption that shall happen. If we did not think that could happen, we may not at all be talking.

Mr. Angus: Are you only then looking at a seven-year payback period for the loan?

Mr. Neufeld: No, that would be impossible.

* (1520)

Mr. Angus: Let me ask you as a professional, from your professional background: does that not stick in your throat just a tad? The company has said, we want to borrow money over a 20- or 25-year period. We expect to pay you back over a 20- or 25-year period, but we only have seven years of material in the ground to be able to pay it back.

You have not bothered to go out or ask your department to go out and verify that in fact they have the seven years or more. This sounds to me like there may be a scenario whereby eventually the company will be able to say, well we have been telling you we only had seven years of material in the ground, now we do not have any more material and we cannot produce what we do not have, and so we are going to default on our loans. Does that not cause you any concern?

Mr. Neufeld: We have never indicated—I said from the start today that this is not a commercial transaction. I should also say that part of the negotiations are and part of the agreement shall be, that there be a commitment to continued exploration each and every year to a minimum amount.

The company, itself, would not invest the kind of money it is prepared to invest without a commitment to further exploration in the hope of finding additional deposits and for increasing their reserves.

Mr. Angus: The company would do that, Mr. Chairman, because they have a different economic driving force. They do not have the same social driving force. Although

I am sure they are a good corporate citizen and have a social conscience they do not have the same degree of concern about the social aspects that we should as elected representatives. They are going to be driven by a bottom line, unfortunately, from a boardroom in New York City, which is just going to look at the bottom line. It would be in their best interest to continue to explore and plow money into that exploration to ensure that they have enough revenue generating product.

I am concerned about the people from Flin Flon. I do not want to lose the opportunity to sustain the town, but at the same time I would think a conscious decision made with all of the factual information in front of you is better than a gut-type decision.

You have clearly indicted, Mr. Minister, that—and I give you your due on that—it is a social saving that you are doing, not an economic, not a business decision. You are saving it because of your political conscience and the political responsibility, and that is admirable.

Mr. Chairman, through you to the Minister, that decision may in fact be affected by the facts. It would seem to me incumbent upon the Minister to go beyond the seven-year projection and get at least a sense for how long the company is going to maintain its business.

Mr. Neufeld: Mr. Chairman, we are getting arguments for both sides of the fence now from the Member for St. Norbert (Mr. Angus). If we were to say, today, unless we can show proven reserves for 20 years we will not negotiate this agreement, then we may as well quit right now.

I have said earlier that there are seven years in reserves, and there have been seven years of reserves for the last 40 years. The company has continued, through exploration, to discover new deposits as quickly as it mined the old ones. It is a fact, I believe you will understand, that any ore deposit will one day run out, no matter how large, it will one day run out. That is a fact of life that miners have to live with.

We are hopeful and indeed confident that through exploration new deposits will be found in the area surrounding Flin Flon and within the area in which they can transport the ore to the new smelter, otherwise we would not be entertaining a venture with the company to build a smelter.

Mr. Angus: You mentioned the company has not paid any income tax. Have they paid any provincial tax, and have they paid any provincial mining tax specifically?

Mr. Neufeld: Mr. Chairman, they have paid no mining tax, they have paid no provincial income tax. I am not aware and I have not checked, I could if the Member wishes, to see if they have paid corporation capital tax, undoubtedly they have paid some sales tax in the purchase of equipment.

Mr. Angus: Mr. Chairman, there was some suggestion that the federal Government offer of \$18 million was a cap. Has that been changed, have you moved from that position?

Mr. Neufeld: It is my understanding that the federal Government will be prepared to move somewhat from

that position, but not to the extent that the company had wished.

Mr. Angus: Is there any indication in tracking of metals that there is—the reason I bring that up, Mr. Chairman, is that the cost of metal or the world price of gold apparently was one of the major undoings of LynnGold. Is there the same type of fluctuation in zinc and copper?

Mr. Neufeld: I do have here, Mr. Chairman, the copper and zinc prices for the last year. The average price of copper went from a top, a high of \$1.60 in January of 1989 to a low of \$1.07 in December of 1989. It has been coming down for the last year.

Zinc on the other hand has gone from a high of 95 cents early in the year, March of the year, to a low of 59 cents, which was in December of the year. Again it is going down. Yes, there is a fluctuation in all metal prices.

I might say to the Member for St. Norbert (Mr. Angus) that most mining companies recognizing that will sell forward for a period of time, in some cases as far as 18 months.

Mr. Angus: Are part of your negotiations giving them a break in their hydro rates?

Mr. Neufeld: No.

Mr. Angus: Mr. Chairman, have you evaluated the price of metal over a 10- or 15-year period? Have you looked at the ups and downs, the swings?

Mr. Neufeld: Yes, we have to use past experience to project it into the future. Yes, we have taken an average price for both copper and zinc, as these are the major products of Hudson Bay Mining and Smelting in projecting the future earnings of the company.

Mr. Angus: It seems to me that there were a lot of questions to be asked and hopefully the Minister will have the answers. He has indicated that he would be prepared to share some of the more specific information sort of in an in-camera vein. I can appreciate that you do not want to tip your hand, if you like, to the board or to the company.

I hope that the Minister has covered all of the bases. If he thinks that the negotiations, in relation to LynnGold and to the concerns of the people from Lynn Lake, are tough, I think that it was just a small impact of what would happen, if anything, if you were not able to negotiate a successful conclusion with Hudson Bay Mining and Smelting.

With that, Mr. Chairman, I did jump in on the Member for Flin Flon (Mr. Storie) who was in the middle of asking mining questions and then was apparently going to leave Hudson Bay Mining and Smelting, so I have no further questions on this specific issue at this time. Something may come up.

Mr. Chairman: Shall the item pass—the Member for Flin Flon.

* (1530)

Mr. Storie: Mr. Chairperson, unfortunately, I had intended to move on, but the Minister's responses of course raised more questions.

The first one that I would like to put on the table—the question about the reserves. The Minister continues to—or has not mentioned in the course of his discussion of this issue the commitment that HBM&S is obviously going to make to northwestern Manitoba, should the modernization go ahead, by virtue of the fact that they are prepared to commit something like \$200 million for exploration and mine development, a significant investment in the province and an important one. My question was in terms of negotiations. Has MMR's role—have they been allocated any role in the negotiations? Is there any support on the part of the province for continued exploration, joint ventures with HBM&S as part of the negotiations?

Mr. Neufeld: Mr. Chairman, yes indeed the Hudson Bay Mining and Smelting will commit a substantial amount of monies to future exploration. That, as I have said earlier, will be part of the commitment when an agreement is reached.

The Manitoba Mineral Resources, with respect to the negotiations, acts as a technical advisor to the Government. As far as future development—in Manitoba Mineral Resources joint venturing future developments, future exploration work with Hudson Bay Mining and Smelting—we leave that to the Manitoba Mineral Resources. We do encourage them as you know to joint venture so that we can leave our additional monies for exploration work. Where it is deemed necessary or it is deemed beneficial, Manitoba Mineral Resources will have no hesitancy in entering into joint venture agreements with Hudson Bay Mining and Smelting for future exploration work.

Mr. Storie: The Minister did not formally answer the question about whether part of the provincial commitment was actually extra dollars through MMR for exploration to assist them in that venture. Perhaps either I misunderstood or the Minister was not clear. The follow-up to that, however, I want to point out to the Minister that this Minister chose, as the previous Conservative Government did, to divest itself of assets that the people of Manitoba owned in partnership with HBM&S. Trout Lake, which has been a very, very profitable mine, once belonged 47 percent to the province and the previous Government sold the province out, sold the people of Flin Flon out by reducing our share.

This Minister chose to sell out a 49 percent interest in a mine which local experts, local prospectors, people with long whiskers in this industry believed was going to be a very profitable mine, chose to sell out our interests at cost. I believe that it was a major blunder, particularly in view of the fact that this Government subsequently got into heavy negotiations where involvement equity in the mine and a reserve of some magnitude would have been a tremendous bargaining chip. It is unfortunate that this Government has no

vision and has no foresight. It leaves negotiations in a more difficult place.

I want the Minister to answer specifically whether there has been any commitment in terms of exploration directly related to negotiation?

Mr. Neufeld: Mr. Chairman, let the Member for Flin Flon (Mr. Storie) not leave on the record that the divestiture of Callinan Mines ore deposit was anything but a good deal for the Government. In the outset, Callinan Mine joint venture was entered into with Hudson Bay Mining and Smelting not as a commercial venture; again, it was more of a social venture. The Hudson Bay Mining and Smelting requested Manitoba Mineral Resources to participate in that deposit. Having said that, as far as additional monies for exploration work as part of the agreement with Hudson Bay Mining and Smelting, that has not come up. The company has never requested in its negotiations that additional monies be put on the table by the Manitoba Government or by Manitoba Mineral Resources as a condition of entering into an agreement with the Manitoba Government and the federal Government.

Mr. Storie: I guess only time will tell whether it was a good investment. Certainly, I do not believe that it was and I believe that it has made negotiations more difficult for this Minister. However, I want to also take issue with another comment made by the Minister. That is that he wants to do what is in everyone's best interest. The Minister may feel that is what he did in Lynn Lake, but I can tell him quite unequivocally that he did not do what was in everybody's best interest. The fact is that when he goes on and says that this is not a commercial decision, it is a social decision, he could not be more wrong. This is a commercial decision.

What the Minister failed to take into consideration, in the Lynn Lake agreement, was: what did this contribute to the economy? What are the additional costs to support the hospital and support the school? Never mind the lost employment, the lost taxes, payroll taxes, and everything else that was involved. It is not just a social decision. It can also be a commercial decision.

My colleague from St. Norbert (Mr. Angus) raised the question: what analysis has this Minister done with respect to the contributions of HBM&S's operations to Manitoba, to Flin Flon, to the surrounding area? What are the total numbers? My colleague suggests \$100 million may be generated by that operation in a year.

My guess would be that it would be higher than that given the employment, not only in Flin Flon because this is not just a decision that affects Flin Flon. It affects Snow Lake, it affects Leaf Rapids, as well as Flin Flon, to a major extent, other communities to a lesser extent. For every individual employed directly by HBM&S there are at least two, and perhaps three spinoff jobs that are going to be lost.

Can the Minister table today with us any analysis of the cost of losing this operation? It is a commercial question. It is a question of: what will the province lose? That number is the number that the province has

to balance in negotiations. The Minister appears to think that he can simply pick a number out of the air, based on a proposal made by HBM&S, and say, well, we are not prepared to pay that much, without doing any analysis of the benefits of having HBM&S there. What are the benefits of having another \$200 million invested in mining exploration? Where are the numbers? What analysis is the Minister doing? What is the basis for the assertion that this is not a commercial decision? Could we see that?

Mr. Neufeld: Mr. Chairman, anytime you have seven years of operations left and invest that kind of money, it is not a commercial decision. Having said that, the Member for Flin Flon (Mr. Storie) continues to ask us questions in a way that we are about to cease negotiations, we are about to close the town. We have said from the outset that we are confident, and I will say again I am confident, that we will reach a conclusion that will ensure the continued operation of the mine in Flin Flon.

I have no reason to believe that the company is not acting in good faith. I have no reason to believe that the federal Government is not acting in good faith, and we are certainly not acting in anything but good faith. We will finalize an agreement with the company, but we will not put our negotiating points on the table publicly for all to see so that we have nothing left. But we will—I can assure the Member for Flin Flon that the agreement will be reached with the company in due course.

Mr. Storie: Mr. Chairperson, I would like to feel that was a likelihood, and I certainly believe it is possible. I know that if the Minister continues to maintain that the only question that needs to be asked is—what does this cost the province?—rather than—what does Flin Flon contribute, and HBM&S contribute to the province?—he is going to err. If that misconception, if that failure to recognize the importance of that mining base is not understood, then when push comes to shove in negotiations, this Minister is going to back away because he misunderstands again, and that is a major concern.

I do not have to remind the Minister that the decision to modernize at HBM&S, the commitment to add another \$200 million to the exploration budget of HBM&S over the next 10 years, does not simply come from the management of HBM&S. I believe they are an extremely capable, competent, group of individuals.

* (1540)

The investment decision comes from another board who have a different set of priorities. Once a decision is made, a negative decision, if that should ever happen, there may be no going back. It will then fall on this Minister's shoulders to explain why he failed.

I want him to be aware that there is another way of looking at this and that it may increase his flexibility when he gets to the bargaining table, and that is what I want him to do. Certainly we want him to bargain in a fair and tough manner to get the best deal possible, but on the other hand I do not want him to be cavalier

or to misunderstand the real importance of this venture. It is not simply an exercise of saving the province \$1 million. The contribution of that community in that enterprise has been incredible over its last 56 years of operation, and we cannot be too short-sighted when it comes to that. I feel that perhaps the Minister was short-sighted when he negotiated in his deal with Lynn Lake.

Mr. Chairperson, those are all the questions I have on this particular topic, but I would like to move to another community just down the line that also is in this area.

An Honourable Member: You said you did not have any more questions.

Mr. Storie: Mr. Chairperson, the Minister of Northern Affairs (Mr. Downey) has no interest in mining, but there are many people around the table here who do.

Mr. Chairperson, the community of Snow Lake has been awaiting an announcement by Inco Gold, who purchased most of High River Resources, on the establishment of—or a production decision in Snow Lake. Can the Minister indicate what intelligence he may have with respect to the probability, the likelihood, the timing, of that kind of announcement? Can he indicate what the prospects are?

Mr. Neufeld: The latest information I have is they have not yet established the viability of an operation, and they are still in the process of conducting feasibility studies.

Mr. Storie: Mr. Chairperson, certainly that would be welcome news, and I am wondering whether the Minister has offered any technical assistance. Has MMR been involved in any joint exploration activity, joint work with Inco Gold, in terms of proving up the reserves?

Mr. Neufeld: There is probably no corporation or Government more capable of analyzing the situation than Inco. They have not asked for assistance in this, and would probably not accept it if it were offered.

Mr. Storie: Mr. Chairperson, that leads me to another area, another question, related to Snow Lake. The Minister may be aware that the community has been attempting to build an airport in the community, an airstrip, for some seven or eight years. The community has felt that a community of that size, isolated, requires access to the emergency evacuation services, those services provided by the air ambulance, air flight, the emergency medical evacuation flight.

Unfortunately, they have not been able to complete the airstrip. They did receive, under the previous Government, some support to begin construction. Some 2,500 feet of airstrip have been constructed, however, they need another 500 or 1,000 feet to finish. The local Snow Lake Airport Development Committee believes that they need an additional \$500,000 or slightly more to complete the airstrip, so that it can serve the community in times of emergency such as last summer.

I want to put on the record here that perhaps most people will never know how close the Snow Lake

community came to a disaster. In fact the flames moved so quickly that Emergency Measures, who had been planning the evacuation, were saying privately at the time that they may not be able to get all of the people out. There were some 11 fixed-wing aircrafts and a number of other helicopters working to evacuate people, and if it were not for a change in wind some time in the early morning of July 21, they probably would not have succeeded.

So I think they are entitled to feel they need this airstrip. They are a mining community. There is also the possibility—and fortunately to this point we have never seen a major mining emergency, a collapse, a major catastrophe related to the mine. There is need for emergency medical evacuation as well. The community is certainly feeling that in the 1990s now they have a right to be able to access that service, which is provided to some 33—I think it is 50 now—other communities.

One of the sources that has not been explored to date is the Mining Community Reserve Fund. The Minister indicated in a previous meeting, and I am not sure under what guise, but in a previous meeting, that the Mining Reserve Fund contains some \$9 million.

I am asking the Minister today whether he is prepared, or would be prepared, to commit the \$500,000 or \$600,000 that would be required to complete that strip, including providing the necessary crushed rock surface, to the community of Snow Lake?

Mr. Neufeld: I think, Mr. Chairman, that if we are going to build an airport at Snow Lake, it should be built by the department that is responsible for it. They should set the priorities. If they come to us for a request for monies from the community reserve, we would consider it. It would be a decision taken by Cabinet, and not by this Minister.

I would not want to commit today to definitely recommending that the Community Reserve Fund be used for that purpose. I think we need more information. We need more information as to need and priorities as far as the northern communities are concerned with respect to where the airports are needed, indeed if they are needed.

Mr. Storie: Mr. Chairperson, we could go into a long history of how the majority of the airports were built in Manitoba, the majority of emergency strips, and they were built in the 1970s by the Schreyer Government. Unfortunately, some of the larger communities that at that time had road access were not deemed to be the highest priority.

Subsequent to that of course the federal Government's role in supporting rural and emergency airstrips has diminished significantly. Snow Lake is left at this point with very few options.

I can assure the Minister that I and the community have worked with the Department of Highways to see whether additional funds can be used to support that, and have found nothing but, I guess, words of comfort from that department. Certainly there has been no financial support. The Minister most recently wrote to

the community on December 15 indicating that it was not within the mandate of the Department of Highways to provide that kind of support.

It is my opinion that the Mining Community Reserve Fund is a likely source of funds, and I am heartened, I guess, by the Minister's willingness to look at it. I believe it is an important initiative and one that this Minister would receive a good deal of credit for if he were to view such a proposal positively. This is important to the community. It is rather fortunate that there has been no major mine disaster in Snow Lake. If there were, the closest exit is by road ambulance, and it is about two hours or two and a half hours out of the community. That just is not good enough in an emergency.

Could the Minister indicate what other projects have been supported by the Mining Reserve Fund over the last year?

* (1550)

Mr. Neufeld: I believe there was a project to do with the tailings pond at Sherritt Gordon Mines. There were, and I think I mentioned this at a previous meeting of this committee, monies provided to the Town of Leaf Rapids for a development officer or tourism officer. There were monies provided to the City of Flin Flon for a tourist officer.

I cannot think of any others at this point in time—here is some more—the sewer and water at Wabowden, there was 14,000 for that. There was the Sherridon, there was, this was just recently—we have advanced money to the LGD of Lynn Lake, but I do not think you are up to that point. You went up to the point of the LynnGold payments. It looks like we have advanced \$243,000 for the LGD of Lynn Lake to finance the essential services and we have advanced \$300,000 for labour. I guess that is for the \$1,200 per employee that is guaranteed under the Manitoba Labour Act.

Mr. Storie: I hope the Minister has garnered the reason for my question, to illustrate to the committee that the uses to which the Mining Community Reserve Fund has been put are very broad. They include water and sewer in Wabowden, they include the containment of leaching in Sherridon, job creation support for miners. It certainly seems to me that an emergency airstrip in a mining community that has shown a great deal of willingness to do it on their own, and have worked now for three and a half years to put together a strip that is usable, but not at this point for aircraft such as the Cessna which is the emergency medical evacuation plane—

I make that point simply so the Minister appreciates that this fund was designed for those kinds of purposes. I said earlier that we were talking about evacuation. The Minister jogged my memory when he mentioned that funds from the reserve have gone to support an economic development officer in Lynn Lake. They have also gone to support a tourism officer in the communities of Flin Flon and Snow Lake. That may have been several years ago.

So the fact is that they have been used for those purposes. The community views this airstrip as having

three essential purposes: emergency mass evacuation, emergency medical evacuation in the event of a major disaster, and also as a tool for economic development. There are a charter company and a number of lodges in the area that could certainly use an airstrip which would support wheeled planes. So there are many, many aspects to this thing.

What I am wondering is, would the Minister be prepared to join me in a trip to Snow Lake to meet with the council and the Snow Lake Airport Development Committee to discuss such a proposal?

Mr. Neufeld: I would enjoy very much—

Mr. Storie: I will go with him to St. Petersburg later.

Mr. Neufeld: —taking a trip with the Member for Flin Flon to Snow Lake. However, I do not think it is up to me to determine the level of priority that an airstrip should take in the community of Snow Lake. That should be a decision of someone else. It may well be that it should be a proposal that comes from the community of Snow Lake, but not to the Department of Energy and Mines.

They can certainly ask to access the Community Reserve Fund, but I do not think it is up to the Department of Energy and Mines to determine the level of priority of an airstrip in that community. That is another department, and it should be left to them. You can ask the department and ask the Minister to access the fund, that is true, but you should not ask him and it is unfair I think to ask him to determine whether or not an airstrip should be built.

Having said that, I would certainly entertain an offer from the Member for Flin Flon (Mr. Storie) to go to Snow Lake to discuss it with the community and to listen to their arguments for the need of an airstrip.

Mr. Storie: I appreciate that. I certainly want to indicate right now that I intend to take the Minister up on his offer, or on his acceptance of my offer I guess.

I am a little intrigued as to the Minister's view of his responsibility when it comes to the Mining Community Reserve Fund. Did the Minister not play a role in using the Mining Community Reserve Fund to advance money to the community of Wabowden? Did a proposal come to the Minister with respect to that?

Mr. Neufeld: That, I am told, has been ongoing for many years. It is true, however, that a proposal for assistance and access of the fund comes to the Minister from whatever source and the Minister must make his decision based on the arguments put forward for such access. I do not think the fund can be used as a milk cow for every expenditure we think are needed in northern communities. We have to be prudent in our use of the funds.

Mr. Storie: Well, I appreciate that. I certainly had no intention of suggesting I wanted to turn the Mining Community Reserve Fund into it. As the Minister knows, I had a different vision of what that fund should be and how it should be funded and how large it should be.

There are considerable funds at this point in the Mining Community Reserve Fund that have come from northern Manitoba. In fact the interest alone on that fund would more than support the completion of this airstrip to a sufficient degree that it could evacuate people in a medical emergency.

So I will be in further touch with the Minister. I hope that he will see his way clear to make this a priority, because certainly it relates directly to a mining community, it also relates to mining activity, exploration access, et cetera, et cetera, for mining companies, and there is considerable exploration going on in the area.

So I leave on the record my appreciation to the Minister for his willingness to consider it and his willingness to attend a meeting at some mutually convenient date in Snow Lake as well to discuss with the community the possibilities.

Mr. Chairperson, those are my questions in this area.

Mr. Jay Cowan (Churchill): Mr. Chairperson, earlier in the day during the Question Period I asked the Minister some questions regarding the creditors meeting in the matter of the bankruptcy of LynnGold Resources. The Minister indicated that at the January 4 meeting, I believe it was, they had appointed the trustee, or the receiver was in place, was confirmed, and that there were scrutineers that were appointed. My understanding is that three scrutineers were appointed. I would ask the Minister who the Province of Manitoba had present at that meeting, and are we playing any role with respect to scrutineering of the matter as it unfolds through the legal process?

* (1600)

Mr. Neufeld: The Deputy Minister was in attendance at the creditors meeting and the Deputy Minister of Labour was in attendance at the meeting. As far as playing a role as an inspector, no, the Government will not be playing a role as an inspector, and the reason for that is that you cannot be an inspector if you are contemplating litigation against the estate.

Mr. Cowan: What litigation, specifically, is the Government contemplating against the estate in this regard?

Mr. Neufeld: That is something we have not decided. We do not know what direction this will take, whether or not at this point in time the \$2 million that is owed to the development corporation has been deemed a non-debt by the trustee. It could well be that would be something we will challenge.

Mr. Cowan: We may want to come back to that, but previous to that, Manitoba Labour, specifically the Pension Commission, shows up as an unsecured creditor for an unknown amount in the list of unsecured creditors. I would ask the Minister if he can provide us any background with respect to that particular claim?

Mr. Neufeld: I would have to check with the Minister of Labour (Mrs. Hammond) and I would recommend

to the Member for Churchill (Mr. Cowan) that he ask that question of the Minister of Labour, because I am not aware of what that specific amount represents.

Mr. Cowan: I did ask that question of the Minister of Labour today in the House and received no answer, so I thought perhaps the Minister of Energy and Mines (Mr. Neufeld) could be somewhat more forthcoming with respect to that particular matter. As Minister responsible for this entire matter and as part of the Cabinet, I would hope that he would have that information available to him.

I would ask the Minister if he can give some indication as to when it is felt this matter will be finalized by the trustee.

Mr. Neufeld: From my experience in the past with bankruptcies it would be very difficult to guess at a finalization. I would not like to even hazard a guess. It depends on whether there is litigation and depends on the kind of litigation there is. If there are no objections it could be finalized very quickly, but there could well be some objections. Only time will tell if that leads to litigation.

Mr. Cowan: Yes, the sheets outlining the creditors also identifies monies owing to the Mining Recording office. Can the Minister indicate what those monies would be owing for?

Mr. Neufeld: Surface lease rentals, Mr. Chairman.

Mr. Cowan: One would assume that those surface lease rentals are not up to date at this time to the amount of \$37,032 according to Schedule F of the creditors list.

Mr. Neufeld: There were some leases due on December 16, and they have a month from that date to pay it. So they have another week in which to pay that.

Mr. Cowan: Who would pay that in that respect? Would that be the trustee who would make that decision at this point in time?

Mr. Neufeld: The trustee would have to make the decision whether or not to pay that, yes. The trustee would have to get the authority from the inspectors, if my memory serves me correctly, because it is not a prior claim. It is not a secured claim.

Mr. Cowan: What happens if those amounts are not paid within a week's time?

Mr. Neufeld: If they are not paid the leases are cancelled.

Mr. Cowan: In that case the leased property would revert back to the province.

Mr. Neufeld: That is correct.

Mr. Cowan: How would it be dealt with by the province at that stage? Would it be payable to other companies to claim, and if so what process would unfold?

Mr. Neufeld: Inasmuch as these are surface leases, Mr. Chairman, the land would revert back to the Crown and be the property of Natural Resources to be dealt with in whatever manner they saw fit.

Mr. Cowan: What would be the difference in this case between a surface lease and a mineral lease or would there be any?

Mr. Neufeld: At one point in time the Mines Branch issued the surface leases. Now the Mines Branch only issues the mineral leases, and Natural Resources issues the surface leases.

Mr. Cowan: These surface leases may expire, but there may well be mineral leases that would not expire at the same time. Would that be the case?

Mr. Neufeld: If the mineral leases expire the surface leases automatically expire. If the surface leases expire the mineral leases do not automatically expire. If these are surface leases that will expire next week the mineral rights to those properties would still be with the leaseholder, which would be the company.

Mr. Cowan: What would be the disadvantage then of the surface lease expiring at that particular time? What impact would that have on the ability of the buyer of this operation to access the mineral rights?

Mr. Neufeld: Any buyer could presumably apply for a new surface lease and there would be no impact at all, if this were to happen.

Mr. Cowan: Well, there may not be any impact if the same person who has the mineral rights applied for the surface lease. Would it be possible for someone other than the person or the company, the entity, having the mineral rights to have the surface lease?

* (1610)

Mr. Neufeld: If the surface lease reverted to the Crown and an application were received for a new lease on that property, Natural Resources would check with Energy and Mines to see if there is any reason why they should not issue this lease. Energy and Mines would check with the mineral rights holder to see if there was any objection to issuing a surface lease to whoever, and if the mineral rights owner had no objection, a surface lease could be issued. In this case, the probabilities of that happening are slim. The mineral rights owner would probably not want another surface rights owner.

Mr. Cowan: So it is then up to the mineral rights owner to determine whether or not someone else would get a surface lease.

Mr. Neufeld: That is correct.

Mr. Cowan: Who would be the mineral rights owner on these particular claims, would they all be LynnGold Resources?

Mr. Neufeld: The mineral rights owners are all LynnGold Resources.

Mr. Cowan: Then this property, these claims, would really stay under the control of the trustee until the matter is dealt with, even if the surface lease has expired?

Mr. Neufeld: That is technically correct, yes.

Mr. Cowan: Well, if it is technically correct that begs the question -(interjection)- well, as the Member for St. Norbert (Mr. Angus) says, where is the gap? Yes, it is technically correct. Is it not essentially true then, essentially correct, or is there something that we are missing?

Mr. Neufeld: I would prefer to answer that question privately.

Mr. Cowan: Okay, that is a fair comment. Let me just explain to the Minister why I was following that line of questioning. It followed on the heels of a conversation I had with one of the workers at LynnGold, ex-workers at LynnGold, who would like to see this operation get back into operation, generally, and thought that these claims, whatever they might be—and he was also aware of this, that group having had a representative at the creditors meeting—felt that if these claims stayed with the package it might make it a more saleable package if another party wanted to buy it and wanted to be assured that these claims were not going to be separated off from the existing package, therefore, making it a less desirable package for a potential purchaser. I guess, from what the Minister has indicated, that would most likely not be the case if this matter is dealt with in any sort of an expedient manner.

Mr. Neufeld: I can assure the Member for Churchill (Mr. Cowan) that whatever is best for the community would be the direction that the Government, to the extent that it is possible, would take.

Mr. Cowan: The list of creditors identifies the Province of Manitoba in a number of different capacities as being owed money, or being creditors. The mining and royalty tax claim is unknown. Would the Minister have any indication as to what the amount payable for that particular claim might be?

Mr. Neufeld: If I were to guess, I would have to say zero, because the mining royalty tax is based on profit, and I doubt if the company had any profit.

Mr. Cowan: There is also a claim for workers compensation, among others. I am just listing off a couple of them. Can the Minister indicate what action is being taken with regard to that particular claim, or is it part of the package? If it is, where would it come in the line with respect to payouts?

Mr. Neufeld: I believe that falls behind the secured creditors, as would most of the Government receivable. It would fall behind the secured creditors and be paid out only if the secured creditors received all their money in full.

Mr. Cowan: We have gone over this matter before, but just to set the stage: Can the Minister indicate where the MDC loan of \$2 million—or actually I think it is probably \$2 million and some interest owing, probably \$49,000—falls with respect to the other creditors?

Mr. Neufeld: The trustee has indicated that because the company is out of business, and he relies on one clause in the loan agreement, which says, in effect, that if a company goes out of business permanently, the loan need not be repaid—relying on that, the trustee has not included that \$2 million in the list of debts of the estate. That is what I referred to earlier. It may result in some litigation.

Mr. Cowan: That litigation would be in essence against the estate through the trustee. Would that be the case?

Mr. Neufeld: It would be against the estate through the trustee, and we would have to determine whether or not we could salvage any of it if we did win our case. We would have to determine what monies might be available for the preferred creditors.

Mr. Cowan: As the Minister can appreciate, this whole matter is one of some importance and great interest to the workers. I just go through the list and see people I know and have worked with, a lot of them being owed in the neighbourhood of—here is one for \$26,840, another for \$22,452.00. Those would be long-term employees, employees who have been there for quite some time. That is not unusual. I mean, \$17,000 figure, \$14,000, here is \$25,000, and I can go on and on with figures in that particular range, which would be, for the most part, severance.

These employees do not really know how much they are going to be getting from the company until this whole matter has been finalized. They have to get on with their lives. They do not like the way this turned out. They would have preferred it to have resulted in somewhat different circumstances for themselves, but they have to make some decisions.

The ones who are owed the most money are going to be the longest service employees. The longest service employees are generally going to be the older workers, many of whom will never work again in a mine, a number of whom will never work again at all, even though they probably would have continued productive work for four, or five, or 10 years had this closure not happened. I would suggest that the vast majority, if not all of whom, will never work at the wage at which they were working when this mine closed.

It is going to affect them in all sorts of financial ways with respect to their future, as well as the fact, as we discussed before, they are going to be losing the equity in their home for the most part. I understand that homes in the area now that a year ago would have probably sold for \$30,000 or \$40,000 are now selling for \$3,000 or less, if you can sell your home. It is certainly not a seller's market.

They would like to see this whole thing finalized so that they can start structuring their overall response

to it. They have had their immediate response, but now they are going to have to get on with their lives. They certainly do not want to see this matter tied up in litigation for any length of time. Opposite that, of course, is the desire for the province to obtain all that it can, all that is owing to it, from the trustee, and the province, of course, has to defend the money that is owed to them, its receivables in this particular instance.

If that is the case, I would ask the Minister if litigation is being contemplated, to consider the impact of litigation on those individuals who really want to see this matter finalized, and I would ask him if there is not some way that litigation may be severed from the finalization of what these workers will receive.

* (1620)

They are expecting something out of this, although not a lot, but even if they are expecting a third out of \$30,000, that is \$10,000 which would be a significant amount of money in their present circumstances, and money which they probably need right now. If they were to receive 50 percent out of \$30,000, of course that would be \$15,000 and one can work out any percentage he wants, but they do expect to receive something. They would not like to see the process unduly delayed. I am certain that they want to see the Government treated fairly as they want to see themselves treated fairly, but I would ask the Minister if there is some way those actions can be severed.

Mr. Neufeld: Well, insofar as the \$2 million is concerned, we would not probably contemplate any action there unless we felt that there was a possibility, indeed a probability of salvaging some of it. I would certainly be open to discussion and to hearing from, among other people, the trustee, to see whether there would be enough available for the employees were we not to proceed. There may still not be enough available. Indeed, there may not be enough available to cover the secured creditors, in which case it would be foolhardy for us to waste money in litigating for the \$2 million.

I have sympathy for the request of the Member for Churchill (Mr. Cowan) and would certainly consider the employees and the hardship it might impose upon them if we were to prolong the conclusion of this bankruptcy.

Mr. Cowan: I want it to be clear that I am not suggesting the Government should not go after everything that at least it has coming to it, and that it can win. I am not actually being ambivalent about it, I am just suggesting that if they do go after that amount, which by the way is listed as a preferred creditors claim, and what I am being told by the Minister is that it has not been accepted by the trustee as a preferred creditors claim. Is that the case? Perhaps we should clear that up first.

Mr. Neufeld: It is true that in the original letter from the trustee, or from the lawyer, I cannot recall who wrote the original letter, it was included as a preferred claim, but since then we have received a letter in which the trustee suggests, or indeed claims that because of the clause in the loan agreement, they do not owe us

anything. That is the most recent information I have and rely on that for my answers to you.

Mr. Cowan: In that case, to go back to the original point, I am not suggesting that if the Government thinks that is a litigable case, they not go after that amount of money, but if they do go after that amount of money, and I know the difficulty because this is one package, one pie in which everything is cut up according to listing, ranking and proportionality, but that they try to do so in a manner that it does not prevent the workers obtaining anything that might be coming to them.

If the Government cannot do that, then they have to make the decision as to whether or not it is worthwhile prolonging the agony with respect to this particular claim, and that is a judgment call that they will have to make.

My question to the Minister is more direct, however. He had indicated earlier that it may be the employees may get nothing out of this process, if I heard him correctly, and I would ask him how he has come to that conclusion, upon which assumptions he has based that particular suggestion, not even conclusion, but that statement.

Mr. Neufeld: In any bankruptcy there is always a possibility, and in most bankruptcies there is indeed a probability that unsecured creditors receive very little, if anything. We have an instance here of a one-purpose asset that will be available to the vultures, if you like. People are not known to bid more than they absolutely have to in purchasing assets from an estate.

I think we will find that the principal shareholders are secured to the extent of probably \$14 million to \$15 million. The National Bank has not been dealt with. It is secured to the tune of about \$4.5 million to \$4.7 million. So we have close to \$20 million that to my understanding is secured.

Against that we have assets, the principal one would be the mine itself. How much a person will bid on those assets is highly problematical. My experience is that they will pay no more than they absolutely have to. My guess is there will be a reserve bid put in by the principal shareholders equal to the amount of their secured claim. They are going to be, I suspect, the only secured creditors. Any monies they pay for the assets will go to pay off the secured creditors. My guess is that the preferred creditors, this is my experience, are not going to realize on any of the monies that are going to them.

That leaves the unsecured creditors in the same position. This is my guess. It is based only on what I have seen in the past. I have nothing to base that opinion on with respect to this particular case.

Mr. Cowan: The list of the property which I guess will go up for bid, the stock, the trade, the cash in hand, with deferred exploration and deferred development, lists an original cost of \$7.75 million for deferred exploration, and \$15.5 million—I am rounding off—for deferred development. Can the Minister explain what those particular issues are?

Mr. Neufeld: Deferred exploration expenses—and I think this is the way the company recorded its

exploration costs—are those costs that were incurred in exploring for new ore deposits. The development expenses, I believe, would be those costs incurred in developing the mine itself to the extent that it had not yet been amortized against revenues earned in the years of operation.

That in all probability would include any of the owned and fixed assets they would have. I do not recall seeing a separate figure on their balance sheet for buildings, equipment, et cetera. It is mine development—is it not?—as I recall.

Mr. Cowan: Well, they have a separate item under Machinery, Equipment and Plant for \$19.9 million, roughly. This would be a separate item. So I would ask the Minister the question—if the deferred exploration and deferred development is on the properties that exist today, it really would have no value outside of the Machinery, Equipment and Plant that is shown on the sheet?

Mr. Neufeld: There would be no value to anyone unless they were prepared to go into the mining business, and want to take advantage of the exploration work that was done by someone else, get those records, take advantage of the development work within the mine that was done by someone else, only to the extent that they might expect to realize cash flow from the mine. Whether or not there would be sufficient amount to cover the development costs that had been incurred would be the basis of the decision that any prudent buyer would make, and similarly with the exploration expenses.

Mr. Cowan: How much of that exploration would have been off site of the actual mine itself? Maybe that is a tough question to answer. Let me rephrase it. How many claims and what sort of area is now controlled by LynnGold Resources, or the trustee in this case, in northern Manitoba?

Mr. Neufeld: We have a map of that, but I am not certain of the area covered. The deferred exploration costs would be on properties not yet mined which would include their share of burned timber. The development work would be within the area that is being mined.

* (1630)

Mr. Cowan: Perhaps, to make the question a bit more concise, how many claims are currently under control of LynnGold Resources trustee?

Mr. Neufeld: I would have to bring that information back to this committee, Mr. Chairman. There are hundreds.

Mr. Cowan: Would there be any problem in providing the map, with some key as to indicate where those claims are and what those claims may be, at a later date in the very near future?

Mr. Neufeld: We have the map in our offices and we can provide that to the committee today.

Mr. Cowan: I have a lot of other questions under this particular area, but I am not going to ask them today, because we do operate under some time constraints with respect to moving all the Estimates through the House in the given time limit, but there will be other opportunities.

I just want to make one final point. It is an immediate point and I make it for that reason. There are two issues that probably should be dealt with as quickly as possible. The first, of course, is making certain that this thing is settled so that people know where they stand or do not stand, as the case may be.

The second is to have the Minister contact his colleague, the Minister of Labour (Mrs. Hammond), with respect to the unemployment insurance situation, because that is a matter that will be affecting employees very soon, if not right at the present time. It is not a matter of them losing unemployment money over a period of time. It is the matter of the deferral of their first payments. Again, that would be an unfair hardship on the workers up there if vacation payments that were made by the Government to the workers are considered in the context of when their unemployment benefits start. I had asked him, and I will be asking the Minister of Labour directly, as well. I asked him to contact her. I had asked the question in the House today. She said she had not received an answer to her December 22 letter to Barbara McDougall with respect to that exemption, but I think that matter has to be pursued very, very quickly by the Government.

We will be discussing a lot of other matters as time permits and other opportunities provide a chance to debate this issue in the House, but at this point in time those are the two main issues I would like to put before the Minister.

Mr. Neufeld: I will undertake to take up with the Minister of Labour (Mrs. Hammond) the question that the Member for Churchill asks.

Mr. Storie: Just one request, Mr. Chairperson, before we leave this section. Would the Minister undertake to provide me with a list of the grants provided under the Mining Community Reserve Fund for the last five years.

Mr. Neufeld: The last five years?

Mr. Storie: The last five years—three years—five years, whatever. If you have got something right there—five years then.

Mr. Neufeld: I have in front of me the list for the last year, but I do not have more than that. I will undertake to provide that to the Member.

Mr. Angus: I request of the Minister that whatever you give to them, you give to me.

Mr. Neufeld: I will undertake that as well.

Mr. Angus: Thank you.

Mr. Neufeld: I had that in mind.

Mr. Chairman: The Member for Churchill, on a point of order.

Mr. Cowan: The Minister of Mines (Mr. Neufeld), having already given the cold to the Energy Critic for the NDP (Mr. Storie), I assume that the Member for St. Norbert (Mr. Angus) would want it shortly.

Mr. Chairman: The Member does not have a point of order.

Mr. Chairman: Shall the item pass—pass; (2) Other Expenditures—pass; (c) Geological Services, (1) Salaries, \$2,094,200—pass; (2) Other Expenditures, \$234,900—pass.

Item (d) Canada-Manitoba Mineral Development Agreement, (1) Salaries, \$236,800—the Honourable Member for Flin Flon.

Mr. Storie: Mr. Chairperson, there is budgeted some \$687,000 plus some additional that is in the Enabling vote. Is this the end of the money? When do we expect the money to run out from the Canada-Manitoba Mineral Development Agreement?

Mr. Neufeld: While the agreement ran out at March 31, 1989, there were some projects in progress and the last expenditures are within this budgetary period. March 31, 1990, will be the end of the expenditures for the present agreement.

Mr. Storie: Can the Minister indicate what is happening with a new mineral development? Are we going to see one?

Mr. Neufeld: I am hoping we will see one. I am confident we will see one. We have progressed a long way toward one, but again we have not got to the point where we can stand here and say that we have reached agreement with the federal Government for a new agreement.

Mr. Storie: I believe the mineral development agreement was a 50-50 agreement.

Mr. Neufeld: The previous agreement was a 60-40 agreement, 40 percent being ours.

Mr. Storie: Assuming that many of the subsequent agreement went to 50-50, I am wondering whether the province is prepared—are you, as Minister, prepared to enter into a mineral development agreement where the province picks up 50 percent of the cost? Following from that, are you prepared to sign an agreement where the provincial contribution is as great, or greater, than the previous mineral development agreement?

Mr. Neufeld: I think it is fair to say, Mr. Chairman, that if we were to sign a new agreement tomorrow it would be on a 50-50 basis. The probabilities of our contribution to a new agreement, or under a new

agreement, being more than the previous one are slim. The size of the next agreement in all probability will not be as high as the previous one and even though our contribution will be 50 percent instead of 40 percent, it is unlikely it will be higher. So the question is really academic. We will not be able to negotiate an agreement that is greater than the previous contribution that the provincial Government made.

Mr. Storie: Well, Mr. Chairperson, that leads into a whole series of questions about the priorities of this Government and this Minister and if it is not . . . what is going to lose. Obviously there is no point in speculating at this time, but I would certainly urge the Minister to beg, if necessary, his colleagues to make the contribution, or give him a mandate to negotiate an agreement that is as large. This is a very important area for a large part of the province and there are still untapped resources in northern Manitoba. This agreement, despite some shortcomings, has gone a long way to support that.

So I leave that with the Minister. I am not interested in pursuing it any further. I am prepared to pass that section.

* (1640)

Mr. Neufeld: Mr. Chairman, I do agree that this was an excellent agreement and we would obviously prefer to renegotiate one for the same amount, and again at the 60-40 spread. The decision is not entirely ours, and I am just being realistic when I say the probabilities of a 60-40 agreement are nil. It will be 50-50, and the probabilities of a \$25 million agreement are probably also not realistic, given the indication from the federal counterparts.

Some Honourable Members: Pass.

Mr. Chairman: (2) Other Expenditures \$450,600—pass.

Resolution No. 38: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,390,000 for Energy and Mines Mineral Resources for the fiscal year ending the 31st day of March, 1990—pass.

Item 4. Manitoba Energy Authority, \$1,323,100—the Honourable Member for Flin Flon.

Mr. Storie: I only have a request here. I would like from the Minister a list of the current projects that Manitoba Energy Authority is working on. There were a number which were on the drawing boards prior to the changing Government in 1988. I would like to have an update on the status of those projects and other new projects, particularly energy intensive projects, that MEA may be exploring at this time. Can the Minister provide that?

Mr. Neufeld: I think that there is no difficulty in providing a list like that, and we might bring that to you when you review the accounts of the MEA.

Mr. Storie: Which may not be for a year.

Mr. Neufeld: Well, you have to get around to last year's first.

Mr. Angus: The intentions of the Member for Flin Flon are admirable, but we asked for that under the last meeting of the MEA and I am still waiting for it.

An Honourable Member: You asked for that?

Mr. Angus: Yes.

Mr. Storie: Mr. Chairperson, I did not have any other questions if the Minister is prepared to provide us with that information in a timely fashion. We in the Opposition are at the whim of the Government when it comes to the calling of committees outside the Session, and MEA may not come before a legislative committee for many, many months. So if the Minister will undertake to provide us with the information, we can certainly let it pass.

Mr. Neufeld: You have my undertaking.

Mr. Chairman: Shall the item pass—pass.

Resolution No. 39: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,323,100 for Energy and Mines Manitoba Energy Authority for the fiscal year ending the 31st day of March, 1990—pass.

The last item that will be considered for the Estimates of the Department of Energy and Mines is Item 1.(a) \$20,600.00.

At this point, we would request the Minister's staff leave the table during consideration of this item, Item 1.(a).

Item 1.(a)—shall the item pass—the Honourable Member for Flin Flon.

Mr. Storie: Mr. Chairperson, if I were a vindictive sort, I would probably be moving that the Minister's salary be reduced to the price of a pound of zinc. That is somewhat of a tradition, I guess, in terms of the committee's confidence in the Minister and his or her performance to a given point.

I recognize this Minister came into the portfolio as new to the Legislature and obviously inexperienced directly in terms of mining and energy, but I think he brought with him some baggage which has not served him well in his capacity, not only as the steward of public funds, but also the steward of an economic vision for the province in terms of energy development, in terms of energy usage, in terms of mining exploration and development.

I think the Minister's baggage, and that is his accountant's vision of the world, has led him to be short-sighted in many respects. That, obviously, is a criticism; it does not detract from my respect for the Minister as an individual, a responsible individual, who sees the world differently perhaps than I do. I only hope that the questions that we have asked in the last few hours, and in previous Sessions, and in the Legislature give the Minister a different perspective and perhaps some appreciation for how some others might view the world, including the world of mining and the role the Government can play and has to play in stimulating

economic development and supporting industries including the mining industry in times of trouble.

I will not be making any kind of motion, nor will I be supporting any kind of motion to reduce salaries, because the Minister, frankly, is underpaid for the hours that Ministers have to work, for the time and the sacrifices that people in his position have to make.

I want on the record the fact that I hope that the Minister is growing in his portfolio and that what happened in Lynn Lake can be prevented, because I sincerely believe that it could have been. I am afraid that inflexibility and intransigence will possibly lead to the same conclusion in a community which is also very important to me, the community of Flin Flon, and I do not want it to happen.

With that, I have only a couple of other comments about this Minister's role as steward of our energy resources, and that has to do with the Manitoba Oil and Gas Corporation. I know the Minister was relieved, perhaps, to see the province relieved of responsibility for directing the Manitoba Oil and Gas Corporation. But, as we predicted a year ago, when we found that the province was selling our Crown corporation, we predicted that it was a sweetheart deal, that the province was losing by it, that we were losing not only control of our oil development, we were losing financially.

Manitoba Oil and Gas at that time had some reserves in the area of a million barrels of oil. It is producing between 150 and 200 barrels of oil a day. At the time that the Government sold MOGC to Tundra, which consists of a number of highly influential conservative businessmen in the Province of Manitoba. (interjection)- I know it has changed, but we are talking about George. George is not, and the Member may know that.

The fact of the matter is that if we assume that Manitoba Oil and Gas produced 200 barrels of oil a day for 365 days at \$21 a barrel, they made more than a million-and-a-half dollars in the first year of production from MOGC wealth, the first year. We know that they are going to produce for 10, with secondary recovery probably 20 or 25 years. It was a sweetheart deal. It was a sell-off at a fire-sale price of assets of the Province of Manitoba.

I think there should be an inquiry. I think the Minister should conduct his own. The fact is that someone is getting rich from our resources because this Government decided for ideological reasons to sell that corporation. There have been very few returns and the sale price was totally inadequate.

My colleague, the Member for Transcona (Mr. Kozak), pointed out at the time the error in viewing the books of a Crown corporation in exactly the same way as you view the books of a private corporation, particularly in the area of oil-gas production. The Government chose to follow its own nose rather than common sense. It is disappointing, and it is just another example of a lack of vision, and a lack of a true sense of responsibility to the taxpayers. It is simple, one-sided economics, and it is not serving the province well from my perspective.

With that, I wish the Minister well in the coming months. I do hope we have an agreement at HBM&S. I hope that we can see a reversal of the trend of the last several months, mines closing and communities shutting down. I hope we get a new mineral development agreement. I hope the Minister will press for additional support from the province for that kind of agreement. I hope that we can see some re-emphasis on energy conservation in the province, and redevelopment of energy conservation programs. I hope that the Minister will renew his commitment to energy planning. I hope he will get involved in, particularly, natural gas pricing issues in the province and save consumers, protect our interest as a consuming province.

* (1650)

There are a lot of things this Minister could do to the benefit of Manitobans. To date, we have not seen, in my opinion, much willingness of him to act other than in a reactive fashion, and I am challenging him to do better. Thank you, Mr. Chairperson.

Mr. Angus: First of all, in addressing the remarks of the Member for Flin Flon (Mr. Storie), it may, Mr. Chairman, just may be possible that the private sector has provided an initiative that has allowed them to maximize a return on their investment. To a certain extent I echo the sentiments, the constructive criticism that has been passed on by the Member for Flin Flon in relation to the management of the portfolio. I too am somewhat disappointed in the leadership or the lack of leadership in terms of managing the portfolio.

I would compliment the Minister on his very capable assistants, specifically Mr. Ransom, in terms of being able to direct Hydro and relieve him of a massive burden. I think that he has done an excellent job. Quite frankly, I think he has probably saved the Minister's bacon in a lot of cases.

Mr. Neufeld: I do not eat bacon.

Mr. Angus: Just pork barrelling, eh?

Mr. Chairman, having said that, the other individuals in his department are nonetheless worthy of accolades in their professionalism and their ability to deal with issues as they see them. However, they are and will remain professional administrators, professional administrators who are directed to and required to carry out the responsibilities and the direction of a Minister who has a sincere interest in his department, more than perhaps doodling on a page of notes in front of him.

I too would feel that there was a lot to be desired in terms of the negotiating process in the Lynn Lake experience. I am very, very tentative about who is taking the lead in negotiating on behalf of the people in Pinawa for the Atomic Energy, on behalf of the people in Flin Flon for the Hudson Bay Mining and Smelting. I am very concerned about the new Act that has been introduced, that is being proposed to be introduced. I know very little about the mining industry, but what little I do know and what little feedback I have been able to get, there are a number of potential flaws in the new proposed mining Act that certainly have to be

adjusted, corrected, dealt with before it comes to the floor or it will make The Municipal Affairs Act look like a pussy cat in terms of the concerns that are going to be expressed by the mining industry.

In terms of the energy conservation, I do not think that sufficient is being done in that area. I think there is lots of room for improvement within your department, Mr. Minister, in terms of amalgamating and bringing together various factions so that more effective policies for energy reduction through the consumer network can be achieved. I think there is lots of room for more exploration in the mineral resources. I am concerned about some of the direction that you are giving in those areas.

I would like to see you get more interested in your job, quite frankly. I do not think that you are that interested in being a Minister in those departments. Whether you are in other departments, I do not know, but it seems to me that if you do not want to generate more interest in terms of leading the pack and looking at the way things can be improved in those departments that you have, then you should give them over to somebody that has got that type of an interest and is prepared to fish or cut bait on a very, very important portfolio.

With those brief remarks, Mr. Chairman, I am prepared to pass the remainder of the budget.

Mr. Chairman: Will the item pass? The Honourable Minister.

Mr. Neufeld: I have nothing to say, other than to thank my critics for the kind words they had for me.

Mr. Chairman: Resolution No. 36: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,593,000 for Energy and Mines, Administration and Finance for the fiscal year ending the 31st day of March, 1990—pass.

This completes the Estimates for the Department of Energy and Mines. The next set of Estimates to be considered by this section of the Committee of Supply are the Estimates of the Department of Labour.

What is the will of the committee? The hour being 5 p.m., it is now time for Private Members' Hour.

Committee rise.

SUPPLY—FAMILY SERVICES

The Acting Chairman (Mr. Neil Gaudry): We are dealing with the Estimates of the Department of Family Services.

We are now on item 3. Shall the item pass? Community Social Services (a) Administration: Provides central administration and program support for adult vocational rehabilitation and mental retardation programs to external agencies, the departmental regional operations and the Manitoba Developmental Centre. (1) Salaries \$415,500—the Honourable Member for Ellice.

Ms. Avis Gray (Ellice): I will just wait a few minutes until the staff get settled.

Mr. Acting Chairperson, we are now on to the section of the Community Social Services, and specifically referring to the Manitoba Developmental Centre, I understand that there have been some managerial changes at the centre over the past year, including the executive director, I believe. Perhaps the Minister could update us on those.

Hon. Charlotte Oleson (Minister of Family Services): Mr. Acting Chairman, there is in place at the moment an acting administrator as executive director, and there has been a competition to fill that position, and that will be done very shortly. I believe the interviews are taking place.

Ms. Gray: Can the Minister tell us, the former executive director, Mr. Upham, did he resign, retire or what is the status of that individual? Why did he leave as executive director?

Mrs. Oleson: Mr. Acting Chairman, he transferred to the Health Services Commission.

Ms. Gray: Can the Minister tell us, was that a choice that individual made?

Mrs. Oleson: That was a management decision. The position that he took with the Health Services Commission I believe was to his liking. I mean, he agreed to move there.

Ms. Gray: In regard to the Ombudsman's report that the Minister has made reference to specifically related to the Manitoba Developmental Centre, could the Minister update us as to which, if any, recommendations from that report are still outstanding?

Mrs. Oleson: Five out of the seven recommendations have been addressed. The two remaining involve staffing and that is under review. I might also add that facility is undergoing, I believe, an accreditation study as well.

Ms. Gray: Could the Minister elaborate on what the two staffing recommendations are and what she means by under review?

Mrs. Oleson: Both those related to staffing ratios and to program support.

Ms. Gray: Can the Minister tell us, when she says under review, what does that mean? Is there a committee working on this? Have recommendations been made already in regard to staffing, and they are sitting with Treasury Board? What exactly is "under review" mean? Where along the process are those two recommendations?

Mrs. Oleson: These are being reviewed in view of the other departmental priorities and will form part of the review that we do with the department preparatory to next year's budget.

Ms. Gray: With the Ombudsman's report where there is concern about the staffing ratios, can the Minister

tell us given that those two recommendations at this point have not been acted on, is the Minister assured that the staffing ratios which are currently at the Manitoba Developmental Centre in fact assured that clients are safe in the Manitoba Developmental Centre?

Mrs. Oleson: Yes. We fill positions as quickly as possible.

Ms. Gray: With the announcement of the \$8 million that was being put toward the Manitoba Developmental Centre, I am wondering if the Minister could detail for us over what length of time that amount of dollars will be put forth to MDC and what exactly is the nature of that \$8 million, what it will be spent on.

Mrs. Oleson: The money is over a seven-year period, as I had indicated and as the Minister of Government Services (Mr. Albert Driedger) had indicated. It is mainly improvements to the building, air conditioning, that sort of thing which will be of great benefit to the people who both work and live in that facility. I imagine the Minister of Government Services would have a more in-depth report of exactly what is taking place, but it is upgrading the facility. It is a capital program over a seven-year period.

Hon. Albert Driedger (Minister of Government Services): I do not want to interrupt the question and answer period, but I wondered if I could indicate to the Member or the critic that I had forwarded the full details of the improvements at the Manitoba Developmental Centre to the Member for St. Vital (Mr. Rose). He has the details of that. I do not have that right here, but I know the Member has it. If the Member would want to, she could probably check with her colleague and get the exact details as to what improvements were involved.

Ms. Gray: I thank you for that information from the Minister of Government Services.

Does the Minister have information today in regard to the number of admissions and discharges at the Manitoba Developmental Centre over the past year?

Mrs. Oleson: For 1988-89 admissions, six; readmissions, 27; discharges, 22; deaths, 10. In the overall picture the population there remains just about at the same level.

Ms. Gray: Has there been any change in policy in regard to admissions or readmissions to MDC over the past year?

Mrs. Oleson: No.

Ms. Gray: Could the Minister just remind Members in this House what that policy is, and is it in regards to admissions to MDC?

* (1440)

Mrs. Oleson: The policy remains the same. People who wish to have their family admitted there and request

to for rehabilitation, et cetera, are admitted. They are admitted often for respite or for a short-term period while they are stabilized, for example, if they have a difficulty with being stabilized due to medication problems or some such thing as that.

There also have from time to time people placed there on court orders, which has been something that has been happening for a considerable length of time I understand.

Ms. Gray: Does the Minister have the information today about the review that would have been completed last year on the transitional unit at MDC?

Mrs. Oleson: That review has been completed and it is being referred to the advisory committee which I had appointed, I believe, in August when I made that announcement of the advisory committee, and it is being referred to them.

Ms. Gray: Could the Minister tell us what the salient features were of that particular review, or were there any recommendations that came out of that review?

Mrs. Oleson: There were recommendations to do with the review, but they will be announced when there have been decisions made as to the disposition of those recommendations.

Ms. Gray: Is the advisory committee the group that is mandated to make the decisions as to what will happen to the transitional unit and, if not, what exactly is the advisory committee's role?

Mrs. Oleson: The advisory committee, as the name indicates, is a group that is put in place to advise the Minister on matters pertaining to the Manitoba Developmental Centre. This is one of the topics that I have given them to review, but no, the ultimate decision has to remain with the Government.

Ms. Gray: I think the Minister said that the ultimate decision remains with Government, so the Minister is saying that, although the advisory committee may review what the transitional unit says, they really have no authority in terms of making recommendations. Could she then indicate, who in Government will be making the final decisions as to what will happen with that transitional unit?

Mrs. Oleson: The advisory committee, as I indicated, is certainly asked and, in this case, particularly asked to give advice on this particular matter. The ultimate decision ends with the Government, and I guess it ends on my desk, because I will no doubt look closely at the recommendations given to me and the opinions stated by the advisory committee, and also in consultation with staff. It will be ultimately the Government, the Minister, that makes the decision.

Ms. Gray: Is the Minister prepared to share the results of that review and keep it in mind that the results are not necessarily Government policy, but is she prepared to share that particular review with Members of the Legislature?

Mrs. Oleson: The review exists at the moment as a working paper and I will certainly share information when decisions are made, and at the appropriate time. There is no cloud of secrecy hanging over it. It is just that it is an internal working paper.

Ms. Gray: Could the Minister then indicate, in regard to the transitional unit, what exactly was indicated in the review? Was it felt the transitional unit was fulfilling its particular mandate, or did it have a mandate in the beginning?

Mrs. Oleson: That was one of the major reasons for the review and one of the major topics, of course, and conclusions to that were part of the review, but, as I indicated, the matter is not settled and I will be awaiting some advice from the advisory committee before the ultimate decision is made.

Ms. Gray: How many clients, if any, are still in the transitional unit at MDC, and what exactly is happening right now with those clients, i.e., are they being planned for at all for any type of community living?

Mrs. Oleson: As I understand it, there are 24 individuals who are in the transition unit at this time, and of course that was the ultimate goal originally, or was supposed to be the ultimate goal, to move these people into community living when they are ready, and, also, it was contingent upon whether or not there is a facility to move them to. Should there be a facility, and they want to move and are able to move, then that would be done. As soon as we are able to provide spaces in the community then we would encourage them to move.

Ms. Gray: My question to the Minister is, can she tell us if those clients are actively being planned for, i.e., have they been assigned workers in the community who are actively looking at some type of a plan in regard to recreational day program residential options for these individuals?

Mrs. Oleson: Yes, to the Member, they have been assigned a worker. There are particularly 14 or 15 who are ready to move should the opportunity present itself.

Ms. Gray: Does the Minister have information in regard to those 14 or 15 who may be ready to move if resources are available, the nature of the residential resources that they would require? Does she have an idea of the levels of community residence that these people would be eligible for?

Mrs. Oleson: We do not have that detail at the moment because it would vary with each individual and the level of their disability. It could be obtained for the Member should she wish it but we do not have that information right now.

Ms. Gray: The reason I am asking that particular question is basically what I want to know is, given that those individuals have been identified and some planning has been done, and whatever the levels may be, certainly it is known by the department; my question is, was that planning done in the community so that

if a need was identified for certain types of community residences or residential living options, have in fact any of those options been developed or have any budget dollars been allocated for within the Minister's department?

Mrs. Oleson: As the Member knows, this department does not have capital funds if the Member is referring to, for instance, group homes. We have no funding in this year's budget in the Government for more group homes because of issues which I have identified before. We do have individual groups across the province who would very much like to operate group homes, as the Member probably knows.

When we can enter into that activity, then we would have to match up people with facilities. There are groups that are anxious to provide a facility, and I am sure would provide the type of facility that we require as to what level of need there was.

All these things are of course in the works, but they have been put on hold this year because of funding problems and the necessity, as I have indicated before, of propping up the system, shall we say, to improve the funding for existing group homes. There was a very real danger of some of those group homes having such financial difficulty that they would not be able to operate, and it seemed to make eminent sense to improve the funding and make sure that those facilities remained in existence before we launch into a more extensive program.

* (1450)

Ms. Gray: Mr. Acting Chairperson, I certainly will pursue that line of question in regard to the group homes when we get into a different section. I would ask the Minister given that there have been relatively little increases in the residential care system as far as bed expansion last year, and there is none in this year's budget, is that one of the priorities that the Minister sees under her multi-year planning?

Mrs. Oleson: I certainly hope to, in preparations for next year's budget in consultation with other Members of Cabinet who of course would be involved because the Minister of Housing (Mr. Ducharme) would be involved with any group home plans to do with capital. It is certainly something that we want to look at, and hopefully we can accomplish that next year. I have already indicated the reasons why we did not get into that this year.

Ms. Gray: Mr. Acting Chairperson, can the Minister tell me if she is aware of some of the difficulties currently at Manitoba Developmental Centre as a result of some pay equity adjustments with service workers, and some of the difficulties it is creating with some of the other workers on ward? Is she aware of that situation at all?

Mrs. Oleson: The staff advise me that there are some difficulties, but they are being worked through with the Civil Service Commission.

Ms. Gray: Mr. Acting Chairperson, can the Minister tell me exactly what the Civil Service Commission has

been asked to do, or how they have been asked to intervene?

Mrs. Oleson: Mr. Acting Chairman, the Civil Service Commission is the body that resolves issues of that nature, and they would have to be consulted with any problems arising from pay equity or other problems to do with personnel.

Ms. Gray: Is the Minister or her department involving themselves at all in this issue? Have they just passed on the whole issue to the Civil Service Commission?

Mrs. Oleson: The Human Resources staff would be involved in that situation with the Civil Service Commission.

Ms. Gray: Mr. Acting Chairperson, my concern, which has been expressed to me by a number of people at the Manitoba Developmental Centre, is that in fact because this issue has not been resolved—and granted it is not the Department of Family Services that possibly will resolve that, but in fact there should be a role for the department—there seems to be a concern that there is a lot of tension developing among the service workers and some of the nurses on the wards, or PNA staff, and that is being translated to the residents residing there.

They are aware as well of some of the tension. I am wondering if there had been any efforts on the part of the department to work with the Civil Service Commission, or to even come up with some sort of interim resolution, or allay some of the concerns of the staff?

Mrs. Oleson: As I had indicated before, Mr. Acting Chairman, the Personnel section of my department is working with the Civil Service Commission on this. As in any legislation of that nature which brings about quite significant changes, they do present wrinkles from time to time, and we would hope that would be dealt with as resolved as soon as possible. It is not only this department, or people working in this department, that have maybe come into problems. It is a problem which is throughout the Government with something new that is being brought in.

Ms. Judy Wasylcia-Leis (St. Johns): Mr. Acting Chairperson, just to follow on this line of questioning which is both general and specific around services for the mentally handicapped members of our society, let me backtrack a little bit and deal with some of the issues around the Manitoba Developmental Centre, since I think that is obviously an important place to start when addressing the whole broad issue of policies for those with disabilities in our society.

The Minister gave us some partial statistics with respect to the Manitoba Developmental Centre. What she failed to do was to actually put it in the context of comparing the numbers at MDC over a several year period. As I raised with the Minister in the House previously, it is clear we have a situation where there has been no movement from the institution. In fact, all the statistics show a trend going in the opposite direction.

If one looks at the readmissions over a three-year period and one looks at the discharges over that same period of time, it is clear that we have a policy of institutionalization rather than one of trying to find ways of integrating mentally disabled people into our families and communities throughout Manitoba. The readmissions between April '87 to the end of the '88-89 fiscal year increased from 13 to 27. These are statistics provided by the Minister's own department further to our freedom of information request. Along the same line the discharges dropped dramatically in that period of time from 110 to 23.

It would seem to any observer of this whole policy area that what we have in place is actually, perhaps an unwritten policy, but certainly a policy of institutionalization by virtue of elimination, by virtue of the fact that there does not appear to be any attempt to address this issue, any movement going in the right direction, any policies being put in place, any indication of message going to the public that the opposite is the case.

I think I would like to start by asking the Minister her general policy framework for this area, as I tried to do over a year ago in Estimates. Albeit then that was early in the Minister's time in office, I would like to hear now from her what her policy framework is in terms of responding to the needs of disabled members in our community and what her direction is over the long term in terms of institutionalization versus deinstitutionalization.

Mrs. Oleson: Mr. Acting Chairman, first of all I would like to correct the assumption that the Member has stated that we have a policy of institutionalization. That is definitely not correct.

I think we should go back perhaps to the period a short few years ago where the NDP Government went into a campaign called Welcome Home, which brought people into the community, which was a noble idea, a very good idea, but it was not followed through with sufficient planning and organization and funding in which to make it a viable operation. Along comes a new Government and a new Minister, and we are faced with a crisis in many of those facilities that had been brought on stream during the Welcome Home project.

We have group homes in which there had not been a per diem change in funding for four years. We have other indications that the funding was lacking, the planning was lacking. It is all very well to take people into a community, but when you take them and call it community living when they are living in a community in a mini-institution and really there is no change in their lives, I do not really call it community living. They are living in a smaller institution, but if there are no facilities for programs and so forth, then there is not a great change. What you have done in essence is deny them some of the programs that they were taking part in, in the institution which they left.

It is a very complex issue which we had to address in the short term in which we have been Government by injecting, as I have indicated in my remarks to the Member for Ellice (Ms. Gray), funds into the system to

stabilize what we have, so that we keep it going. My goal is to have people move out of the institution. That is a goal of our Government, but not to move them out at the expense of other people who have been taken out of institution and group homes, not have group homes closing. We have to do it in an orderly, planned fashion. That is what we are undertaking.

* (1500)

This year we undertook to address many of the issues raised in the Wiens Report in order to stabilize the system, and then we work from there. Of course, I do not think the people who are working in the field would say or agree with me that we have yet really stabilized it. There is some more work to be done in that regard.

Having said that, I go back to my statement that it is a policy of this Government to have people, whenever possible, live as normal a life in the community as possible. People will be moved out of MDC when we can possibly do that, when they are ready, when the facilities are there for them. That is part of the thrust of what was announced in the throne speech on the working group on community living which we are in the process of setting up, which will deal with the issues not only of facilities and size of facilities and so forth, but will deal with some of the things that are needed in the communities.

There is a great deal of argument in the community of different organizations which make up a community that care for mentally handicapped in the community. There is a great deal of disagreement amongst them exactly what sort of work facilities and program facilities should be in place, and those things need to be addressed. There is probably some merit to all of their statements that there should be some choice for mentally handicapped people, like there is for other people in the community, of what activities they take part in. These things will in time, hopefully in a shorter term, be resolved, but it is not a matter that you can do very quickly.

Now, when the Member states and is talking about the figures of the population in MDC, she must realize that—for instance, I see by the statistics here that on March 31 of 1988 there were 584 persons in that facility, and I see also by my statistics that on March 31 of 1989 it was exactly the same number. I do not know where the Member is saying that we are institutionalizing. We are making every attempt to help people who need to be in that facility for a short time. In particular, there are some crisis situations which are best handled by that type of facility. Partly, in discussing this with a medical doctor who has had some involvement in that type of work, indicates to me there are people in that facility who have knowledge to help people perhaps better than in an ordinary hospital setting, where the staff may be not quite conversant with treatment and not understand the needs of mentally handicapped.

I think it would be a disservice for them to send them there when we have the development centre to send them to on a short-term basis, have them stabilized and go back to the community. I see that as one of

the roles that MDC could fill. I do not think there is a chance that we could completely close down that facility in the near future even if we wanted to. It would be a massive undertaking.

But having said that, I do not agree with the Member's evaluation of it that our goal is institutionalization, because it is not.

Ms. Wasylycia-Leis: The Minister's citing of the statistics in terms of overall population at MDC makes my point. There has been no movement out of the institution in overall numbers which is clearly to me a signal to the public that this Government is not committed to finding ways to work towards integration of disabled members in our society into communities and families throughout our province.

Further to that, as I have indicated, the statistics around readmissions and discharges indicate that there has been no attempt on the part of this Government to go the extra mile, to put in the extra resources to ensure that individuals are able to stay in the communities where they have been attempting to integrate fully into community life.

I think what we need to hear from the Minister today is some indication of how she intends to turn around this very bleak picture for disabled members in our society, and give a clear signal to the people of Manitoba that she is serious about a well-accepted, well-recognized goal of full integration wherever possible of disabled members in our society.

For the Minister to suggest for one minute that the Welcome Home Program was a noble gesture, but failed dismally, is absolute rubbish and a disservice to all of the people and volunteers who have worked hard in that area, is a disservice to Muriel Smith who gave her life for a number of years to make this a valuable concept in our society and to start moving a province that has been the most behind of all provinces in this country in the right direction.

I think the Minister should reassess the Welcome Home Program, recognize what it set out to serve, and look back at her own briefing notes provided by her departmental officials back in February of '88 before our last set of Estimates which clearly stated Welcome Home has accomplished its three principal objectives: the closure of Northgrove, the provision of enhanced services in the community to persons at risk of institutionalization, and the improvement of existing community and institutional service systems.

That briefing note goes on to suggest that it is now time for consolidation and it is a time to make steps forward not backward with respect to that which was accomplished by the pilot project of Welcome Home. We have seen nothing from this Government to date after 18 months that it is prepared to move forward in the right direction, in the direction the people of Manitoba want to see.

My question to the Minister is: over a year ago in Estimates she said that she could not give a commitment on deinstitutionalization or integration into community life, because she had to study the matter.

It has now been well over a year, she has struck a committee, time is dragging on. I think it is long overdue for the Minister to come forward with some indication of this Government's policy, some indication of her program to begin dealing with deinstitutionalization and abiding by a concept believed in by Manitobans everywhere. That is integration, full integration, into community life.

No one for a moment is suggesting that this be done overnight, or that it will suit all individuals in all circumstances. There is a clear recognition—we can go into letter after letter sent to the Minister from organizations, from individuals, who have asked the Minister to start moving in this direction, who are waiting to set up homes to support individuals, to do whatever it is possible to move in this direction, and she has failed to respond in any meaningful way.

I think it is imperative upon the Minister to let us know today what the results of her working group have come up with so far. If she is not ready to give us a program, and she has had plenty of time to come up with a program, then to at least tell us in what direction she is headed and how she is going to begin to move forward rather than, by inaction and passivity and insensitivity, allow the clock to go back in time.

Mrs. Oleson: Well, it reminds me of the saying, saying it does not make it so, the Member for St. Johns. I had indicated to you, the last time I was on my feet, the objectives of moving people into the community. I have indicated to her why we were not able to do it this year. If the whole system had been done properly when it was done—and I did not say it was a dismal failure. I said that there were gaps in planning. There was not enough planning. There was not enough organization. There was not enough funding placed in those group homes to make them viable.

The reason, if the Member thinks that we are marking time, is that we have to stabilize that system. If her Government had done it the way it should have been done, in an orderly planned fashion, we would not have been sitting in this position at the moment. I am not going to move people out of a safe place in which they are living into an unsafe place. I want them to be placed in a safe viable group home, if that is the choice, or in foster care, whatever the situation may be.

The Member said that obviously I should have reviewed and should have come to a conclusion. I reviewed, I came to the conclusion that we could not afford to do anything this year but stabilize the system that we have.

Having done that, having injected approximately \$3 million into that system in various ways, which I could enunciate for the Member if she is interested in hearing any of this, which I doubt, then the Member would realize that we are moving. It may appear to the Member that we are standing still. If we had not been taking measures that we have taken, there would have been more people in the development centre.

Our objective is to have people living in the community and living as normal a life as we possibly can help them to attain. Certain steps have to be taken before that is done and we are taking them this year.

* (1510)

Ms. Wasylycia-Leis: Mr. Acting Chairperson, the Minister talks about not being prepared to move people out of safe places and into unsafe places. I think the kind of situation we are dealing with is one in fact where there are many safe places, and many organizations, families, and groups in our society, who can provide safe places and have indicated that to the Minister. In fact I think there are probably well over 20 groups who have indicated to the Minister their preparedness for integrating individuals with disabilities into their homes and their communities with the support of Government.

It is not a question of safe places not being available in the community. I would refer the Minister to as one example a September 5 letter from Options with Faith Incorporated, which as an organization with a reputation for responsible, sensitive work in this area has come to the Minister with an indication of the number of people involved with them who are willing to be involved in this area to move solidly in the direction of integration into our society.

They are willing and ready to begin work, but the question becomes one of, if there are safe places and there is a clear need, why is the Minister not prepared to at least begin to address some of these requests, some of these worthy proposals and move in the direction piece by piece? No one is suggesting that she come up with overnight dollars to respond to every request, but to send a message to the people of Manitoba, to show some good faith in terms of this area to show she is serious about deinstitutionalization.

Why is it not possible? Why was it not possible for the Minister to work into this budget some of those needs and demands and begin to fund some very legitimate requests so that those with disabilities in our society could begin to achieve their own objectives of full integration in our society?

Mrs. Oleson: Just for the Member's edification, I did not say there were no safe places in which to move people. I said that we want to be sure that we move them to safe places that are well funded and well run. That is not a reflection on the existing facilities nor the potential facilities. There were difficulties, and I do not think I will take the time of the committee to repeat and repeat and repeat, although I could if you like, no objection.

It never ceases to amaze me how many people and how many volunteer groups there are in the community. The Member is correct. There are groups who wish to take part in group homes and in various projects and they are very sincere. I was just as disappointed as the Member that we could not accommodate these people in this budget. I have already indicated to the Member why. Certainly there are people who are willing to build group homes or people willing to take in people in foster care.

There are many options, but there is not one of those options that does not cost money. As I have indicated to the Member, we felt that this year, because of the need that is there, because of the Wiens Report

indicating a need there, that was where we should concentrate our priorities in spending this year. Next year hopefully will be another matter.

Ms. Wasylycia-Leis: Mr. Acting Chairperson, the action on the part of the Government appears to be one-sided in terms of the institution despite the much needed resources that were injected into day programs and the other announcements that the Minister recently made. That amount of money and those resources that the Minister has announced are small in comparison to the \$8 million injected into MDC, to the recent news about a facility, despite very negative reports two years running from the Ombudsman, that is in the process of trying to seek accreditation. The message being sent and the resources being allocated all seem to point to one direction much more than another, make for a very lopsided equation and send a message to the community that this Government is not serious about integration, about community living options.

My question to the Minister is, and she mentioned it herself, the Wiens Report which documented necessary changes within the community for ensuring making steady progress toward full integration of members of the disabled community into all aspects of our society. She has indicated that she accepts the word of many of the groups that have written to her. She believes that community living options are important in terms of meeting the aspirations of all members of our society.

My question to her is: given all that documentation, given all of those reports and all of those studies, does she not have enough now before her at her fingertips to announce immediately a program to Manitobans for integration into all aspects of our society?

Mrs. Oleson: I have indicated to the Member that certainly is the goal we are working toward, but I am not going to announce next year's budget today. I am sorry, we are talking about this year's budget.

Now to the reference that the Member made to \$8 million for MDC, the upgrading. The Member should recall, and I believe I stated it today, that is over a seven-year period. That is not all in this year's budget. It is in the Department of Government Services. It is a seven-year program.

Is the Member saying to me that it is not important at all in the slightest to improve the facility at the Manitoba Development Centre, to put in air conditioning to make it more comfortable in that building for those people who are there? Are we supposed to forget about the 584 people in that facility, completely ignore them, and only deal with people who live in the community? Now I find that repulsive.

If there are people in that facility—there will be people no doubt in that facility for a long time to come. I do not know exactly how long, but while they are there, we should be giving them the best treatment we possibly can, making the facility as comfortable as possible for them. That is part of the responsibility of Government. We have seen that responsibility and we are taking action on it.

Ms. Wasylycia-Leis: I do not think anyone has suggested to date that we completely shut down the institution overnight. That was certainly not said by me and I do not believe by anyone to date in this House. The question is the fact that we are dealing with the opposite situation of having absolutely no movement from the institution despite an indication from many individuals and families and communities that there are people ready and willing to leave the institution and become full participating members in our society.

We have had no indication from the Minister that we are making any progress in that direction. I would simply ask her that if she cannot make that commitment, an immediate announcement, for a program to meet these objectives, can she indicate to us exactly when a program will be announced, and when that important message will be forthcoming to the people of Manitoba?

Mrs. Oleson: Sorry, I cannot accommodate the Member. I cannot tell her the day, the hour or the week that an announcement will be made, but it will be made as soon as I have authority to announce it.

Ms. Wasylycia-Leis: Mr. Acting Chairperson, could the Minister tell us why a process was undertaken at MDC for seeking accreditation?

Mrs. Oleson: Mr. Acting Chairman, it was to seek outside expertise and opinions on the running of the facility. It helps us in our planning and staffing of that facility. It is a function which many institutions such as health centres, hospitals go through in order to improve. It helps them to set themselves a goal of meeting standards and gives them a good picture of how they stand in relation to other institutions and that was undertaken. I believe that the study has been done and they are still waiting for the decision of the panel that did the study.

* (1520)

Ms. Wasylycia-Leis: Could the Minister tell us how much was spent to seek that accreditation?

Mrs. Oleson: Yes, it is not completed, as I indicated the report is not in. It is somewhere in the neighbourhood of \$8,000.00.

Ms. Wasylycia-Leis: Mr. Acting Chairperson, could the Minister explain why she agreed to this process? To seek accreditation was begun now at a time when we have had two scathing reports in a row from the Ombudsman about conditions at MDC and a clear critique of life in this institution and a clear indication of the need to start working in the direction of community options.

Mrs. Oleson: As I understand it, the initiation of that project for accreditation took place a number of years ago and so perhaps the Member can—I do not know what her colleague, the Minister of the time, was thinking about so she could probably inquire of her as to why, but it was undertaken some time ago.

The Acting Chairman (Mr. Gaudry): Shall the item pass? Salaries, \$415,500—pass. Item No. (2), Other Expenditures, \$329,700—pass.

Item (b) Operations: Provides for departmental field resources delivering social services, vocational rehabilitation, child and family services and mental retardation services, including the use of public funds by external social service agencies. Item (1) Salaries, \$10,950,100—the Honourable Member for Ellice (Ms. Gray).

Ms. Gray: Mr. Acting Chairperson, the Minister had mentioned a few minutes ago about the Community Living Committee that is being established to look at—and she talked about—size of residences in the community, et cetera. I am wondering if the Minister could tell us who exactly is on that committee and is she prepared to share terms of reference with us for that committee?

Mrs. Oleson: I believe we discussed this last evening and I indicated to the Member that it is in the process of being set up so I am not at liberty to give her that information. I think we discussed that fairly thoroughly last night or yesterday afternoon, whenever.

Ms. Gray: So the Minister knows that this committee will be looking at size of residences was one thing that I heard and I am asking the question, if the terms of reference are not established what, I would like to know, does the Minister have any idea about the scope within which this committee will be operating other than community living which does not necessarily tell you a lot?

Mrs. Oleson: It is a rather strange question to ask, if I have any idea. Yes, I have lots of ideas.

Ms. Gray: About the committee?

Mrs. Oleson: Yes, it is being put together at the moment. There certainly have to be ideas before the terms of reference are put together and they are in that process at the moment.

Ms. Gray: Can the Minister tell us what she sees as the scope and the breadth of this committee?

Mrs. Oleson: As I indicated before, that information will be forthcoming when we announce the setting up of the group.

Ms. Gray: Can the Minister tell us, will this committee have any similarities to the advisory committee or the steering committees which were in place before with the Welcome Home Program who advised the Government of the Day?

Mrs. Oleson: They may have some. It has not been finalized.

Ms. Gray: My question is, if this particular committee which is very illusive at this point will have some similarities, my concern is, is this Government going to be reinventing the wheel in terms of some of the ideas and policies that were established in regard to community living? That is why I am asking the Minister what exactly this committee will be looking at when

she says community living. Are we talking about services to the mentally handicapped and the physically disabled? Are we talking about community living for the post mentally ill? Is this a committee that is going to span more than one department?

She said there was a discussion the other night, but in fact we have very little information about this committee which was a promise in the throne speech one year ago, and it sounds like nothing has been set up. The Minister did indicate the other night that she hoped to have something going by the end of this fiscal year which is only a couple of months away. I am wondering in fact what will actually be established by the end of the fiscal year and if she could give us some idea. I am assuming it is not a secret, because it was an announcement in the throne speech. If she could only give us some idea of exactly the scope and the nature of this committee, does it span departments? Who are the target populations? What will they be looking at?

Mrs. Oleson: I will remind the Member that I indicated it is being worked on. No, it is not a secret, because it was announced in the throne speech. All the final details have not been established, and I will be announcing it when those plans have been finalized.

The Member asked will we be reinventing the wheel? I would hope not. I think we learn by the experiences of others and by the mistakes that have been made. We will certainly look at the positive aspects of what has been done in the past. All those things will be taken into consideration.

Ms. Gray: Does the Minister know who the target populations are that will be part of what will be looked at under the community living committee?

Mrs. Oleson: Yes.

Ms. Gray: Good, what are they? Who are they?

Mrs. Oleson: Progress.

Ms. Gray: Who are they?

Mrs. Oleson: Pardon? I did not realize you asked a question. That will be part of the announcement. The Member for Ellice (Ms. Gray), I suppose she figures she will get more information if she keeps on prodding, but I will be making an announcement when the announcement is ready to be made.

Ms. Gray: I will not hold my breath. Can the Minister tell us, are community agencies and community representatives, community individuals going to be part of this illusive community living committee?

Mrs. Oleson: It is not an illusive committee. It is being formed.

Ms. Gray: Will communities have the opportunity—I think particularly of the number of agencies and organizations who now currently provide services to what we might call vulnerable citizens in our community,

and I am wondering if they will have an opportunity to participate and be part of this working committee?

Mrs. Oleson: I will repeat again, those plans are being finalized.

Ms. Gray: Can the Minister indicate, is this working committee exclusively within the purview of the Department of Family Services, or will there be some involvement with some of the other departments as well?

Mrs. Oleson: I can only repeat for the Member that these things are all being finalized. When there is an announcement to be made, I will make it.

Ms. Gray: The Minister has been taking lessons from the Minister of Health (Mr. Orchard) when I asked questions on the Women's Health Directorate, identical answers. He knows that there will be a Women's Health Directorate, but has no idea what the structure or the shape it will take. That only leads us to believe that in fact there has been very little planning, and certainly there may be a lot of ideas in the Minister's head but nothing has been put to paper. Again, it was another vague idea that came from the throne speech, but no actual action has actually come out of that.

Perhaps then the Minister could tell us, with the amalgamation of the department and this new division called Community Living and Rehabilitation, what the specific focus is of this particular division, as in what is the focus that would have been different to the other division?

* (1530)

Mrs. Oleson: If the Member would consider the name which it was given I think she would see the focus.

Ms. Gray: Mr. Acting Chairperson, I have just finished saying that in fact community living is very vague. It is about as vague as last year's Estimates when all we heard about were services to the mentally handicapped was a balanced approach. So the Minister may have to bear with me, but if she could please elaborate and explain to this Chamber and to Manitobans exactly how she sees this renewed focus of community living and rehabilitation?

Mrs. Oleson: Part of the name, community living, should indicate to the Member that we want to focus it on the ability of people to live in a community, and we are working toward that goal. In previous questions I have discussed that our ultimate goal is to have people in the community living as normal lives as possible, and that is the focus of this section of the department.

Ms. Gray: Mr. Acting Chairperson, the Minister talks about steps that her department has taken in moving toward a community living focus. The Minister is aware that the paltry increases in salaries for workers in community residences have caused grave concern among the residential service providers and in fact they have met with the Minister at least once, and probably

a number of times, and have asked to be involved in a working committee to actually look at some long-term planning for salaries for group home workers.

I believe, unless the Minister has changed her mind, the last word was that, no, there would not be that working committee, and, no, they would not be involved in a process. I am wondering if the Minister could explain to us if in fact she would consider working closely with the Residential Coalition of Service Providers to look at some specific multi-year planning in regard to salaries?

Mrs. Oleson: Mr. Acting Chairman, the Member indicated that these groups met with me, and they asked for a working group, and now they would have no involvement. Well that is not true. Those particular groups, two, three of them, I believe, have been in constant—constant maybe is not the correct word—frequent meetings with officials from my department discussing these matters. They do have input, and they do give of their expertise to the people in my department. I have instructed the department to keep that process going. That process was undertaken in regard to some allocations in this year's budget and that process is to be ongoing; they will be having input.

I should remind the Member when she discussed the salaries that there were two increases to salaries this year. We have to approach things in stages. We cannot make up for four or five years of no increases in one budget or even two budgets. It has to be done in a staged approach, and that is what we did this year and injected more funds into the per diems in order that salaries could be improved.

Ms. Gray: Given that the residential coalition has the opportunity to meet on a regular basis with the departmental staff, with this particular division, other than just talking with the division and expressing their concerns—still referred in this programs branch—does Community Living and Rehabilitation have the authority to actually sit down with the Residential Coalition of Service Providers and make recommendations as to what the long-term planning should be and forward those recommendations to the Minister?

Mrs. Oleson: Yes, that is the case. They had input into the allocations for this year's budget. Of course it did not turn out to be the 15 percent that they had asked, and that of course disappointed them. It would have me too, but that is another matter.

They did have input, and they will continue to have input on the planning for the programming. Of course the Member has to realize that the Government has the ultimate decision on what the funding level will be. The people can advise us and make us aware of their needs. We need that sort of input. Ultimately, there has to be a decision made at the Minister's desk or the Treasury Board or Cabinet of exactly what the funds will be. Those organizations do not always get, of course, exactly what they want, but they are realistic enough to know that we have to do things in a staged process. I think they are very willing to take part in the process we have set up.

Ms. Gray: Can the Minister tell us who within that section then is involved with the residential coalition and working on this long-term planning? Is there a time frame within which they will have recommendations developed and given to the Minister?

Mrs. Oleson: It is with the program director. It is not a stage-set, time-framed, but an ongoing process of discussion.

Ms. Gray: If it is an ongoing discussion, it sounds like it has no beginning and it has no end. I think that is partly the frustration of the Residential Coalition of Service Providers, although they may be in regular contact. Is it very clear, as would be implied by the Minister today, that in fact they have a specific task where the Residential Coalition of Service Providers is sitting down with the program director and are actually looking at the whole issue of salaries in group homes, what the various options are, and what could be done in regard to your one, your two, or your three? Is that a specific task, and is the Residential Coalition aware of that? I would think there would be a time frame attached to that.

Mrs. Oleson: That is part of the function, but it is an ongoing operation to be sure that we have input from the people who are delivering services as to what their needs are.

It is important for us as a department to know the problems that exist in the actual delivery of the service because these people are delivering a service on behalf of the Government. We need to know what their needs are, what their particular circumstances are. These discussions that take place with the department are very important to us in our planning.

Ms. Gray: The Minister mentioned the per hour increase. Could she tell us what the increase has been for the average salary of a worker, what the increase is, and what that would be as a total salary per hour for a worker?

Mrs. Oleson: Mr. Acting Chairman, we did give an increase in February of '89. The most recent increase was 3.5 percent. It is up to the individual boards to set the actual salary of their staff, but they did get a 3.5 percent increase, the latest increase, which was the second for this year.

Ms. Gray: Can the Minister tell us what does that translate to, in cents per hour of an increase for a worker?

Mrs. Oleson: As I indicated to the Member, that is up to the individual board that runs the particular facility. The Member should be aware that these facilities are run by a board which sets the rates of pay for their staff. They hire the staff and it is their prerogative to set the rates within the funds that are available to them.

Ms. Gray: The Minister said, "within the funds that are available to them." Where do those funds come from?

Mrs. Oleson: I am tempted to be facetious, but I have just indicated that we gave them an increase of 3.5 percent this year. We gave them an increase in February. There is a structure in place that the funds come from the department; that is where they get the funds, from the taxpayers.

Ms. Gray: Mr. Acting Chairperson, exactly; the funds come from the Government. So when the Minister tries to indicate that it is the agencies or the community boards who really set the salaries for the staff, they have a very limited scope within which they can set those salaries because all their dollars come from Government funding.

The Minister refers to a 3.5 percent increase. Can she indicate to us, per hour, what the increase was? Is it 12 cents? Is it 36 cents? Is it 18 cents?

Mrs. Oleson: No, I cannot give the Member that. It would depend on the salary, the levels the board had set. I am trying to get it across to the Member that we have a funding formula that we fund these organizations. They, in turn, allocate the funding and they attempt to live within a budget, just the same as any organization. Hospital boards set the salaries of nurses in hospitals in most cases and hospital boards set the rate that the cleaning staff will be paid. School boards negotiate with teachers for the salary scale. I mean, if there is a board operating a facility, then they are in charge of those matters and they all, in every field of endeavour, attempt to live within the funds that are allocated to them.

* (1540)

Ms. Gray: Mr. Acting Chairperson, the increase works out to about 12 cents an hour, which works out to less than \$5 an hour per worker. I would ask the Minister: does she feel that it is reasonable to assume that community boards and agencies would be able to hire qualified staff to work with the mentally handicapped to provide for their care and their safety when the salaries are less than \$5 an hour?

Mrs. Oleson: As I have indicated to the Member, that was of great concern to my department. When I became the Minister and realized that the per diems had not increased since 1985, it became apparent, without even the agencies writing and phoning and visiting, as they have done, that there would be a problem because, of course, costs have gone up. It is a problem. I recognize what the Member is saying; it is difficult to get staff who are trained and qualified for low wages. That is why this year we have attempted to increase. The Member may sneer at the increase, but it is an increase and they had not received those before for some time.

Also with regard to training, that is why we put money this year into training dollars so that we would be able to train personnel to better serve the clients of those group homes.

Ms. Gray: The Minister indicates that there is training for staff. Could she tell us, given that wages are low

and therefore staff may not stay that long in residences, and given that the Minister has determined that it is important to put a lot of dollars into training which we would agree, providing there is staff who can be trained and who are there long enough, what is the average turnover of staff in community residences?

Mrs. Oleson: It would vary considerably from facility to facility, but I know that is one of the problems that has been identified to me, as Minister, from various groups, is the staff turnover and the problem with getting trained, qualified staff. The Member has identified the problem and that is why—not because the Member identified it, because we identified it is why we are working to improve that situation. It cannot be improved in a hurry. We set in place training programs, but there has to be some in planning and that was done and the programs are in place and hopefully will continue.

But, no, the Member has identified a problem of a high turnover, but I could not give her any definitive answer as to the average rate across the whole system. I do not have that kind of information, at least I do not think I have. The group home operators have identified to me that there is a problem in that regard.

Ms. Gray: Could the Minister elaborate or tell us specifically what she is doing to lessen the problem of staff turnover?

Mrs. Oleson: Well, two measures come to mind very quickly. It was the increases in per diem rates which should translate into salary increases. The Member sneers but it was a step in the right direction; we are not going backwards here. Also training should help to alleviate that, because people will feel more comfortable in the jobs that they have training, and feel comfortable that they are doing the right thing. Those are two that immediately spring to mind with the steps we have taken.

Ms. Gray: The Minister says the salary increases certainly would be a reason for a staff turnover to be less. Now the Residential Coalition of Service Providers have indicated, I am sure to the Minister, because they have indicated to myself that has made this situation more difficult because the workers see not only a small increase this year but no commitment on the part of the Government to look at salary increases in future years. There seems to be a hit-and-miss progress. They saw examples that the Foster Parents Association where a multi-year plan was done, and at least there was a commitment finally given by the Government in regard to salaries.

The Residential Coalition of Service Providers will say that, and they again are realistic, they know there are not going to be endless dollars that can flow from Government coffers into salaries of workers in group homes. They do recognize that there has to be some commitment shown from this Government. Yes, it is a small increase this year, but what are you prepared to do in year two? What are you prepared to do in year three?

For the Minister to say that one of the ways they will be looking at lessening staff turnover is the salary

increase for this year, I suggest to her is wrong, that will not help at all. I would also further ask the Minister, does she feel these training programs that have been set up will be a reason for staff to then want to stay in their jobs in group homes, so that once they have been trained and they come back they will get the same pay, but they will have been trained. Will that be an incentive to stay in the job?

Mrs. Oleson: I would hope the fact that they are getting training would improve the matter. The Member comments they are disappointed. I cannot commit to long range funding. I think the signal that has been given to them by a 4 percent increase in February, and a 3.5 percent increase this fall, all retroactive, to cover the full year, should be a signal that there is commitment on the part of this Government that we do recognize those funds had not been increased since 1984.

We have to be realistic. I think the Member herself should be able to understand that 7.5 percent increase is a fairly healthy increase in one year. It does not naturally catch up for all the years of neglect, but it is a step in the right direction.

The department has, of course, in progress plans to address issues for the coming years, but it is one of the realities of Government that you cannot commit next year's budget before it is struck and before it is finalized and delivered as part of the throne speech. That is the way Government works. I am sure the Member must have noticed that.

Ms. Gray: Can the Minister tell us how she managed the agreement with the foster parents association which talked about salaries over more than one budget year?

Mrs. Oleson: That was a negotiated agreement which was highly unusual. It is not often that Governments do that sort of thing, and it did commit to a three-year budget, and I am sure other groups would like that too. That does not say that there is no commitment on the part of the Government in its internal workings to long range plans.

I know particularly of plans that have been made, but cannot be announced for funding in the future. This Government is particularly interested in planning for long range, but the very fact of budgeting precludes announcements of every plan before the budget address is given.

Ms. Gray: We know it is possible for multi-year planning and it is fine to have internal plans within Government, but unless there is some faith or trust out there on the part of community agencies, which frankly I do not think there is with this Minister and this department, then that trust will not be there.

In fact, the increases which the Minister speaks of, of 7.5 percent, they may sound good when you hear them, but when the organizations and the agencies feel yes, what does this mean, what is the commitment for next year, because the Minister will not talk about it, because she says I cannot talk about it, because I cannot tell you what is in the budget, then there is no faith, based on past performance over the year and a half.

I would also ask the Minister, then perhaps she could enlighten me as to what exactly the Minister of Finance (Mr. Manness) refers to when he talks about multi-year financial planning. What does he refer to when he says that?

* (1550)

Mrs. Oleson: I am really not in a position to answer for the Minister of Finance. I have not been appointed to that position, but from my own point of view, long range plans can be made internally in the Government, and should be made, with projections of expenses into the future. They have to be estimates, of course, and sometimes will not prove to be viable at the time when those years go by. There should be plans in place and that is what we are working toward.

Ms. Gray: Can the Minister tell us—I am not asking her to say exactly what the Minister of Finance thinks. Surely given that the Minister of Finance and the Minister of Family Services must meet in Cabinet, there must be some co-ordinated idea of exactly what this multi-year planning is and what it involves. I would ask the Minister just to clearly say to us what is new and different about what this Government has announced as multi-year planning versus what has occurred for years and years, where a Government has always presented budgets for more than one year, at least the internal staff did. What is different and new about this particular idea?

Mrs. Oleson: There is not a complete restructuring of the whole Government system if that is what the Member wants. Maybe in the distant future when she happens to be the Minister she will be preparing budgets and announcing them long before the Finance Minister has given her authority to do so. I will not do that.

Of course there are discussions in Cabinet about various matters. When the Minister of Finance is presenting his Estimates before the House which will follow right on the heels of these Estimates, perhaps you can discuss it with him.

Mr. Richard Kozak (Transcona): With this year's budget the Minister of Finance (Mr. Manness) did provide the House with an additional year's fiscal projection. Did the Department of Family Services not have any input at all in the development of that projection?

Mrs. Oleson: Yes, it would be really logical and did happen that each department would have input, otherwise the Minister of Finance would not be able to make that kind of projection.

Ms. Wasylycia-Leis: Let me just follow up on this area with a few questions. I think we all appreciated the announcement of the Minister back in June with respect to the training program for individuals working in this area, and certainly appreciated the announcement of over 60,000.

It is clear that if anything is understood from issues like the foster parents and certainly more recently like

the day care issue, that there has to be a clear understanding between training and acquiring of skills and training, and that of salaries and salary expectations. We are dealing with a very difficult area just as we are dealing with a difficult area in the day care field. It needs, I believe, a very long-term consultative approach to resolve the difficulties and to avoid any kind of critical situation or even crisis down the road.

It seems to me that when we are looking at such a very low salary range of something as low as \$5 an hour and recognition, I believe, on the part of all of us to ensure that is at least doubled as an hourly rate for trained workers in this area, that some long-term planning and consultative approach is necessary. I think the Manitoba Coalition of Residential Service Providers did make a very positive suggestion to the Minister and a reasonable approach to her and her department. They have offered to work together with the Minister and her department, to sit down in a formal way to begin to look at the long-term needs in this area and to come up with a plan for dealing with rates, for dealing with high turnover, and for dealing with many of the other issues raised in the Wiens Report.

I would sincerely ask the Minister if she would not consider today making a commitment to setting up a formal process, a working group committee type process between her and her department and representatives of the Manitoba Coalition of Residential Service Providers to begin looking at this very important area, and begin to develop a long-term plan.

Mrs. Oleson: As I have indicated to the Member for Ellice (Ms. Gray), there is an ongoing process right now of consultation with the department. That is something that could be considered. At the moment I am wanting to see how this consolidative approach will work. I will get further input from that organization. They have given me some very valuable information, done some studies for the department, and had some input on salaries and other matters.

I think for the time being I want to use this approach that we are taking at the present, sitting down with them and discussing matters and allocations which have taken place. They had input into some of the allocations for this year's budgeting.

One of the things that happens if you set up a working group like that, it builds up the expectation that they will make the decision, and that whatever they recommend will be what is adopted. Of course, then the problem arises that it has to be a budgetary decision, which ultimately is a Government decision. But I do appreciate the input that they have. That is something we could perhaps consider in the future.

Ms. Wasylycia-Leis: I trust that the Minister can work with the Coalition of Residential Service Providers to arrive at a working relationship where it is clearly understood, and as I believe it is understood now on the part of this organization, that the Government ultimately makes the final decision. I think it is a fairly lame excuse to not move in this direction for fear that expectations will be heightened and that there will be

some assumption made that their requests will be lived up to the fullest.

(Mr. Burrell, Acting Chairman, in the Chair)

Given the Minister's response to my previous question, I would just ask the Minister then if she is prepared to give a commitment today to set up a further meeting immediately, or as soon as possible in terms of her schedule, with the Manitoba Coalition of Residential Service Providers to discuss establishing a formal working committee to discuss the long-term requirements in this area of salaries and benefits and working arrangements for individuals working in this field.

Mrs. Oleson: I do not have the date clearly set in my mind, but I have met with that particular group and discussed that very matter. I certainly am amenable to meeting with them at any time. But we did discuss various aspects of this, and I instructed the staff to continue with the consolidative process and the meetings with them, and to continue with that format for the time being.

Ms. Wasylycia-Leis: I am simply asking if the Minister will give some commitment to going beyond that informal consultative process between her department and this organization, and seriously consider establishing a formal working committee as has been suggested by the coalition and as is considered a worthwhile initiative on the part of all involved in this field as a way to avoid potential conflict down the road, and as a way to ensure that no individual in any of our residence are placed at risk.

* (1600)

Mrs. Oleson: Mr. Acting Chairman, as I have indicated several times, there is a working relationship at the moment, and that is what will likely continue into the future. We are already meeting and consulting with them. They meet approximately monthly with staff, with the program director and other staff on specific issues. Also, there are several groups that have input to the staff on these matters, so it would not be probably a good idea to single out one particular organization. I want input, and I am getting input, from many organizations and who work very cooperatively with the staff in establishing the priorities, the needs which are out there.

As I said before, the department needs that input, and I am sure the Member, when she was the Minister, valued input from outside and arm's length and various organizations to help with decisions. But the ultimate decision has to be made by the Government.

Ms. Wasylycia-Leis: I appreciate what the Minister is saying, but I think she is either missing the point or choosing not to fully address the topic I am raising. I am asking the Minister to go a step beyond informal consultative mechanisms which are often sporadic and have the potential for a cooperative approach not being followed, and a creative solution to this very difficult situation being found.

I am asking her if she will consider, regardless of the particular organization we are talking about right now, but will she consider setting up a process, a formal process with a working committee of members that she thinks are involved and important to this area to start talking about, and looking at, the serious long-term funding, staffing issues in this field? It is a request, I think, which, if it had been followed with respect to the day care field, would have, in my view, avoided the kind of open conflict and clear disintegration of a healthy process into a very negative, bad process in terms of an important social policy area.

So I raise this with all seriousness and ask her to consider something beyond which she is now doing and something which would not require that much more resources on her part or a definite commitment on the part of her whole Cabinet, but would be a healthy development in the history of this policy area.

Mrs. Oleson: Mr. Acting Chairman, I should point out to the Member that we already consult a wide variety of people involved in many issues in the department, but particularly in this field with families who are involved, who have family members in group homes, et cetera. We consult with consumers as well as the providers. So to lock ourselves into one particular group would not be probably wise at this time.

I should also remind the Member that we did announce in the throne speech the formation of a working group on community living, and, if the Member would be indulgent, I would like to get that into place before I considered other working groups. I know the Member will not agree with me. I do not need her permission, or will not ask it, but I think we will continue on the process that we have undertaken which seems to me at this time to be working well. Then it can be looked at in sometime down the road to see what the needs are.

Ms. Wasylycia-Leis: Mr. Acting Chairperson, I will leave this topic. However, I leave it somewhat confused in that I had assumed, based on the Minister's comments, that the Committee on Community Living Options was dealing with the future and that this kind of committee being proposed now was to deal with the stabilization of the system, as she has talked about at great length here this afternoon.

In the interests of separating those two areas, I was focusing on the whole question as outlined, all the issues outlined in the Wiens Report with respect to stabilizing the existing system and the issues of salaries paid to workers needing to be increased significantly, the staff turnover needing to be reduced, the in-service training for staff which is required, and so on and so forth—all of those areas which I had thought we would get some clear answers on today since this is the area which deals with, as the Minister puts it, stabilizing the system.

I had also hoped, of course, to get some indication of future plans and the policy of this Government in terms of deinstitutionalization and integration options. But I think we are, unfortunately, getting answers on neither front, and that is regrettable.

Let me turn to another area that I believe falls under this section since it is the area that deals with development of services which are consistent with policy and program objectives in the department, and that pertains to vocational rehabilitation. It ties to a question I raised over a year ago in Estimates, and at that time did not get any answers, so I will try again since I think it is still a pressing issue.

At that time I asked the Minister about the status of a follow-up program, employment program, for individuals trained either in or trying to get into the work force and had asked her about the status of a small pilot program which allowed for about \$1,000 per individual in this area. At the time the Minister said there was no such program in place, and she did not know what I was talking about.

There is a provision under The Vocational Rehabilitation Disabled Persons Act for a cost-sharable program for providing follow-up services. That program is not being accessed at all by this provincial Government, despite the fact that there has been a clear express need on the part of many groups to receive some support in this area, and despite the fact that this is a cost-sharable arrangement. It requires 50 percent on the part of the Government to make a very important initiative work.

I would ask the Minister if she could tell us when she will initiate a program of follow-up support for people in employment programs as provided for and allowed under The Vocational Rehabilitation Disabled Persons Act.

Mrs. Oleson: What the Member is dealing with is an expansion of a program, and those things are under consideration for next year's budget.

Ms. Wasylycia-Leis: Mr. Acting Chairperson, I am not sure what the Minister means by an expansion of a program. Last year the Minister did not admit that the option existed under this federal-provincial program. Now she is saying it is being considered for next year's budget. We have lost a whole year while individuals are waiting in our community to be able to function fully in the employment sector without the necessary supports from the Government despite the fact that it is a very cost-effective, reasonable way to go.

I would think that after a whole year and more the Minister would have a program in place, would have some details available for the community, so that individuals who are in the employment field but need follow-up services would be able to access such a reasonable, cost-effective program.

Mrs. Oleson: Mr. Acting Chairman, there is a program in place which does the work that the Member refers to. What I was referring to is that, from our point of view, would be a program expansion because it is funded by the federal Government at the moment. We have been in discussion with that particular group several times. It would have to be a new initiative on our part and that will be considered in next year's budget. There is a great deal of merit to that type of program.

We do other programs that help to prepare people for employment through the department. It is not that we are neglecting the issue completely, but we did not see our way clear to expend those extra funds this year for various reasons which I have indicated. The system needed some stabilization in order to initiate new, which from that point of view with the particular Premier Personnel, I believe it is, it would be a new initiative on our part because they are not funded by this department at this time. It would be a new thrust. That is something we are looking at.

* (1610)

Ms. Wasylycia-Leis: Mr. Acting Chairperson, if anything would help to stabilize the system, it would certainly be a program that provided follow-up to individuals in employment programs. I would like to know why this program is not part of this set of Estimates, why it has not been in this year's budget, when this is a cost-sharable program offered going back well over 18 months.

What is taking so long when this is an important stabilizing program, an important indication that this Government is serious about any kind of community living option? What is taking so long and why has this Government not moved on something so cost-effective? Why has it lost 18 months when it could have been receiving 50-percent dollars from the federal Government?

Mrs. Oleson: The Member talks about 50-cent dollars, but she should recall that in order to get those 50 cents, we have to spend a dollar. It is a new initiative. My remark on it would be if this was such a terribly important issue to the Member, why she did not see that it was initiated when they were in Government.

Ms. Wasylycia-Leis: Let me try to give the Minister some background on this issue. It is a program that has been available for the last 18 months, and I believe that is the length of time that this Minister has been in office. It is a program that was set up under the RDP 18 months ago among other cost-sharable programs. I think the Minister should get her facts straight before coming into this Chamber, and making those kinds of comments.

My question still remains. There are 150 individuals who could be serviced, helped by a program under this existing provision under the VRDP Act. She has chosen not to access those funds. Those individuals are without service, they are without stabilization, they are without the means to fully integrate into the community and into the employment sector. I do not understand why this Government has dragged its heels on such an important initiative. I would like to know what has taken this Minister so long, why she has dragged her heels for 18 months and still has nothing to announce today.

Mrs. Oleson: Mr. Acting Chairman, I do agree with the Member that it is a very worthwhile program. The funding has been announced by the federal Government as something that can be applied for and, as I shall

indicate again, that is something that will be considered in the light of next year's budget.

Ms. Wasylycia-Leis: Can I ask the Minister then if some work is being done now on setting up such a program so that the province can access these dollars, where it is at, when it will be introduced, when it will be implemented?

Mrs. Oleson: The department spends considerable time looking at new initiatives, and we will be looking at options when we are preparing the budget for next year.

Ms. Wasylycia-Leis: The Minister mentioned Premier Personnel, and I would like to ask her how she is responding to their request to her to deal with a fairly urgent situation and to find the supports for some 75 people who they are trying to support in their communities and in the employment area. How is she responding to their request, and what kind of support can this organization expect to see from this Government in this fiscal year?

Mrs. Oleson: Mr. Acting Chairman, there is a letter from that particular organization in the department, and we are considering what response will be given to the organization.

Ms. Wasylycia-Leis: If I could ask the Minister specifically how she is responding to their funding proposal for some \$150,000.00. When will they hear, and what can they expect in this fiscal year?

Mrs. Oleson: That is still under consideration. It should be pointed out to the Member that we had not been funding that organization. It is not part of our budget, but in the light of the letter we are considering what steps will be taken.

Ms. Wasylycia-Leis: It is interesting that there is no program, but a very clear need in the community. How many other organizations have requests before the Minister for some sort of program for follow-up for people in employment programs?

Mrs. Oleson: The staff indicate that there are no requests right now. The Member should realize that there are many, many unmet needs in society, and we are making every attempt to meet those needs where we can accommodate them. It is very difficult in the middle of a budget year, nearly the end of a budget year, to suddenly come up with funds, so these things will have to be considered in the light of next year's budget.

Ms. Wasylycia-Leis: Just a last question on this particular topic, the Minister says there are no other requests before her. I am wondering about ongoing requests from organizations that fall under ACL Manitoba and the large number of rural communities that have been waiting for some support from this Government for follow-up supports for people in employment programs, communities that include Brandon, Portage, Altona, Beausejour, Selkirk,

Stonewall, Arborg, Steinbach, Ste. Anne, Thompson, and Swan River, and further to that what about the programs and the ongoing requests from organizations like Sturgeon Creek? Are these not before the Minister at this time. When will she be responding to these ongoing requests for a program for follow-up supports for people in employment programs?

Mrs. Oleson: Mr. Acting Chairman, there are many requests that come to my department on many issues, as the Member will be aware. We have to set our priorities of what we can do with the funding for this year, and we have to take their newly enunciated needs if that is the case into consideration for next year, but there are many, many organizations that are in contact with the Minister's office and with the department on any given day. We attempt to meet with those organizations and discuss their needs with them. We attempt to meet their needs whenever possible. In many cases something will have to be deferred to another budget year, not this current budget.

Mr. Kozak: Mr. Acting Chairman, the Minister indicates that the needs of Premier Personnel's supported employment program may well be addressed in next year's budget. I wonder if the Minister could suggest to us whether it was appropriate to consider these needs for the financial projection process which was completed for this year's budget.

Mrs. Oleson: I did not mean to indicate in what budget year we were considering Premier Personnel's request. They have a letter in to us now, and we are considering their request. That was not the one I was really actually meaning for next year's budget.

* (1620)

Any group that receives funding, which Premier Personnel does not on a regular basis, I believe we did give them some funding last year to help them out of a very difficult situation, but any agency or organization that receives funding from us has to present to us a projected budget of what their needs are for the coming year. In many cases that had not been the custom previously, but I have asked that that take place, that they give us a projection.

I have also indicated to them when I asked them for that budget projection that that does not cast in stone that they will get that amount. We need to know from these organizations what their projections are for growth and what their needs are and then we can sit down with them to discuss those needs. There is a lot more prebudget information being received from agencies I believe than there was in the past.

Mr. Kozak: Mr. Acting Chairman, from time to time I am certain it occurs to the Minister and her officials that there may well be programs that they would like to introduce in the next fiscal year or perhaps the subsequent fiscal year. Certainly I would not like to ask the Minister any specific details regarding next year's budget, but I wonder if the intentions or the wishes of the Minister and her department for the next fiscal year would to some extent be reflected in the department's

input into the Minister of Finance's (Mr. Manness) multi-year budget projections.

Mrs. Oleson: My department gives the Finance Department projections of existing programs, what they will cost in progressive years, but the Finance Department makes the ultimate decision of what they will use, what projections will be placed in that.

I do not mind this line of questioning of course, but the budget projections of the Department of Finance are the purview of the Finance Minister. My department does have input and is asked to do projections, for instance, what we feel the needs for the social assistance program will be in years one, two, three and so forth, and we give those projections to the best of the information we have available.

Mr. Kozak: Mr. Acting Chairman, I think the department is certainly proceeding in the prudent way in this regard. It is probably unwise to attempt to second guess the budget process some months or a year ahead of time.

Am I to assume then, as I do presently assume, that if other departments are proceeding in the same way that the financial projection contained in this year's budget does contain within it the assumption of no growth in Government services in the next fiscal year?

Mrs. Oleson: I think you would have to discuss that with the Minister of Finance (Mr. Manness). As I indicated, my department would provide in this case, in our case anyway, the projections of the programs that we have in existence now and what their needs will be in the future.

Ms. Gray: Mr. Acting Chairperson, can the Minister tell us, is one of the objectives of this particular division the support of the concept of moving the mentally handicapped from workshop situations into competitive employment in the community?

Mrs. Oleson: That is one of the topics that is often under discussion with various groups. There are varying opinions on that matter, but it is my opinion that wherever possible and with the desires of the client that should take place whenever it can happen.

There have been some very good things happen in that regard. There have been people moved into employment out of a sheltered workshop situation, and that is very positive. We do not want to push people to do that if they are not ready for it, but the concept is very good.

Some parents do not feel that is appropriate for their family. So all these things have to be taken into consideration when we are deciding what programs we will be funding and to what level we fund them.

Ms. Gray: Mr. Acting Chairperson, I take that answer as a yes. If in fact then this is one of the objectives of this particular division, could the Minister outline for us what specific activities are under way within her department which would reinforce the accomplishing of this objective.

Mrs. Oleson: The department funds agencies whose role is to prepare people for employment. There are

various agencies that do that as part of their ongoing work.

Ms. Gray: When the Minister indicates "funds agencies" could she be explicit as to who those agencies are, because I am referring to people who are currently in workshop situations who then may want to move into competitive employment in the community with some assistance?

Mrs. Oleson: There are a variety of occupational centres which do that kind of work. We can provide a list for the Member some other time if she wishes.

Ms. Gray: With some of those existing agencies, such as WASO, Versatech, et cetera, what specific incentives or what specifically is the department doing to assist those particular agencies to actually work towards moving, where appropriate, of course, individuals into community employment?

Mrs. Oleson: The workers would assist the client with assessments and so forth to evaluate whether or not they were ready for a workplace. We provide per diems for various workshops whose goal it is to prepare people for the workplace. There then has to be contact, of course, with various workplaces to discuss with them the merits of taking part in the programs, so that indeed there are places and positions available for these people to work in. There has to be a great deal of contact. Some of the agencies do a great deal of that themselves, of contacting potential workplaces, but it is part of the department's function to work with these agencies.

Ms. Gray: Can the Minister tell us, are there any specific funds which are allocated to some of these workshops, such as Versatech and/or WASO, Sturgeon Creek, which are specifically allocated for extra staffing or resources to assist these workshops in working with employers in the community?

Mrs. Oleson: We pay fees per client and then we do not pay the agency x-number of dollars to do this. We pay a fee per client and sometimes there is variation in that fee to reflect some of those needs.

Ms. Gray: Is the Minister indicating that the per diem which is paid per client per workshop, \$10.30 or \$20.30, whatever it is, that part of that per diem includes some provision that those staff or the agency will be working with that client to actually move him/her into the community, into employment, if appropriate?

Mrs. Oleson: That is part of the expectation. Also, as I indicated before, each client has a worker who does assessments and evaluations and helps with placement.

* (1630)

Ms. Gray: In regard to the follow-up goods and services which ties into these questions in which the Member for St. Johns (Ms. Wasylycia-Leis) was asking. I think the Minister is at least consistent with what she said last year in Estimates, because her answers are somewhat confusing in regard to the follow-up goods and services.

Now, if the Minister could clarify the follow-up goods and services program, are any of the dollars in that program being utilized at all for any clients?

Mrs. Oleson: No, we have not implemented that component of voc rehab at this time.

Ms. Gray: Can the Minister tell us when that particular program was discontinued or when those dollars were not being used?

Mrs. Oleson: Staff advised me that it has not been used in the past, so it was not discontinued.

Ms. Gray: My understanding is that some of the workshops, and Versatech is one example, did have the opportunity to use some of those dollars for clients in order to assist those clients in moving into the community. They have raised that issue a number of times, as have other workshops, as to whether the department is willing to look at that type of program.

That is why I ask the Minister if she could tell us what specific initiatives, activities, incentives were being carried out by her department or co-ordinated by her department to assist these agencies and groups in actually moving people into competitive employment. Perhaps if she could answer that question.

Mrs. Oleson: It is my understanding that Canada Employment and Immigration has a program that deals with this. Premier Personnel is part of that. That is where they get their funding, and we had put some temporary funding into them last year in response to a request and some negotiations.

Ms. Gray: Can the Minister tell us, are there any initiatives at all that are going on in the department that would actually support the movement of people from workshops into the communities so that we have less people in workshops or, in fact, that we have a continuum so that people coming from the school system have spaces in a workshop, because some individuals have been able to move out of that workshop setting and move into competitive employment.

Are there any initiatives on the part of this Government that have been working with the workshops to encourage that so that we have a continuum of service, and so that in a number of years we do not have to put the same amount of dollars into day programs because we have moved people into the community, into employment?

Mrs. Oleson: The department does some work as I indicated through the regions with assisting clients in various workshops to gain employment. I have indicated to the Member for St. Johns (Ms. Wasylycia-Leis) that the follow-up goods and services component is something that we will look at in the light of another budget.

We certainly do want to encourage people whenever possible. The Member of course will be aware that some clients in some sheltered workshops would not be able to take part in the workforce, and we certainly

do not want to be forcing people to do this. We certainly want to encourage those who wish to and those who are able to.

Ms. Gray: Could the Minister then tell us what is it that the regions are doing with these workshops? She has indicated that regions are working with the workshops in regard to this aspect. What exactly are they doing; what is the plan?

Mrs. Oleson: I will repeat that the regional staff work with the clients in workshops. They do assessments and help them with placements wherever possible.

Ms. Gray: Is the Minister indicating that part of the job of the regional staff is to develop plans and actually seek competitive employment or employment opportunities in the communities for the clients?

Mrs. Oleson: That is done wherever possible.

Ms. Gray: Is it very seldom possible, given the workloads and other priorities of the staff in the regions?

Mrs. Oleson: This is an ongoing process. There have been people placed in employment from workshops, but it is an ongoing thing that is part of the work of the regional people who work with clients. I am sure wherever they see an opportunity, they help that client into a work situation.

Ms. Gray: Well, yes, in fact there have been examples of people moving into the community, into competitive employment. That is solely because of the initiative of some of the workshops such as WASO and Versatech, where these agencies have developed a very good working relationship with the corporate citizens and have in fact expended a lot of time and energy in doing this.

Where there seems to be a difficulty is that there seems to be a feeling on the part of these groups that in fact they do not know what the direction is of the Government in regard to moving people into the community. They do not know whether it is a priority or whether it is not because they have not had any direction, or they have not had any indication from regional staff or other staff that in fact this is the direction that the Government is going to be moving.

That is why I had asked the earlier questions of the Minister in regard to whether this was an objective. Where did she see the department going, other than saying, everything is an ongoing process? Again I can appreciate why the agencies are frustrated, because I am assuming they are getting the same answers we are, which is basically that everything is an ongoing process. Really there is no articulation of any clear goals and objectives as to—I mean if the department had decided, no, it is not a priority, better to come out and say that so. At least the agencies and groups know where they are at, rather than to be in this state of confusion.

The Minister had indicated that there was a request from Premier Personnel for funds and that there had

been some funding in the last year to assist Premier Personnel. Can the Minister indicate if there was not a request from Premier Personnel before this budget year asking for ongoing funding from the Government? Have they not requested that in the past, rather than just in the middle of the fiscal year?

Mrs. Oleson: Mr. Acting Chairman, they did request funds last year because of a particular situation. Negotiations took place and they were provided with funds. They are now asking again for funds, but they are primarily funded by the federal Government through a program that they run. They did ask for funds from us for this year's budget, but we did not allocate funds for them. They have a request in to us now, and we will be considering it.

Ms. Gray: Can the Minister tell us the reason for not giving funds to that particular agency, to Premier?

Mrs. Oleson: It would have been a new initiative on our part, and we did not expand our funds to cover that. There are many reasons. If you get right down to the bottom line, it is probably money. We cannot fund every request. We have many, many requests that we have to turn down, regrettably. I mean it would be wonderful to be able to say, yes, to all these programs but that is an unfortunate fact of life, that we cannot. We will certainly take into consideration their current requests.

Ms. Gray: Can the Minister then just clarify, was money basically the only reason, or lack of money, why that agency was not funded or are there other reasons?

Mrs. Oleson: No, we did not expand the program and I guess you would have to say that the primary reason would be funding. It would have been an expansion on the part of this department because we had not funded them before. As I have indicated on other times in response to questions, we had some priorities for stabilizing programs which were already being funded by this department.

* (1640)

Ms. Gray: Can the Minister tell us, are there other agencies or groups who provide this similar type of service that Premier Personnel does? In other words, is that need being met by other agencies, and if so, which ones?

Mrs. Oleson: There are other agencies that provide similar services, and they may very well wish to provide that type of service, but the agencies, I find, are not identical in their scope. The Premier Personnel has just a little different approach. I am not saying there is anything wrong with it. I think it is a good program, but it is not something that this department had funded in the past.

Ms. Gray: Mr. Acting Chairperson, in the middle of this year, after much pressure from parents and community groups and Oppositions agreed that there should be some consideration given to day programs

for the mentally handicapped, an allocation of 44 spaces was announced by this Minister. Could the Minister tell me, with that change in policy to actually allow some expansion of day programs in Manitoba—I am assuming the dollars were not budgeted at the first of the year because of the budget already being created and decided upon—where is the money coming from for these 44 day program spaces?

Mrs. Oleson: That is a special allocation. It was recognized that there was an extreme need on the part of many people. I asked the department to do an evaluation and indicate to me exactly the situation with these individuals. It was felt, and Treasury Board agreed with me, that we should provide the funding for them because there were some serious problems, which I will not go into, of course, because of their individual cases. I am very happy that the Treasury Board agreed with me and that we were able to provide that funding.

Ms. Gray: The Minister will have to help me out and explain to me in terms of special allocation where exactly do those dollars come from? Do they come from within the department somewhere, or where exactly did that extra money come from? -(interjection)-

Mrs. Oleson: No, it is not a secret. That will be supplementary funding. It is not within this budget as the Member had indicated before. It is not in the printed Estimates that we have before us, it will be supplementary funding.

Ms. Gray: In regard to the budget process and how things are decided, obviously recommendations are made from regions and program directorates in regard to what they see as reasonable for any budget increases, et cetera, I am wondering if the Minister could tell me. In the initial go around when this budget was being looked at, was there a recommendation from regions and/or program branch that there be some expansion of day programs, or was that recommendation for zero expansion, did that come from the department?

Mrs. Oleson: There is a lot of information put forward from regions, from the department. There are a great many things that have to be considered, so we have to establish exactly what we can possibly do within the guidelines that we have. All sorts of information comes from the regions into the budget process in any given year.

Ms. Gray: Did the regions, or particularly programs branch, recommend no expansion of day programs for this fiscal year's budget?

Mrs. Oleson: The recommendations that are made are internal, the Member should be aware. I am not at liberty to be discussing every preliminary budget paper that was prepared.

Ms. Gray: I am asking this question because someone obviously saw the light in the middle of the fiscal year, and the Minister herself has said she finally recognized for whatever reasons, that there should be some dollars allocated to some day programs. I am wondering where

that decision came from to not, in the initial go around, have a zero expansion of day program spaces. Was that a decision made by the then Deputy Minister, was the decision made by Treasury Board, or was it a recommendation that came from the program staff?

Mrs. Oleson: The Member should be aware that the budget for this department was increased by some \$41 million this year, 9.1 increase, which was one of the largest in Government. We attempted to meet all the needs that we possibly could. Obviously there are many needs that are not met, but it all goes into the working papers, it is all considered. I think a commitment of an extra \$41 million certainly indicates that this department has a high priority with our Government.

Ms. Gray: What finally made the Minister change her mind in regard to realizing that there needed to be some recognition, that there should be some dollars allocated for day program spaces? What were the factors that made her recognize that?

Mrs. Oleson: The needs were very clearly identified by staff and by clients and families of clients. That helped me in making the decision as to what we should do about this. We decided that it could not be left for another budget, that we must attempt to act upon it, which we did. The important thing is here, not who said what and when, and who wrote down what. The important thing is that it was done. The money is in place and those people are getting service.

Ms. Gray: I think it is important that these people or some individuals will get service. I think there is a principle here in regard to where those recommendations came from because there has been concern about the management of the Department of Family Services, and if staff are making recommendations which seem to be totally out of touch with community needs, et cetera, that is one thing. I do not believe for one minute anyway that programs branch staff would make a recommendation that saw no expansion. I do not believe that because I think they are aware of what the needs are.

So then the question is, who is making those decisions or is senior management and Treasury Board totally ignoring any type of advice that they are getting from the department? This again is a concern because I think that, by and large, civil servants are in departments to do their job, to do a good job, and there has to be some recognition of some expertise of people within the departments in regard to what the needs are. I would be very surprised, as well, if staff would not lay out all the options in regard to—here is what the consequence may be if this option is done or this option is carried out, whether it is giving extra dollars in a budget or whether there is no increase. Certainly the outcry from parents, et cetera, when it was recognized that there would not be an expansion of day programs, was admirable on the part of the parents because they obviously felt that they were backed against a wall. We were certainly pleased to hear that there was an allocation later on of those 44 spaces.

I would ask the Minister, with the allocation of the 44 spaces, does she have a breakdown of how that translates to the various regions in the province?

Mrs. Oleson: Mr. Acting Chairman, we will have to get that information for the Member. We have not got it right to hand, but I can provide that later.

* (1650)

Ms. Gray: Mr. Acting Chairperson, I will await that information. Going on to another issue in this section, if the Minister could again tell us. Obviously a decision was made initially in this fiscal year to cut dollars to a proportion of Skills Unlimited and to the EPC, Employment Preparation Centre, managed by SMD, and to our ministries in Brandon. Can the Minister tell us who made that decision to cut dollars to those particular agencies?

Mrs. Oleson: Mr. Acting Chairman, there was an intention of a reallocation and some steps were intended to be taken, the result of which those funds would not be needed. When it came to my attention what had happened with that particular situation with Skills Unlimited, the Member knows I immediately acted upon it and provided those funds so those people would not be laid off from that particular facility.

Ms. Gray: Can the Minister tell us, why was it thought that ARM and EPC and Skills would not need those amounts of dollars?

Mrs. Oleson: The ongoing work of the department was that those people who were in those particular positions in those workshops would be going into the workplace. As the year progressed this did not happen and then those funds were needed, but they had not been allocated for that purpose. As I repeat, when it came to my attention what the results of that would be, then that was changed and those people are working at their workshop.

Ms. Gray: In regard to Skills Unlimited, I believe some of those clients who are in that shelter workshop have been there for years and years. Was there negotiation with the department and Skills Unlimited that all of a sudden in this particular year those clients who had been in there for some years and years at that particular job would be moved out into the community?

Mrs. Oleson: In discussions with the workshop it was felt that those people could, because the Member makes the point they had been there for years and years, that perhaps they could be placed in work situations out of that facility. However, that, as the Member knows, did not take place.

Ms. Gray: Was the money reinstated to ARM and EPC as well?

Mrs. Oleson: Yes, it was.

Ms. Gray: Was that another special allocation? Was that how the money went to those agencies since it was not part of the budgeted amount?

Mrs. Oleson: We are attempting to find those funds within the total allocation, and no, there was not a special dispensation of that.

Ms. Gray: So the money comes from somewhere within the Department of Family Services, but the agencies, have they been told that in fact those funds will, or have been restored, for this year's budget?

Mrs. Oleson: Yes, they were informed immediately so that is not their problem. It is our problem to find the money as they have been informed that they will be getting the funds.

Ms. Gray: When we first raised this issue in the House, I believe the Minister answered that one of the reasons for the funding cut was that there was an evaluation that was taking place at these facilities. Can the Minister tell us, was that evaluation under way before the budget decisions were made early in the year?

Mrs. Oleson: The evaluation of those centres is still going on so it has not been completed.

Ms. Gray: Can the Minister tell us which came first, the beginning of the evaluation of those centres or the decision to cut the funds?

Mrs. Oleson: It was not a decision to cut funds to those particular agencies. It was a decision, with an ongoing evaluation, to change the focus so that these people would be in the workplace and those funds would not be needed in that facility. That, as the year progressed, did not turn out to be the case and so those funds were needed.

Ms. Gray: Can the Minister tell us, she said the funds were not cut, but there were less dollars allocated to Skills Unlimited, i.e., some \$21,000, I forget the exact amount. I am a little confused because it would appear that the budget would be calculated given that there was a decision made that within this particular budget there would need to be that allocation of funds to those three centres. Were they in fact aware, very early on, that they would not need those dollars?

Mrs. Oleson: We felt during the budget preparations that we could accommodate those facilities without those dollars. As the year progressed, as time went on, it proved that was not possible, but then of course we did not have the dollars.

Ms. Gray: When did the evaluation of these facilities start? Has it been completed?

Mrs. Oleson: I had already indicated that the evaluation was not completed. It started sometime in the summer.

Ms. Gray: Can the Minister tell us the expected date of completion of this review or evaluation?

Mrs. Oleson: I understand the review is in the final stages. It should be completed shortly.

Ms. Gray: Can the Minister tell us why there is a need to extend the review period? I believe the initial thought in writing to these centres was that the review was to be completed by the middle of October of '89.

Mrs. Oleson: Staff indicate to me that there was difficulty getting data, so the time frame needed to be extended.

Ms. Gray: Are the agencies aware of when this review will be completed?

Mrs. Oleson: The agencies are a part of the reviews, so I would take it from there that they are aware of when it began and how it is progressing.

Ms. Gray: Mr. Acting Chairperson, well, they do not know when it is going to be completed because I just talked to them the other day. That is why I was asking the question if it can be completed soon.

My question is: once this evaluation is completed, is this evaluation going to be used to then determine the budget allocations for this next year in regard to those particular services that are provided by those agencies?

Mrs. Oleson: It is intended to assist the agency, and in part that will have some influence on what funds are allocated, yes.

Ms. Gray: Does the Department of Family Services provide the sole funding to the Society for Manitobans with Disabilities in regard to employment opportunities for the physically disabled?

Mrs. Oleson: This department?

Ms. Gray: Yes. Does Family Services provide basically the sole funding for the Society for Manitobans with Disabilities in regard to their specific program that deals with providing vocational employment opportunities to the physically disabled?

Mrs. Oleson: Mr. Acting Chairman, basically we are the funders for that particular part of the program, but they receive funds from other agencies besides Government, United Way and so forth. So their funding comes from several sources, but we are the primary source of the programs the Member indicated.

* (1700)

The Acting Chairman (Mr. Burrell): The hour being 5 p.m. and time for Private Members' Hour, committee rise. Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Parker Burrell (Acting Chairman of Committees): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Minnedosa (Mr. Gilleshammer), that the report of the committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' BUSINESS

Mr. Speaker: The hour being 5 p.m., time for Private Members' Business.

SECOND READINGS

BILL NO. 89—AN ACT TO AMEND AN ACT TO INCORPORATE UNITED HEALTH SERVICES CORPORATION

Mr. Helmut Pankratz (La Verendrye) presented Bill No. 89, An Act to Amend An Act to Incorporate United Health Services Corporation (Loi modifiant la Loi constituant la "United Health Services Corporation"), for second reading, to be referred to a committee of this House.

Motion presented.

Mr. Pankratz: It is my pleasure to introduce this Private Members' Bill into the House. The United Health Services Corporation is a non-profit corporation operating under the trade name, Manitoba Blue Cross. It was incorporated by a statute in 1974, which was then amended in 1978.

The corporation seeks to amend their Act so as to change the manner of selection of members to their board of directors. Mr. Speaker, in essence, as stated in the Bill, they wish that Section 7 of the Act to be repealed so as to allow the affairs of the corporation to be managed by a board of directors made up of not more than 20 and not less than 10 members appointed annually by a nomination committee.

The nominating committee would appoint board members in accordance with the terms of reference established by the directors for the committee and approved by the members. In that Manitoba Blue Cross is a community-based organization, the nominating committee would look for individuals who would represent the community which the corporation serves.

Mr. Speaker, this would include providers of such services. For instance, in filing positions on the board of directors, the nominating committee shall use as guidelines that which has been established by the board of directors and approved by the members of the corporation at the annual general meeting of the corporation.

There would be representatives from organized labour, management, retired individuals, health care providers and other professionals, as well as, I believe, the provincial Government nominee.

The amendment to Section 7 would stipulate that one of the directors would be a person other than a Member of the Legislative Assembly, designated by the Executive Council of the Government.

Mr. Speaker, the United Health Services Commission also wants to change the provisions for remuneration of officers and directors. As stated in the Bill, the directors, executive committee members and the chairperson of the board may be paid such

remunerations as may be determined by the board from time to time. This remuneration would be subject to an annual adjustment for the cost of living established in accordance with the policies set by the board from time to time.

In that, discussions have taken place with both Opposition Parties, and it is my understanding there is no objection to the contents of this Bill. I believe that the Member for Concordia (Mr. Doer) and also the Member for St. Norbert (Mr. Angus) have been contacted on this Bill. To my estimation at least, there is no opposition to this Bill, and I therefore trust that the Bill will receive speedy passage.

Mr. Richard Kozak (Transcona): Mr. Speaker, with pleasure and thanks to the Member for having introduced this Bill, I move, seconded by the Member for Inkster (Mr. Lamoureux), that debate on Bill No. 89 be now adjourned.

MOTION presented and carried.

DEBATE ON SECOND READINGS

BILL NO. 2—THE LANDLORD AND TENANT AMENDMENT ACT

Mr. Speaker: The next item of business before the House is Bill No. 2, The Landlord and Tenant Amendment Act; Loi modifiant la Loi sur le louage d'immeubles, introduced by the Honourable Member for Inkster (Mr. Lamoureux).

As some Honourable Members may be aware, there is some similarity, some duplication of content in this Bill and in Bill No. 42, The Residential Tenancies Act; Loi sur la location à usage d'habitation, introduced by the Minister of Housing (Mr. Ducharme). I recognize that the apparent similarities between certain provisions in both Bills might present the House with procedural difficulties.

I therefore consulted with the Law Officer of the House respecting the differences and similarities between the two Bills and was advised as follows: Bill No. 2 is an amendment to Part 4 of The Landlord and Tenant Act. The proposed Section 81.1 provides that a landlord cannot receive or require a security deposit unless a condition report on the premises and on any furniture, appliances and fixtures provided by the landlord is prepared by the landlord and signed by the tenant and the landlord. The proposed Section 81.2 requires that a copy be given to the tenant.

The proposed Sections 81.3 and 81.4 deal with remedies where a condition report is not completed, either through a failure to act or by reason of a disagreement between the landlord and the tenant. The proposed Section 81.5 provides for the making of a complaint to the rentalsman, the payment over the security deposit to the rentalsman, inspection of the residential premises, completion of the condition report, and notification of results by the rentalsman and an order as to the disposition of the security deposit.

The Lieutenant-Governor in Council, in the proposed Section 81.6, is given a power to prescribe a form of

condition report. Bill No. 42 is a new Act which replaces Part 4 of The Landlord and Tenant Act and The Residential Rent Regulation Act. In Section 17 it permits but does not require the completion of a condition report.

Where the landlord and tenant inspects a rental unit and any furniture provided by the landlord, the landlord completes a condition report in a form prescribed by regulation on the rental unit and any furniture provided. The landlord and tenant sign and date the report, and the landlord gives the tenant a copy of it.

The condition report may be considered in any matter arising under the Act or regulations. The purport of this provision is evidentiary only. It appears to me that it is inescapable that the Bills relate to the same subject and contain substantially similar provisions in the sense that the provisions cannot stand together.

* (1710)

Beauchesne's Citation 624, Section (3) provides that, and I quote, "There is no rule or custom which restrains the presentation of two or more bills relating to the same subject and containing similar provisions. But if a decision of the House has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions and such a bill could not have been introduced on a motion for leave. But if a bill is withdrawn, after having made progress, another bill with the same objects may be proceeded with."

Manitoba Rule 31, which states in part that, and I quote, "No Member shall revive a debate already concluded . . .", also applies to the situation in which the House currently finds itself. Bill No. 42 has received second reading. That is, the debate on the principle of the Bill has been concluded. If the House now continues to debate Bill No. 2, it would be reviving a debate already concluded because of a similarity in content.

Combining the advice obtained from the Law Officer of this House with the authorities just quoted, it would be procedurally improper, therefore, to permit any further debate on Bill No. 2. To do so would contravene the provisions of Beauchesne's Citation 624 and would also be contrary to our own Rule 31.

The Honourable Member for Inkster (Mr. Lamoureux) has two courses of action open to him. Bill No. 2 can remain on the Order Paper, not be proceeded with any further, and die when this Session is prorogued. Alternatively, he may seek the unanimous consent of the House to withdraw it. A further option is open to the Honourable Member in that he may propose amendments to Bill No. 42 when it is in committee to make the provisions in it absolutely identical to those now contained in Bill No. 2. The Honourable Member for Inkster.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, as the person that has introduced this particular Bill, as I spoke on Bill No. 42, I had made reference to the fact that there were several amendments that I would like to

see brought forward to Bill No. 42. Right offhand, without going over your decision or what you have stated just previously, I would like to have the opportunity to go over it and make a decision on what we believe is in the best interest, whether or not to withdraw the Bill through leave on Question Period or to leave it on the Order Paper and to allow it to die and no speakers would have to be put up in the interim.- (interjection)-

Mr. Speaker: Order, please.

As the Honourable Member has indicated, this matter will remain on the Order Paper until such time as the Honourable Member may wish to decide to have it withdrawn, and it will not be proceeded with.

BILL NO. 4—THE HIGHWAY TRAFFIC AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Assiniboia (Mr. Mandrake), Bill No. 4, The Highway Traffic Amendment Act (2); Loi no 2 modifiant le Code de la route, standing in the name of the Honourable Minister of Health (Mr. Orchard). Stand.

Is there leave that this matter remain standing? Agreed.

BILL NO. 10—THE BEVERAGE CONTAINER ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Springfield (Mr. Roch), Bill No. 10, The Beverage Container Act; Loi sur les contenants de boissons, standing in the name of the Honourable Minister of Health (Mr. Orchard). Stand

Is there leave that this matter remain standing? Agreed.

BILL NO. 13—THE MANITOBA INTERCULTURAL COUNCIL AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Selkirk (Mrs. Charles), Bill No. 13, The Manitoba Intercultural Council Amendment Act; Loi modifiant la Loi sur le Conseil interculturel du Manitoba, and the motion of the Honourable Member for Thompson (Mr. Ashton) that the question be now put, standing in the name of the Honourable Minister of Health (Mr. Orchard). Stand.

Is there leave that this matter remain standing? Agreed.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I would like to put a few remarks on the record regarding Bill No. 13. I find it is rather unfortunate that the Government continues to stand this particular Bill as every Private Members' Hour seems to proceed.

Mr. Speaker, in the press release that was issued from the Minister back on September 6, 1989, referring

to the background information on the Manitoba Intercultural Council, it basically stated what I believe is what the Government fully intends to keep this particular agency or council as, and that is of course, and I quote from the news release, that MIC was established in 1983 to make recommendations and to provide advice to the Manitoba Government on all ethnocultural matters in the province.

Mr. Speaker, I guess my concern is that we have through MIC an excellent organization that has done many positive things for our different ethnic groups throughout the province. It seems that the Government is wanting to belittle this particular organization. That causes grave concern for myself because I believe, along with my caucus—and the Liberal Party has actually taken a policy stand—that MIC serves a very important role in Manitoba. I do not like seeing what this particular Government is doing to the responsibilities in curtailing the powers or potential good that the Manitoba Intercultural Council can actually do for the province.

What Bill No. 13, introduced by the Member for Selkirk (Mrs. Charles) will actually in fact do, Mr. Speaker, is to give MIC the mandate by acknowledging it as the funds-disbursing agency. Previously, in May of 1989 the Conservative Government, shortly after taking office, one of the first actions they took was to withdraw the power of the agency to be able to distribute the funds out to communities, ethnic groups and so forth, and instead put it into a board that was a politically appointed board of 15 members.

I have to wonder why they would do something of this nature, Mr. Speaker, because I believe that they do not have the trust or at least they are demonstrating that they do not have the trust, in Manitobans, in ethnic community leaders, to be able to make decisions that are in the best interest of the ethnic community, the multicultural community that we are so glad to have here in the province. That somewhat concerns me that we would see a more Government hands-on approach to decisions, in terms of where monies are going to be allotted, what type of organizations, for what type of projects or differing types of projects.

Another thing that this amendment, or proposed amendment to the Act, would do is that it allows MIC to elect its own presiding member from within the executive. I believe that something of this nature again will somewhat depoliticize, if you will, some of the actions that the Government can take. I do not see any reason why they would not have the faith in an executive board to be able to elect from within someone to preside as the chairperson over the board. Again, it is something that I believe would make it a much better piece of legislation if we had this particular amendment brought forward to the Act, Mr. Speaker.

It also, amongst a couple of other things, has the executive secretary become an employee of the association, and I think that too is a positive step towards trying to ensure that this particular agency can operate in a much better manner.

The recommendations, or the amendments that we are proposing, the ethnic communities in large support. They would like to be able to do the things that we are suggesting. This is what we should be working towards, is trying to enhance wherever we can enhance. It seems to me that we are going the opposite direction, because the Government, the Conservative Government seems to say that their system, the system that they have put in place, is much more accountable.

Again, you say what—do they not have the faith in Manitobans to do the job honestly and efficiently? The Government already has the right to appoint one member for every two members that are selected from each community. I think there are other ways such as the audit report. The Government has the right to have an audit done on MIC and the monies that they are distributing.

It seems that we have the mechanisms in place to ensure that MIC can be held accountable, but for whatever reasons this particular Minister, thereby this Government, has seen fit to take the responsibilities away from MIC and to take it upon themselves to start making more of the decisions by having a board of 15, which is appointed by the Minister, Mr. Speaker, to make those decisions. If the Minister really believes that there are not going to be more political-oriented decisions, I think that she is not thinking properly. She should maybe rethink what she was originally intending.

Mr. Speaker, she might have been sincere in trying to bring another approach, but I think if she sits back and looks at what she has caused and the potential problems that can be created by another Conservative Minister that replaces her, that maybe the intent of her idea was not what she had really hoped it to be, and maybe on something of this nature when she starts rethinking her changes she will come back and make a more positive change, iving the rights back to MIC. I think that would be a step, no doubt, that we in the official Opposition would support wholeheartedly and would encourage the Minister to rethink her position on this particular issue.

Mr. Speaker, if we look at the Government's record on multiculturalism and we take a look at or continue the train of thought on MIC, we will find that some of the things that they have done, whether it is the lack of communication from the Minister to some of the ethnic groups, it is really intolerable. As the Minister responsible for culture, she should be wanting to reach out and meet with different ethnic organizations and doing whatever possible in order to enhance these communities. It is somewhat unfortunate that maybe she is not reaching out as much as she should be.

Mr. Speaker, one of the things that I have found, and I would not mind to actually take a few quotes from some of the papers, but that is the action that this Government took in the appointment of one of the members last year to the MIC Board, and the one that I want to highlight is the appointment of Grant Russell. Grant Russell is a dreadful appointment. It is really an embarrassment to all of us that this Government would appoint someone like Grant Russell to the MIC Board.

If we look, and as I say I do want to quote from actually three articles that I have taken out of my file

* (1720)

regarding this particular appointment, you will see the attitude that this Government has toward MIC and their ability or lack of ability to recognize an injustice or a mistake that they have done and not withdraw in this particular appointment. I read from the Winnipeg Free Press, Friday, June 16. The Irish Association, and I quote, the Irish Association of Manitoba does not want its name linked to the anti-bilingualism crusader Grant Russell. An executive member of the group said yesterday, Russell has only been divisive in the Irish community, Patrick MacDonald said. MacDonald was joined by members of two other ethnic groups who yesterday denounced the Filmon Government for linking appointments it made to the Manitoba Intercultural Council with their comments.

Mr. Speaker, we have people who are very concerned with the appointment, with this particular appointment, and the Government reaction is no reaction. They are quite content to take whatever criticism is levelled at them, but they are not willing to take any type of rectifying action. You are not seeing them changing what was a bad decision. It was a bad decision to appoint Grant Russell to this position, and they are not willing to -(interjection)- the Minister of Finance is encouraging me to go on to my next quote, so I will go on to my next quote. It too is from the Free Press. He is saying—keep the Member for Portage la Prairie in his seat, he looks to be so enticed by these remarks. He has had a very tough year in Portage la Prairie no doubt.

Mr. Speaker, getting back to another quote, this one is actually an editorial from the Winnipeg Sun, before I go on to the Free Press again. It reads as an editorial: A man who would like to see French disappear as an official language in Manitoba gets appointed to the Manitoba Intercultural Council. I think that really sums it all up quite well, that we have an appointment like this. Whether it is an editorial, whether it is from the community, whoever you talk to tell you that this was a bad appointment.

Even if, I believe, some of their Cabinet colleagues were to say that it was a bad appointment I do not think they would want to change their mind or rescind the appointment because they want to save face. They do not have the tenacity to stand up and say that, yes, we made a mistake on making this appointment and rescinding it. Because of this the MIC, the board, and the community, whether it is the Irish community, whatever other community, has to live with the appointment from this particular Minister.

The Liberal Party believes that multiculturalism is a fundamental value to the province and in fact to Canada, that anything that can be done to enhance it should be strived for. As I have pointed out, it was a Liberal Party policy during the '88 election to give some teeth or some power or authority to MIC because we believed that would enhance multiculturalism in the province. I do not think we should underestimate the importance of multiculturalism. I believe that the Government of the Day is doing that.

If you will look at Canada, it is made up of immigrants who have contributed in all facets of society that we have today. I think whatever, as I have pointed out, can

be done should be done. We should be moving toward doing this. Most people, when you talk about multiculturalism, will talk about one of the events that Winnipeg or Manitoba hosts on an annual basis and that is, of course, Folklorama and the effort and the time that many people put into ensuring that this is a success for the province.

I see that my light is actually flashing, but I did want to conclude on a note that I wish the Government would stand up -(interjection)- The Member for Portage la Prairie (Mr. Connery) says, give leave. I would be more than happy to finish my remarks if everyone was willing to give me leave, but I did want to conclude, Mr. Speaker, by saying that we introduced this resolution last year back on December 8 by the Member for Seven Oaks (Mr. Minenko). We never had any Government Ministers stand up to speak on the Bill. It was reintroduced and debated on June 15, and we have had numerous Members of our caucus speak on the Bill. The Government should be speaking on this Bill more. On that note I will sit down. Thank you.

* (1730)

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the Honourable Minister of Health (Mr. Orchard).

BILL NO. 17—THE EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Thompson, Bill No. 17, The Employment Standards Amendment Act; Loi modifiant la Loi sur les normes d'emploi, standing in the name of the Honourable Minister of Highways and Transportation (Mr. Albert Driedger). Stand.

Is there leave that this matter remain standing? Agreed. The Honourable Member for Niakwa.

Mr. Herold Driedger (Niakwa): I take great pleasure to be able to rise in my place today to put some comments onto the record regarding the Bill in front of us.

I have heard already some chirping from the seat from Members to my left asking: which side of the fence are we going to be standing on today? I find such comments very hard to take, Mr. Speaker, because I believe that we are really going to take a look at the intent of the Bill that we have in front of us. If we really take a look at the intent of what is being addressed here, we look at a simple concept of right, a simple concept of trying to create fairness, and I think when it comes to that one should take a look at where one comes from when we sit down and start speaking about rights of individuals.

I remember that in previous comment, when people—I should not say people, I think just a few individuals have risen to speak on Bill No. 17—that similar comments have been made to the one that was thrown out just at the beginning of when I got up to speak, stating that there was some sort of ambiguity as to

where the Liberals stand on labour legislation, where the Liberals stand on rights of individual people. I think that it is only correct that we start to put some correct comment back onto the record.

I recall the Member for Flin Flon (Mr. Storie) when he was in full rhetorical flight, stating that one of our Members would say one thing in favour of a piece of labour legislation and another would then come and speak on something on the other side, as indicating that there perhaps were two views, two ways of looking at the same thing. I believe when one takes a look at the actual Bill, the actual wording, the actual intent, the actual words that we have to look at, sometimes that is the only freedom you have. You must look at something with some degree of specificity and sometimes, despite the fact that there might be a tendency to favour something, one must also criticize and be negative because what we must pass, or what we must amend, must fulfill all of the criteria that we want to put into place in the intent of legislation.

In that instance, with that in mind, what I intend to do for the remainder of the time that I have to speak on this Bill, I wish to address this Bill from the point of principle, which is what we must do when it comes to the second reading of a Bill. In fact what I will do is something more in line with a philosophical dissertation. I believe that we need to take a look at some of the aspects that are in front of us in the legislation in the words so that we can properly evaluate other Members' debate to decide what we ultimately will do with this Bill, with this legislation.

If I begin to take a look at more detailed analysis of the Bill, I take a look at the Act that this Bill is going to amend, The Employment Standards Act, and take a look at the intent of the Act itself. The Act is very clear. It attempts to defend, it intends to outline the rights of employees. It makes reasonable statements. It makes a case that there must not be an arbitrary usage of people you have working for you. It goes on to talk in terms of hours of work that may legitimately be asked of people you have working for you. It talks about minimum standards and conditions under which you have workers who are employed by you, how they are to be treated, the kind of conditions you can ask them to work in.

I mean, we have in this Legislature debated conditions of employment. We have debated environmental conditions. We have debated all manner of things in the way we try to improve the working conditions of the working man. I believe that is only correct. It is the entire will of this Legislature, I am convinced, to see to it that we maintain that thrust in our labour legislation, that we maintain that thrust in The Employment Standards Act. It is in that respect that Bill No. 17 amends and adds some new aspects to The Employment Standards Act, particularly with respect to the protection against termination of employees due either to business closures or layoffs, or business failures or a downturn in the economy, or some outside aspect that applies to a business concern which will impact directly on employees.

When we take a look at the intent of the legislation, it is clear, it is very evident that it attempts to make

the standards under which employees are to work, it attempts to make these employment or employment conditions with a humane face. None of us wish at any time to find that which we do is suddenly terminated without cause, without redress, without being able to get some sort of chance to adjust.

We all recognize that sometimes conditions change. Sometimes there are aspects to what we do that cause the environment of work to change, and perhaps our position becomes redundant or our position becomes one that is no longer useful in a particular employment, but that should not take away from the fact that you as a person, as an individual working for a concern have put considerable time and effort and loyalty into doing your work well. There should be some consideration given to that which you have given to your company.

When we speak as professionals, a professional, a chief executive officer in a large concern may find one day that he is called in to the board of directors and told that he must seek alternate employment because the philosophy of the business, the philosophy of the commercial enterprise has taken a different turn and the chief executive officer no longer fits in. What happens? Does this man quietly pack his briefcase and walk out of the building? No. There are all kinds of severance packages that are designed, all kinds of litigation even, because we are now talking in terms of people who have put massive effort into something. There are methodologies, codes of practice which allow us to enable such a professional to walk out of such a job with head held high, a suitable compensation package given to him so he can seek alternate employment.

Now I ask you, if it is right for the boss, is it wrong for the employee? That is what is being addressed with the intent of this particular Bill. It tries to put some form of humanity of dealing with people who are, through no fault of their own, told they are no longer wanted or perhaps no longer needed. I believe I can distinguish between those two, with a bit of time.

If it comes to wrongful dismissal, I do not believe that there is a single person here who has not heard of cases where an employee has been let go. If the employee feels that he or she has been wrongfully dismissed, there are avenues of redress. They can go to get a proper hearing, and they can be then told that this is correct or this is not correct. There are avenues of taking out of the employer-employee relationship the capriciousness of mood, the fact that a boss may come into work one day, totally and completely, as we say, got up on the wrong side of the bed, takes a look at the first employee who looks at him or her with the wrong colour eyes, and it is out you go, you are no longer necessary. I mean, that capricious nature has been taken out of normal employee-employer relationships, and we no longer do that.

* (1740)

This is a big step forward, a massive step forward from what used to be the case. It used to be the case the boss could do no wrong because the boss was

always right. Consequently an employee took what the boss delivered, and sometimes out onto the street. We all are familiar with that Dickens story where Cratchit is dismissed on Christmas Eve, and it is not until some spiritual training or education on the part of Mr. Scrooge that Cratchit is rehired the next day.

This kind of thing is a big step forward, and this Bill No. 17 addresses that issue. The working man historically has been much more susceptible to the vagaries of capricious chance, as I said, wrongful dismissal. Now we come to the situation where perhaps a business downturn, perhaps a situation whereby management finds that the mechanics of the business—the business of business which is to make money to be able to not only pay for the managers but also to pay for the proper share of taxation and the employees involved in the enterprise—something outside of the control of the management can and often does force management to retrench. In this retrenchment, in this pulling back, in this trying to become a leaner organization, they often are forced to release employees, to lay off employees, to perhaps let a number go.

When it is one employee or two employees, the impact may not be as severe as if you are looking at a case where a business may be releasing anywhere between 10 and, as we have seen the previous year, upwards of 150, 200 employees. This is a severe blow to an industry, it is a severe blow to a town, particularly in smaller towns where a business concern may be the only employer of note. It may have a severe impact on an entire community, as we saw with LynnGold and Lynn Lake.

Consequently, looking at dealing with what we must do with employees who must be let go, we should look at them with a much more humane attitude and permit them some of the same rights that others of us enjoy.

If it is a case of management predicting into the future and seeing the downturn occurring, they can plan ahead, and then in that case the provisions of this amendment are not onerous at all. I mean, as it states in the amendment, if you are forced to terminate between 10 and 49 employees—I see I have only two minutes left, Mr. Speaker, but I am in full rhetorical development. I could use the full 40 minutes—

An Honourable Member: With leave.

Mr. Herold Driedger: —by leave. However, I do not think I will be able to finish this. What I may have to do is perhaps wait until either the Member chooses to reintroduce this piece of legislation in another Session of this Legislature or perhaps I will, of my own accord, take aspects of this and introduce it myself, if so I can.

I do wish to finish at least this one thought on employers who do have the ability to predict the future. Say under this Free Trade Agreement they see competition coming. They can see ahead of time already that their business concern is going to suffer a downturn. Then the provisions of having to give notice and this kind of severance situation, as indicated in the Act, falls fully within the ability to predict and the ability to work into your normal course of business.

However, there are times when businesses are brought to their knees not because of downturns in an economy that they can predict, but rather through the decision of a president of some corporation sipping tea in a recliner as he looks at some sort of budget statement or some kind of annual statement while he enjoys the sunshine of the Aegean, sitting back there taking a look at numbers.

The bottom line he says, well, this particular concern is no longer making money, it has to go, we have to close it down. Fax the manager, fax the president, fax whatever information, and the next morning you have this piece of information in front of you saying over coffee, oh, I have to close her down. This being an instruction from the chief executive officer, this then must be done. In such a case, Mr. Speaker, then we find the provisions absolutely essential to protect the health and the future of the employees.

I could go on, Mr. Speaker, and I would care to, but (interjection) I would address that question too, Sir, if I had more time.

BILL NO. 18—THE OZONE LAYER PROTECTION ACT

Mr. Speaker: On the proposed motion of the Honourable Member for The Pas (Mr. Harapiak), Bill No. 18, The Ozone Layer Protection Act; Loi sur la protection de la couche d'ozone, standing in the name of the Honourable Minister of Justice (Mr. McCrae). Stand.

Is there leave that this matter remain standing? Agreed.

BILL NO. 20—THE MUNICIPAL ASSESSMENT AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Sturgeon Creek (Mrs. Yeo), Bill No. 20—the House finds itself in the same predicament as it just did with Bills Nos. 2 and 42 with Bill No. 20 as it relates with Bill No. 79. I do not have at my fingertips the correct data or the Beauchesne's Citations. Therefore, the Chair will hold that one, and I will come back to the House with a subsequent ruling on that one.

POINT OF ORDER

Mr. Richard Kozak (Transcona): On a point of order, Mr. Speaker.

Mr. Speaker: The Honourable Member for Transcona, on a point of order.

Mr. Kozak: I regret, Mr. Speaker, that because of commotion in the House, I was unable to hear your extremely important recent remarks. I wonder if you might extend to me the courtesy of repeating them.

Mr. Speaker: Repeating the ruling that I had for Bills No. 2 and 42?

Mr. Kozak: Oh, I see, no.

Mr. Speaker: To the Honourable Member for Transcona, we just did a ruling as it related to Bills No. 2 and 42. We find ourselves in the same predicament now with Bills No. 20 and 79. Therefore, the Chair will hold that one, and I will come back to the House with a subsequent ruling.

BILL NO. 21—THE UNFAIR BUSINESS PRACTICES ACT

Mr. Speaker: On the proposed motion for the Honourable Member for Elmwood (Mr. Maloway), Bill No. 21, the Unfair Business Practices Act; Loi sur les pratiques commerciales déloyales, standing in the name of the Honourable Minister of Justice (Mr. McCrae). (Stand)

Is there leave that this matter remain standing? Agreed.

BILL NO. 22—THE CONSUMER PROTECTION AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 22, The Consumer Protection Amendment Act; Loi modifiant la Loi sur la protection du consommateur, standing in the name of the Honourable Minister of Housing (Mr. Ducharme). (Stand)

Is there leave that this matter remain standing? Agreed. The Honourable Member for Transcona.

* (1750)

Mr. Richard Kozak (Transcona): My remarks today on Bill 22, the Consumer Protection Amendment Act are very closely linked to my earlier remarks on Bill 21 on November 23 and December 5, 1989.

The two Bills address different aspects of the same extremely important topic. To refresh the memory of Honourable Members, Mr. Speaker, I point out that my prime objective in speaking to Bill 21 was to express my deep disappointment and indeed my sense of hurt to my friend, the Member for Elmwood (Mr. Maloway), over his approach to achieving social reform in this House.

In October, 1989 I studied Bills. In October, 1989 I studied Bills identical to Bill 21 and Bill 22, which were placed on the Order Paper at that time by the very same Honourable Member. I considered these Bills, researched them with some care and prepared and delivered in October, 1989 a well reasoned set of remarks on these Bills.

What happened Mr. Speaker? What happened was that the Honourable Member for Elmwood ignored my carefully prepared suggestions and those of other Honourable Members and simply plunked the same flawed pieces of legislation on the Order Paper of this new session.

If the Honourable Member for Elmwood really wants to achieve social change in this House, he should learn

and learn quickly that in a minority Government situation it is possible and indeed essential for the three Parties to arrive at reasonable accommodations through a genuine exchange of views. (interjection)

My friend the Member for Concordia ((Mr. Doer) obviously finds that my remarks this afternoon strike a little bit close to the mark. I certainly offer him my best wishes in digesting my remarks, and I hope he takes them to heart, in the interest of improving the contribution of the third Party to the deliberations of this Chamber.

Mr. Speaker, I have attributed before and I attribute again, the approach of my friend, the Member for Elmwood (Mr. Maloway), to too strict an adherence on his part to the great dictum of the NDP philosopher, Ronald McDonald. We do it all for you, Mr. Speaker.

I would suggest to the Member for Elmwood that he further research Mr. McDonald's precepts and understand that Mr. McDonald expects to be paid for what he does for you. This is not the first occasion on which we have seen somewhat ill-considered statements out of Leaders of the third Party in this Chamber.

A short while ago I brought to the attention of Honourable Members certain comments made by Mr. Dave Barrett, at that time the leading contender for the leadership of the New Democratic Party, in which he stated that he wants our retirement savings for social programs. Mr. Barrett, the NDP leadership candidate at the time, said on October 15 of last year that the \$70 billion in Registered Retirement Savings Plans held by Canadians represents an untapped pool of resources which could be used for everything from civic housing to environmental protection.

Mr. Speaker, I can think of nothing more irresponsible, and nothing that offends me more as a Liberal, than to hear my colleagues to the left call for the virtual confiscation of the savings of ordinary Canadians. Seventy billion dollars that ordinary Canadians have developed through the sweat of their brow, through their hard labour, to build up over a period of years, are now the object of attack by the third Party.

In support of my statement I would say that Mr. Dave Barrett did not speak in isolation. During the speech by Audrey McLaughlin, who, as we know, was the eventual Leader selected by the third Party nationally, a speech made at the leadership convention of that Party, a speech that undoubtedly most Honourable Members slept through, I remained awake and listened to a certain point that jogged my interest.

Audrey McLaughlin at that time made it perfectly clear that she does not repudiate the opinions of Mr. Dave Barrett, except she identifies fully \$177 million in retirement savings of Canadians that she wants to mobilize to produce economic development and further other social programs. I have no doubt that Mr. Barrett and Ms. McLaughlin will achieve in their caucus a consensus on the amount of money that they intend to grab from the savings of ordinary Canadians. My basic point that fuzzy thinking prevails in the third Party is certainly a point that I am confident in saying can be sustained.

I would like, Mr. Speaker, though, to do credit to the Honourable Member for Elmwood (Mr. Maloway) to the extent that I believe that Bills 21 and 22 were motivated by a genuine concern to strengthen the consumer protection legislation of this province, a concern that I and my colleagues in the Liberal Party share. I will take the trouble, despite the fact that my comments last year and the year before went totally unheeded, to make specific suggestions to the Member for Elmwood as to how Bill No. 22 could be restructured or amended in such a way that it could satisfy the needs of my Party and produce joint activity on the part of all three Parties represented in this Chamber to improve the consumer protection legislation of this province.

Bill 22 has the laudable objective of giving the consumer more rights and information concerning the purchase of vehicles and in the establishment of contracts. Now, Mr. Speaker, I do not dispute for one moment that it is generally a good idea to support measures calling for complete information in a business transaction and my Party is committed to the concept of consumer protection legislation.

Indeed, the very function of the Department of Consumer and Corporate Affairs is to protect the citizens of Manitoba from abuse by the private sector. However, one should recognize that in a free society, an individual must, to an appropriate degree, accept responsibility for his or her own fate. To treat the

individual differently, would be a mark of profound disrespect. Thus, the Liberal Party of Manitoba believes that the Department of Consumer and Corporate Affairs should not smother free enterprise through overregulation, rather it should play a greater educational role in making the public more aware, thus allowing the public to make more informed choices.

Mr. Speaker, I realize that limited time remains to me today. At my next opportunity to speak to Bill No. 22, I will set out in precise detail the alterations to this Bill that would make it acceptable to my colleagues in the Liberal Party and that would advance the cause of consumer protection in the great Province of Manitoba. Thank you.

These suggestions, Mr. Speaker, will be four in number. They will be simply understood and I suggest to the Member for Concordia (Mr. Doer) and my friend, the Member for Elmwood (Mr. Maloway), that these suggestions will undoubtedly be helpful to them, if they really intend to advance the cause of consumer protection in this province.

Mr. Speaker: Order, please. The hour being 6 p.m., when this matter is again before the House, the Honourable Member will have 4 minutes remaining.

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).