



First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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The Honourable Louise M. Dacquay
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

<u>Name</u>	<u>Constituency</u>	<u>Party</u>
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert, Hon.	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim, Hon.	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David	Riel	P.C.
PALLISTER, Brian, Hon.	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 23, 1995

The House met at 10 a.m.

Motion agreed to.

PRAYERS

* (1005)

ROUTINE PROCEEDINGS

Bill 31—The Highway Traffic Amendment Act (2)**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

Hon. Glen Findlay (Minister of Highways and Transportation): I move, seconded by the Minister of Rural Development (Mr. Derkach), that leave be given to introduce Bill 31, The Highway Traffic Amendment Act (2); Loi no 2 modifiant le Code de la route, and that the same now be received and read a first time.

Committee of Supply

Motion agreed to.

Mr. Marcel Laurendeau (Chairperson of Committees): Madam Speaker, 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 Gimli (Mr. Helwer), that the report of the committee be received.

Motion agreed to.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery, where we have with us today His Excellency Mufleh Osmany, High Commissioner of the People's Republic of Bangladesh to Canada.

On behalf of all honourable members, I welcome you this morning.

INTRODUCTION OF BILLS**Bill 32—The Proceedings Against
the Crown Amendment Act**

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I move, seconded by the honourable Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 32, The Proceedings Against the Crown Amendment Act; Loi modifiant la Loi sur les procédures contre la Couronne, and that the same be now received and read a first time.

Also, seated in the public gallery, we have fifty Grade 5 students from Garden Grove School under the direction of Mr. Dave Boulton. This school is located in the constituency of the honourable member for Inkster (Mr. Lamoureux).

On behalf of all honourable members, I welcome you this morning.

Motion agreed to.

ORAL QUESTION PERIOD**Bill 33—The Statute Law Amendment Act, 1995****VLT Revenues
Information Release**

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I move, seconded by the honourable Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 33, The Statute Law Amendment Act, 1995; Loi de 1995 modifiant diverses dispositions législatives, and that the same be now received and read a first time.

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister (Mr. Filmon).

Yesterday, the Minister responsible for Lotteries released some information dealing with revenues from

VLTs, revenues from lottery functions in communities and an arithmetic calculation of both the specific grants and the deficit calculations based on those grants to those communities.

Madam Speaker, we have been asking for a community-by-community breakdown for some time now, as all Manitobans have been doing.

I would like to ask the Premier, when did the cabinet and the Premier receive a community-by-community breakdown of VLT revenues in the province of Manitoba?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, the information that was released yesterday was received in my office this week.

Mr. Doer: Madam Speaker, I want to table a letter from the Ombudsman dated December 19, 1994, which clearly states that cabinet received this information, and I had better be precise, on November 30, 1994. Cabinet received the breakdown of VLT revenues community by community and had available to it a submission from the Lotteries Corporation on November 30, 1994.

Why did this Premier choose to mislead the public of Manitoba and not release this information and lottery information to the people of Manitoba prior to the election campaign?

Madam Speaker: Order, please. I would ask the Leader of the official opposition to withdraw the word "mislead." It is an unparliamentary word.

Mr. Doer: Why did the Premier allege that this information was not available to the people of Manitoba?

I withdraw the word "mislead."

Madam Speaker: I thank the honourable Leader of the official opposition.

* (1010)

Hon. Gary Filmon (Premier): Madam Speaker, I have said publicly to the media and to other people that it was not a matter of the community-by-community breakdown of revenue that was missing.

It was the distribution and we had to wait for the distribution, because that was the question that was asked by everybody, by the Free Press, by members opposite—show us how much you are taking in and how much you are distributing to the communities—and until we had that, we could not release the package.

Mr. Doer: The government had the information at cabinet on November 30, 1994. The government also had the Public Accounts breakdown of the grants by communities. They simply took a deficit number and calculated it against the grants.

Is the Premier saying to the people of Manitoba that they could not do this simple calculation with the Public Accounts that was released last fall, Madam Speaker, that they could not do that calculation to release it for the people of Manitoba for the last seven months before the election campaign?

Mr. Filmon: Madam Speaker, the questions were asked by members opposite and the media about both the revenues on a community-by-community basis and the distribution on a community-by-community basis, and until we had that information, we could not release it.

We did not have it all together until this week. It was released yesterday. If it was as simple as the Leader of the Opposition said it was, then we would have given it to him to do.

Mr. Doer: Madam Speaker, I have a new question to the Premier.

The Premier who has dodged this issue for months and months and months, along with his former Minister of Lotteries and the present Minister of Lotteries (Mr. Stefanson), has stated for months that this information was not available community by community.

We now have information that the VLT revenue—and, of course, we have tabled that in the House; it was

machine by machine, community by community, Madam Speaker—was available in November.

Madam Speaker, when did the government read their own Public Accounts and their own Orders-in-Council that deal with the grants made community by community? Did they not have that information in the fall of 1994, along with the revenues from those VLT machines?

Mr. Stefanson: I am pleased to see that the Leader of the Opposition is finally reading the Public Accounts, because a great deal of information about lotteries and gaming revenue has been in those documents for several years, and it is good to see he is finally paying some attention to it.

For the specific information in terms of the program breakdown, I would encourage him to look at the additional attachment that was with yesterday's press release that shows the receipts and disbursements of Lotteries Funded Programs, Madam Speaker, and he will see a very extensive list. Within that, it means going into individual departments and individual department breakdown to get the breakdown of where Community Places supports go, where the REDI, Rural Economic Development Initiative supports go, where the Agricultural Society grants assistance go, where the arts grants assistance go, where the Community Places go, where the cultural organization grants, where Historic Resources grants, where Manitoba Community Services Council, multicultural grants, advisory councils, Public Library Services grants assistance—I could go on and on, Madam Speaker, but it involves many different departments.

It involves in some cases external organizations, and to get the detailed community-by-community breakdown is a major undertaking.

That is the information that was concluded this week, and the document was released as soon as all the information, both in terms of funding and in terms of disbursements, was available, Madam Speaker.

Mr. Doer: Madam Speaker, my question is to the Premier (Mr. Filmon).

These numbers that were released this week were numbers for the '93-94 year. They were numbers available to the government in August of 1994, available to the public in the Public Accounts in the fall of 1994. We now have confirmation that the government had the VLT revenues on November 30 of 1994.

Why did the Premier not release these numbers prior to the election campaign, so all the public could have the numbers that the government had and would have to have in order to authorize the grants to those communities?

How can the government possibly say that they did not have this information, when it was contained in the Public Accounts released in the fall of 1994, seven months before the election campaign?

* (1015)

Mr. Stefanson: Madam Speaker, the Leader of the Opposition has served in government for a short period of time, and he should know that when you have to go into individual departments, you have to go into individual programs and you have to break it down into individual communities.

That is a massive undertaking involving almost every department of government and many external organizations, Madam Speaker. That is what took the time. That information had to be done precisely, because we know that each individual community will want to know with absolute certainty what is going back into their communities, and that is what took the time. As soon as that process was concluded, the entire summary was put together, and it was released this week.

On the whole issue of information around gaming, there is all kinds of information on gaming, as I mentioned yesterday, from the annual report to the information provided by the Lotteries Corporation to the information that is in the Public Accounts, and I repeat, it is encouraging to see that the Leader of the Opposition is finally taking that document seriously and looking at it for a change.

Mr. Doer: Madam Speaker, it is because we have been in government that we know that Orders-in-Council and grants that are in the Public Accounts were available months and months and months ago, along with the revenue from VLT machines that we now have had confirmed. Let there be no mistake about that.

I have a final question to the Premier (Mr. Filmon).

The Premier is responsible for hiring the chief executive officers of corporations like the Lotteries Corporation. In the letter from the Ombudsman, the Ombudsman indicates that the corporation told the Ombudsman, told an independent person of this Legislature, that the information for VLT revenues was not available community by community.

Madam Speaker, we have tabled information in this House on Monday that indicates they were not only available community by community but machine by machine.

Madam Speaker, the corporation, it seems to us, has misled the Ombudsman. Is the Premier taking any disciplinary action on the CEO of the corporation, or was the CEO of the corporation working under the instructions of the cabinet and the Premier not to provide that information?

Mr. Stefanson: Madam Speaker, without accepting any of the preamble of the Leader of the Opposition, as I indicated in this House yesterday, the Ombudsman, I am told, is very satisfied with the information that was released yesterday.

It meets his requirements. It meets the requirements under The Freedom of Information Act. It also meets the standards applied by Statistics Canada, Madam Speaker, and that is how the information has been provided.

VLT Revenues Deficit Reduction

Mr. Steve Ashton (Thompson): Yesterday we indicated in the House just how concerned we are about the lack of integrity of this Conservative Party in

dealing with matters of importance to Manitobans, and nothing could be clearer than in the way they have dealt with this important issue.

Throughout Manitoba communities are reacting today to this supposed set of books, and I would like to ask a number of questions, because there are some very serious questions being asked even now, after this long wait, about the kind of information we are receiving.

I would like to ask the Premier (Mr. Filmon)—[interjection] Yes, I have a question for the Premier, and, indeed, I would like to ask the Premier how he can justify, after conveniently waiting as long as he has, two months after the election, releasing information yesterday that indicates, according to this, that, for example, residents of Pembina pay \$5.20 per capita towards the deficit—this is according to these calculations—but communities such as The Pas pay \$204.74 per capita. In fact, and this may be interesting for the member for Gimli (Mr. Helwer), according to these calculations, in Gimli it is \$390 per capita. How did the government come up with these statistics?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Well, Madam Speaker, I am not sure where the member for Thompson is heading with this kind of questioning, whether it relates to lottery and gaming revenue or whether it relates to all of our taxation, what is generated from different communities, different individuals and so on.

In terms of the allocation of the deficit, if he looks at the chart, the gross revenue from gaming is provided in the chart. Various programs were then funded in individual communities, either direct programs or the communities' per-capita share of province-wide programs.

After those programs were funded, there was an amount available to be applied against the deficit, approximately \$65 million, and that residual, Madam Speaker, was applied on a proportionate basis.

I do not want to have to give the member for Thompson a lesson in accounting, but when there was \$65 million available to be distributed, \$60 million of

it was distributed, and it was done on a proportionate basis, and I would welcome the opportunity to give the member an accounting lesson at any time.

* (1020)

Mr. Ashton: Well, will the minister perhaps give all of Manitobans a lesson in his creative accounting by indicating how, if you look at these numbers, essentially what has happened is—can he confirm that if communities did not get programming money, what has essentially happened is that, according to these numbers, they get the benefit, as the people of Gimli or The Pas or Thompson have, of having a magic number attached next to them for deficit reduction?

Is that the minister's version of creative accounting?

Mr. Stefanson: Madam Speaker, many of the programs that I referred to are programs that are province-wide. They are available to all communities to apply for, whether it is the REDI program or other programs. Some communities have accessed those programs in a more significant way for the year ending March 31, 1994.

We will see what happens in 1995. Those programs are there and some communities use them in a given year. Other communities will use them in the next year. I guess what the member for Thompson is telling us is that he does not take the deficit seriously. I think he is out of step with Manitobans, because Manitobans have told us one of the single greatest priorities is to stop deficits, start accumulating surpluses, and every time you eliminate the deficit you are putting funding to the highest priorities here in Manitoba. You are putting funding to health care, education and family services, Madam Speaker.

Information Release

Mr. Steve Ashton (Thompson): My final supplementary is to the Premier (Mr. Filmon) whom I wanted to question earlier.

I would like to ask the Premier, will he finally admit that this list, the supposed list of only 27 communities out of the many communities in Manitoba, is nothing

more than a bogus list, a cover-up? Will the Premier finally give the information to Manitobans that they have been asking for in terms of VLTs?

Madam Speaker: Order, please. I would request that the honourable member for Thompson please pick and choose his words very carefully. At this time, I would request that the word "bogus" be withdrawn.

Mr. Ashton: Yes, I withdraw that and substitute the word "phoney."

Madam Speaker: Order, please. I am certain that the honourable member for Thompson knows that when he is requested to withdraw a word, it is an unequivocal withdrawal.

Point of Order

Mr. Ashton: Madam Speaker, on a point of order, I substituted a word that is parliamentary. I totally withdraw the word "cover-up" if that is considered unparliamentary.

Madam Speaker: Order, please. The honourable member for Thompson was requested to withdraw the word "bogus."

Would the honourable member please withdraw the word "bogus" unequivocally?

Mr. Ashton: Madam Speaker, I withdrew it and I substituted a word which is parliamentary, which I believe is the procedure. I withdraw the word "cover-up." [interjection]

Madam Speaker, the Premier seems to be wanting to chair. If you wish me to withdraw the word "cover-up" unequivocally, I have done that. I repeat that.

Madam Speaker: And "bogus"?

Order, please. To the honourable member for Thompson, the Speaker has not heard you withdraw the word "bogus" unequivocally without substituting a supplementary word, and I would request that the honourable member for Thompson withdraw the word "bogus" unequivocally.

Mr. Ashton: Madam Speaker, can I ask for your ruling? Are you ruling that the word "bogus" is unparliamentary?

Madam Speaker: Yes.

Mr. Ashton: Madam Speaker, I want to indicate that the word does not appear in any of our lists as being unparliamentary. However, if that is your ruling, I accept your ruling.

Madam Speaker: I thank the honourable member for Thompson.

The honourable member for Thompson accepted my ruling that the word indeed was unparliamentary but has still not withdrawn the word "bogus" unequivocally.

Mr. Ashton: Madam Speaker, my understanding is you have ruled that the word was unparliamentary. If the word was unparliamentary and that is your ruling, then I withdraw the word.

Madam Speaker: I appreciate that. I thank the honourable member for Thompson.

* * *

* (1025)

Hon. Gary Filmon (Premier): Madam Speaker, the information that is provided there is in accordance with the advice that has been accepted from the Ombudsman, and that is that any communities in which there were three or fewer locations would not be identified separately, so that commercial confidentiality of the income revenue of those individual sites would not be in jeopardy. That is something that is consistent with what Statistics Canada does, so that they do not identify individual siteholders for things such as revenue on sales tax or revenue on retail sales or any of those things.

This information was provided consistent with Statistics Canada's principles and consistent with The Freedom of Information Act and consistent with what the Ombudsman has advised the government to do, and

it is those circumstances on which we have provided the information, and we are confident that it meets all the tests, Madam Speaker.

Mr. Ashton: On a new question, I would like to ask the Premier, will he look at the fact that, currently, every single municipal leader in this province is looking at these figures today and saying what they have been saying for a long time, and even in this inaccurate document, it is finally being shown to be true, and the fact is this government has been draining rural and northern communities through VLTs and other revenues?

Will this First Minister finally sit down with the municipal leaders and other leaders throughout rural and northern Manitoba and listen to the concerns that have been expressed—they are now confirmed in this document—that his government has been draining rural and northern Manitoba through VLTs?

Mr. Filmon: Madam Speaker, what I will confirm is that this government is the only government in Canada that gives direct revenues from VLTs to all municipal governments in this province, 10 percent, that provides an additional 25 percent in support that is directed by the provincial government into the municipal governments.

No other government in Canada does that, and this would not be an issue in any other area in Canada because they do not provide any direct revenues to the municipal governments. We do. We are the most generous government in Canada in providing revenues to municipal governments, and now he is saying that is not good enough, Madam Speaker. The fact of the matter is the only reason we are into this discussion is because this government does make a commitment to give some of the revenues to municipal governments in our province.

* (1030)

Forest Fires—Evacuees Centennial Arena

Mr. Eric Robinson (Rupertsland): Madam Speaker, as you know, we are currently in a very serious

situation in northern Manitoba, particularly with forest fires.

I would like to begin by commending the men and women on the front lines and the men and women who are involved with helping the evacuees throughout Manitoba at Lynn Lake, Thompson, The Pas and also at Portage la Prairie.

During the last couple of nights, I have had an opportunity to meet with the evacuees at Portage la Prairie, and last night the member for Dauphin (Mr. Struthers) and I had the opportunity to meet with the evacuees. We certainly were impressed by the efforts of the friendship centre, EMO, Red Cross and the other many volunteers who are involved, including the RCMP. However, we did find a problem, Madam Speaker, and that is the conditions in which some of the people, the evacuees, have to live in, in Portage la Prairie, particularly the ones at the Centennial Arena, and that is, these people are sleeping on floors which are soaked with moisture.

I would like to ask the Minister of Government Services whether or not these people will have an opportunity to move to a more suitable location and a more comfortable location.

Hon. Brian Pallister (Minister of Government Services): Madam Speaker, I thank the member for Rupertsland for his positive comments concerning the great work that is being done by a great many Manitobans in assisting these people who have been evacuated, over 3,000 thus far, I understand, in total, who unfortunately have had to be moved from their normal places of residence to other communities that have been gracious enough to accept the responsibility of providing for those people in need.

Certainly yesterday, we, too, the Premier (Mr. Filmon), the Minister of Northern and Native Affairs (Mr. Praznik) and myself had the opportunity to visit with these folks, to talk with them and to also congratulate, as the member opposite has, the great many people who have been involved in doing their very best, their very utmost, to make accommodation, to make food available, to make other provisions available as would accommodate the needs of these

people. It is a difficult task, certainly, and one that I must personally thank the people of the communities of The Pas, Thompson and Portage la Prairie for for taking on that task. It is not easy to satisfy all the needs of the people of these communities, but we are certainly doing our utmost to do just that.

Mr. Robinson: Madam Speaker, I know the staff of EMO meet daily to discuss matters like this. I would like to ask the minister if he would instruct his representatives to ensure that the evacuees' needs are being met, and I would like to ask the minister, again, whether or not the people who are in Portage la Prairie at the arena could look forward to a more suitable location tonight.

Mr. Pallister: The member for Rupertsland is quite correct. Regular consultation takes place, not only with the host community and government officials from EMO and other departments but also with representatives of the people who have been displaced from their communities, including the councillors, in this case in Portage la Prairie, from Gods Lake Narrows, and we, in fact, met with those people yesterday, and they had the opportunity and did express some concerns. This was not among the concerns they expressed to us yesterday at our meeting.

I appreciate the member expressing the concern today in the House. I would encourage him, however, in future, if something like this comes to his attention, that he bring it to my attention immediately when it comes to his attention, not just when it is politically expedient however, Madam Speaker, to do it in front of the cameras today in the Chamber, but when the concern is brought, it should be brought directly to my attention. I appreciate that happening and I ask the member to do just that. Thank you.

Point of Order

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, on a point of order, the minister was imputing motives after the member went out and was there till two, three o'clock in the morning last evening. To say it is made for any other purpose except representing the people of this province, I believe is unparliamentary. You cannot impugn motives, and I think we should

deal with the substance which is very important to those people rather than politics.

Madam Speaker: Order, please. On the point of order by the Leader of the official opposition, I believe, indeed, that it is a point of order.

Imputing motives, indeed, is a point of order, and I would request the honourable member for Portage to rephrase his words and apologize to the member for Rupertsland.

Mr. Pallister: I am very sorry.

Madam Speaker: I thank the honourable Minister of Government Services.

* * *

Mr. Robinson: Madam Speaker, I do thank the minister for his apology.

I would also like to ask the minister whether this government will discuss with EMO, chiefs and councils, mayors and councils, on any possible future happenings as we are experiencing currently, so that we can ensure that there will be an orderly course of action taken in the event that these things occur in a time to come.

Mr. Pallister: I thank the member for his question. I do thank the member for his personal interest in this situation. I appreciate that interest very much.

I believe that we have adopted, and very successfully so, according to all reports based on comparisons with the 1989 situation, a very effective teamwork approach that is involving the councils, members of the communities that have been evacuated, as well as the host communities.

I know from talking to those people personally that they are working very, very diligently to do their utmost to make sure that this temporary home that these people have been forced to take up is as comfortable as is possible and that it does provide the services and provide for the needs of those people while they are unfortunately away from their homes.

Forest Fires Evacuation Process

Hon. Brian Pallister (Minister of Government Services): If I may respond to a question taken as notice yesterday by the Deputy Premier (Mr. Downey) from the member for Flin Flon (Mr. Jennissen), the member asked if the minister would allow those evacuated from Leaf Rapids to The Pas to remain in Thompson.

I am pleased to report to the House that this morning, in fact as we speak, the people who have been displaced from Leaf Rapids are now in the process of returning to their homes.

I know they are appreciative of the great work that was done by the host communities of The Pas and Thompson in hosting them. They will be returning home shortly and I know will be appreciative of that opportunity. Thank you.

Gaming Commission VLT Revenues

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Finance.

After a great deal of time, we finally did receive the government's news release yesterday with the community-by-community breakdown, but it should be pointed out that, in fact, this information is out of date. It is 15 months old, if you like, and it is quite incomplete. We take a look at those sites where there was less than four which made up to \$24 million of revenue, Madam Speaker.

My question to the minister is, did the gambling committee receive a more detailed breakdown than what the minister has provided to the legislative Chamber?

Hon. Eric Stefanson (Minister charged with the administration of The Manitoba Lotteries Corporation Act): Madam Speaker, the member for Inkster refers to not providing the individual breakdown for communities that have three sites or fewer, and I will only remind the member that the

releasing of site-by-site revenue figures would contravene The Freedom of Information Act by jeopardizing the financial confidentiality interests of individual siteholders.

As I have indicated, this information will certainly be made available to the Desjardins commission.

Mr. Lamoureux: Madam Speaker, is the same community-by-community breakdown being provided to the gambling committee, when in terms of reference, its major goal was to assess the social and economic impacts of the current level of gaming in the community, including financial implications through the orders of this government?

This is what this government had mandated the committee to do.

Mr. Stefanson: Again, I can only reiterate that this information will be made available to the Desjardins commission.

The feedback I am getting from the commission is that they are very satisfied with the types of information they are receiving, whether it is from the Lotteries Corporation, whether it is from government, whether it is from the Addictions Foundation and certainly from the public.

They have not indicated any problems with lack of co-operation, lack of information, lack of data, and this information in this report will certainly be made available to them.

* (1040)

Mr. Lamoureux: Will the Minister of Finance not acknowledge that in order for this committee to achieve the goal that this government has set for it, it needs more detail in terms of where the community revenue is coming from and more up-to-date information?

Mr. Stefanson: No, Madam Speaker, I will not confirm that.

As I indicated, the feedback I am getting is that the commission is very satisfied with the quantity and the

quality of information they are receiving from all sources, Madam Speaker. I certainly accept their view of that issue, that they are satisfied.

Forest Fires—Evacuees Centennial Arena

Mr. Stan Struthers (Dauphin): I want to ask my question to the Minister of Government Services and add my voice to my colleague from Rupertsland on the conditions that we found in the arena at Portage la Prairie last night.

I think it would be helpful for the minister and everyone in the House to realize that yesterday, at some point in the day, the well-intentioned people turned the brine on in the Portage Centennial Arena to cool the floor, and what happened was that with the humidity, a whole lot of water formed on the cement. That may be after the minister had visited the arena.

Will the minister request his staff to consider moving the evacuees from the Portage arena to the drier, smaller air-conditioned halls that are in Portage la Prairie?

Hon. Brian Pallister (Minister of Government Services): I thank the member for the question, and, as well, congratulate him on his interest in this important issue.

I will inquire with the department and departmental staff to find out more about the concerns he has expressed in the House today.

Mr. Struthers: There is no 24-hour nursing available—

Madam Speaker: Order, please. I would ask the honourable member to pose a supplementary question now with no preamble.

Mr. Struthers: Will the minister assure the House that 24-hour nursing will be undertaken to provide nursing services for people in the arena at Portage?

Mr. Pallister: I thank the member for the question. I am told by departmental staff that there is nursing staff

available throughout the day for the people who are evacuated.

I think it is important for the members opposite and all of us to understand that these are very, very difficult circumstances for all concerned and, whenever possible, to express support for those who are evacuated but also to recognize that those in the host communities, people from the Indian and Metis Friendship Centre, whom I spoke with yesterday, and many others are volunteering a lot of hours.

They are becoming tired, naturally, frustrated, given the heat and the circumstances, and they need every word of encouragement that they can get. We need to understand here that whatever conditions are provided, and we are doing our best to provide more than adequate conditions in these host communities, they are far superior to the dangerous circumstances that these folks faced when they were in their homes, and we need to understand that we have to work together and co-operate with one another to provide the kind of service that accommodates these people effectively as best as we can, given the limitations of our resources. That is precisely what our department is trying to do and is doing very successfully according to most accounts.

Mr. Struthers: Can the minister explain the formula used in determining the amount of income-security emergency money made available to each evacuated family?

Mr. Pallister: I apologize to the member. I did not catch his question. If he could repeat it, please.

Madam Speaker: Would the honourable member for Dauphin repeat his question, please.

Mr. Struthers: Given that there is some confusion over the income-security emergency money, can the minister explain the formula used in determining the amount of income security made available to each evacuated family?

Mr. Pallister: There is a program in place which provides for additional funds to be made available to those who are absent from funds, for whatever reason,

that provides, at the discretion of the people in the host communities who work in conjunction with the Emergency Measures Organization, funds for incidental costs that they may incur, for example, for toiletries, for laundry costs and so on. That amount, if it is deemed to be appropriate to provide it, is \$5 per adult and \$3 for adolescents per day.

Fire Protection Fund First Nations Communities

Hon. Vic Toews (Minister of Labour): Yesterday, Madam Speaker, I took a question as notice from the member for Rupertsland (Mr. Robinson). I made inquiries in the department, and I was advised that fire-related concerns of First Nations communities are under the direction of the Manitoba Association of Native Firefighters.

Certain First Nations communities claim not to be represented by that organization, and therefore it does not speak for all the First Nations communities. However, I am advised by the officials in my department that the First Nations communities are eligible for the same services as any municipalities, and this includes training, investigation and emergency response.

If there are specific concerns as to how to access, those organizations are encouraged to contact the appropriate officials in my department to ensure that they can access these services.

Norrie Commission Deadline

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, in May, the Minister of Education released Norrie's boundary report for further consultation and reaction to that report. In June, during Estimates, the minister stated that she did not want to prevent people of Manitoba from making their representations. However, we now learn that the deadline has been moved from September to August 1.

Given that St. James-Assiniboia School Division and many others, I am sure, have asked the minister to extend the deadline to December in the case of St.

James, does the minister not feel the input of divisions is needed before decisions are made?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, yes, indeed, I do feel that input is needed and desired and wanted before decisions are made. Decisions, of course, will be made by government. Recommendations will be brought forward by the Norrie commission.

We had asked the Norrie commission to receive written submissions from any interested parties, particularly school divisions which might be faced with implementation, should any decisions to amalgamate be made. We asked them to report back to us by September. They, in turn then, have asked people to have submissions to them by August because they wanted a month on their own to go through those reactions.

Many people, of course, since all divisions had the reports by February, have already sent in their reactions. Indeed, the very people the member refers to have already indicated their reactions to government.

The member knows that originally the report was going to come in without further feedback. Those I have talked to have appreciated the further feedback, and the decision will be made by government. The commission will simply be bringing forward recommendations and feedback for us.

Ms. Mihychuk: It is not only school divisions that I am sure the minister wants to hear from. School advisory committees are very interested in responding.

Madam Speaker: Order, please. I would ask the honourable member for St. James to observe the rules for supplementary questions, no postamble. Please put your question now.

Ms. Mihychuk: Will the minister at least allow school advisory committees, which directly represent over 43,000 students in St. James and Winnipeg No. 1, to respond in the fall when they reconvene?

Mrs. McIntosh: Madam Speaker, the member knows that MLAs on this side and I hope on that side continue

to hear representations from constituents of theirs and other members right up until decision-making time occurs. We know here in the Legislature, for example, a perfect example, that there are public hearings right up until the vote is taken.

The member needs to understand the difference between a recommendation coming forward and a decision being made. We will not be making any decisions on any recommendations coming forward—[interjection] I wonder if the members opposite would care to please be quiet.

Madam Speaker: Order, please.

Mrs. McIntosh: It is extremely annoying to have questions—

Madam Speaker: Order, please. I would ask the honourable Minister of Education to quickly complete her response.

Mrs. McIntosh: Madam Speaker, the decision that will be made will not be taking place the day after the commission sends in its report. It will take a long time after that for us to decide, based upon everything people are telling not just the commission but also us as decision makers.

* (1050)

Ms. Mihychuk: Madam Speaker, given that the minister has indicated that there is time, will she move the deadline from August 1 to later in the fall? That is all we are asking.

Mrs. McIntosh: Madam Speaker, the Norrie commission has graciously agreed to go back out and receive written submissions, which was not part of their original mandate. People have said they appreciate having some opportunity to react to the report which was not there before.

I will be talking to the Norrie commission members. I will indicate that the member for St. James would like to see that August deadline moved. I will pass that on to them. In the meantime, I wish to stress that MLAs are quite willing to receive representation over and

above the report and that the decision will not be made the day after the report comes.

Canadian Wheat Board Government Support

Ms. Rosann Wowchuk (Swan River): Madam Speaker, actions taken by the federal government with changes to the Crow benefit and various farm supports have been devastating to the farm community. Now we have recommendations that are going to destroy the Canadian Wheat Board.

I want to ask this government if they will join with other provinces and go to Ottawa and speak up for farmers to defend the Canadian Wheat Board which has served farmers for many years and which they want to see retained.

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, unaccustomed as I am to public speaking, I will attempt to provide the honourable member for Swan River with a fulsome answer.

I appreciate the member's ongoing concern, but what she is concerned about is the possibility of any change. This is a changing world and agriculture is changing.

Let me simply say that agriculture has enjoyed an unprecedented 65 percent increase in trade with our biggest trading partner, the United States—65 percent. Furthermore, let me say that while we buy \$1.4 billion worth of grains from the United States, we sell \$1.8 billion to the United States.

So what is happening is that we are attempting, understandably, to work out glitches that occur from time to time with the biggest bilateral trading agreement in the world; that is Canada and the U.S.

Madam Speaker: Order, please. Time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. Darren Praznik (Deputy Government House Leader): Madam Speaker, I would ask if you could please call for second reading, Bills 16, 21 and 22?

SECOND READINGS

Bill 16—The Highway Traffic Amendment Act

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Speaker, I move, seconded by the Minister of Rural Development (Mr. Derkach), that Bill 16, The Highway Traffic Amendment Act (Loi modifiant la Loi sur le Code de la route), be now read a second time and referred to a committee of this House.

Motion presented.

Mr. Findlay: Madam Speaker, today I am very pleased to be able to introduce Bill 16 which is amending The Highway Traffic Act. This bill proposes to phase out the province's economic regulation of intraprovincial trucking.

Let me first explain why this system of economic regulation was put in place in the past, and then explain to you why we are now proposing to have it removed.

The province has engaged in the economic regulation of various modes of highway transportation for several decades, including trucking, intercity buses and intermunicipal taxis. This was to ensure that rural communities had access to passenger and freight services at reasonable rates.

It was believed that the highway transportation industry is inherently subject to what is termed destructive or excessive competition, whereby an unregulated market would allow too many carriers to enter or remain in an industry with available freight or passenger traffic services.

In the case of intraprovincial trucking, excessive or destructive competition would undermine the financial viability of carriers and the ability to cross-subsidize the higher-cost service provided to smaller rural communities.

To promote and preserve transportation service to rural points, the province developed a system of economic regulation which restricts or limits competition. This system of regulation is administered

by the Manitoba Motor Transport Board on the basis of a provision provided in Part VIII of The Highway Traffic Act.

Before discussing in detail how these economic regulation's provisions will be amended, I would like to discuss in general terms the reasons for introducing this bill.

The impetus for these amendments is twofold: One reason is that changes in federal transport policy will make it impossible for Manitoba to effectively regulate intraprovincial trucking. The provinces and territories have exclusive jurisdiction over purely intraprovincial truck carriers. From the late 1950s, the federal government delegated to the provinces this jurisdiction over in extraprovincial truck carriers.

Effective January 1, 1993, after a five-year transition period, the federal government deregulated entry to extraprovincial trucking with the support of the provinces. For those provinces which wish to maintain their regulation for intraprovincial trucking, the federal government delegated its authority over intraprovincial operations of extraprovincial truck carriers. This exists only in Manitoba, Saskatchewan and British Columbia.

However, in negotiations leading to the agreement on internal trade, the federal government took the position that they would only allow provinces to continue regulating the intraprovincial operations of extraprovincial truck carriers for a limited period of time.

With the repeal of the delegated federal authority in this area, Manitoba could no longer effectively maintain regulation of intraprovincial trucking under The Highway Traffic Act. Also, most provinces have deregulated their intraprovincial truck industries and they view continued economic regulation by Manitoba as a barrier to Canadian internal trade.

On May 1, 1995, the federal government tabled in the House of Commons Bill C-88, the Draft Agreement on Internal Trade Implementation Act. Section 19 of the draft act repeals Part 3 of the Motor Vehicle Transport Act, 1987. This provision comes into force on a day to be fixed by order of the federal cabinet.

Part 3 of the Motor Vehicle Transport Act allows a province to regulate the intraprovincial operations of extraprovincial truck carriers in the same manner that regulate purely intraprovincial truck carriers.

In Manitoba a dominant share of the intraprovincial general freight is transported by trucking firms that are classified as extraprovincial truck carriers. With the repeal of Part 3 of the federal Motor Vehicle Transport Act, Manitoba will not be able to continue the economic regulation of the segment of the intraprovincial truck industry and will no longer be able to effectively maintain a system of regulated truck services in rural Manitoba.

In the internal trade negotiations the federal government took the position that would only allow provinces to continue regulating the intraprovincial operations of extraprovincial truck undertakings for a limited time. Under the agreement on internal trade it was agreed that Manitoba will deregulate their intraprovincial trucking by January 1, 1998. The federal government and other provinces have pressed for an earlier date, but Manitoba was able to negotiate a date which was generally acceptable to our industry.

Further impetus for deregulation comes from growing recognition that economic regulation does not serve the interests of either shippers or carriers. Shippers have been requesting deregulation of intraprovincial trucking since 1987 when the federal government began the deregulation of extraprovincial trucking.

In May '92 in response to representations by the Canadian Industrial Transportation League that the province should deregulate, the Department of Highways and Transportation retained Prairie Research Associates to conduct an analysis of the intraprovincial trucking industry and its future under several regulatory options.

In December '93, following release of the Prairie Research Associates' study, I requested the chairman of the Motor Transport Board to consult with interested parties of what action could be taken to resolve the issues surrounding intraprovincial trucking regulations and to build a consensus on an action plan. The Motor

Transport Board chairman began this consultation in January '94 by inviting written and telephone submissions from interested parties including shippers, carriers and communities.

In March 1994, a round table conference of key stakeholders was held which included representatives, carriers, shippers, chambers of commerce, regional development corporations and municipalities.

In May '94, after the Manitoba Trucking Association developed a proposal for deregulation, which actually is the fundamental basis of the bill that we are introducing today, the chairman then requested the round table conference participants to comment on the MTA proposal and requested comments from over 50 intraprovincial truck carriers.

It is clear from these extensive consultations that shippers consistently hold the view that economic regulation of intraprovincial trucking is an impediment to an efficient and competitive provincial truck transport system and to the economic well-being of the province. Many truck carriers also subscribe to this view. Even a number of small rural carriers, some of whom feel a need for continued protection from competition at least during a transition period, perceived that economic regulation has limited their opportunities to fairly compete with larger carriers due to the cost of the regulatory process.

Following this consultation with stakeholders the Motor Transport Board chairman made several recommendations which would lead to full economic deregulation by way of a two-stage transition period. The economic regulatory provisions in Part VIII of The Highway Traffic Act are of two kinds: (a) provisions which provide the board with various powers to restrict or limit competition and (b) provisions which allow the board to protect shippers and passengers from the effects of restricting or limiting competition. These latter provisions will allow the board to regulate rates and the level of quality of service provided by carriers.

* (1100)

I will briefly describe these provisions and how they will be amended.

The entry test: The board restricts competition in the for-hire trucking industry through the legislative requirement Part VIII of The Highway Traffic Act, that an operator of vehicles used to transport persons or property for compensation requires a certificate from the board authorizing its operation. A certificate is issued to an applicant if (a) applicant satisfies an economic entry test whereby the board finds that the proposed service will promote the public interest, and (b) the applicant satisfies the board's criteria relating to fitness.

It is proposed that effective January 1, 1998, the economic entry test for intraprovincial truck operations be eliminated. Accordingly, The Highway Traffic Act will be amended so that only the fitness criteria will apply to an applicant for a PSV certificate authorizing the transportation of property. The economic entry test and the fitness test will remain in place for other types of public service vehicles such as intercity buses and intermunicipal taxis.

On the issue of geographic restrictions of certificates, the board also limits competition in the for-hire trucking industry by attaching geographic conditions or restrictions to certificates so that a for-hire trucker can be restricted to providing service to a defined territory or group of communities. The act will be amended so that effective January 1, 1996, all existing geographic restrictions or conditions attached to the certificates shall cease to have an effect and (b) the board may not thereafter attach a geographic condition or restriction to a certificate issued to a motor carrier for the transport of property.

On the issue of rate regulations, in order to protect shippers from the limitation of competition created by the economic entry test and by geographic restrictions on PSV certificates, the board has specified powers to regulate freight rates.

Freight-rate deregulation will take place in two stages so that two amendments are required to The Highway Traffic Act. The first amendment provides at the end of 1995, the board's existing truck rates cease to have effect and over the following two years, '96 and '97, it may set a rate for the transportation of property only if it is satisfied that no effective adequate and competitive

alternative is available for the movement of property in question.

The second amendment provides that any rate set by the board in '96 and '97 ceases to have effect by the end of '97 and eliminates the board's remaining power to regulate rates as of January 1, 1998.

On the issue of regulation of level and quality of service, within the removal of economic entry and rate regulation is the province's intent to allow the market to determine the adequacy and level of quality of services provided by freight motor carriers.

Part VIII of the act contains a number of provisions to allow the board to regulate various aspects of the level and quality of service offered by motor carriers. These provisions are proposed to be amended so that effective January 1, 1998, they will not apply to public-service vehicles operated for the transportation of property except insofar as they relate to the safe conditions of the vehicle and its equipment or its safe operation.

Madam Speaker, in closing, this overview I am sure will give the members some idea as to the amendments to economic regulation that we are providing for The Highway Traffic Act, and I look forward to people bringing their input forward during the committee stage of this bill.

I have commented extensively on the wide level of consultation that occurred, what has happened in other provinces and the actions taken by the federal government that require these amendments be made. Certainly, what the end result of all of this is, it creates a level playing field for all people in the trucking industry across Canada.

I have spreadsheets here for the opposition members, and I will hand them out. Thank you.

Mr. Daryl Reid (Transcona): Madam Speaker, I move, seconded by the member for the Interlake (Mr. Clif Evans), that debate be adjourned.

Motion agreed to.

Bill 21—The Rural Development Bonds Amendment Act

Hon. Leonard Derkach (Minister of Rural Development): Madam Speaker, I move, seconded by the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer), that Bill 21, The Rural Development Bonds Amendment Act; Loi modifiant la Loi sur les obligations de développement rural, be now read a second time and referred to a committee of this House.

Motion presented.

Mr. Derkach: Madam Speaker, I am pleased to be able to introduce to the members of this House today a bill to amend The Rural Development Bonds Amendment Act. This bill is intended to make some minor modifications to the Grow Bonds Program to improve efficiency.

The Grow Bonds Program was established in 1991 as a vehicle for rural residents to invest in prudent business opportunities and thereby strengthen the local economy, diversify the rural economy and create employment and other benefits. The program provides a guarantee to investors, while placing responsibility for the investment selection, management and control directly in the hands of the community through the creation of local bond corporations. This way the communities themselves can define and pursue their own economic goals and objectives.

The Grow Bonds Program is now deeply rooted in rural Manitoba, which it is intended to serve. In fact, the Grow Bonds head office is located in Altona, with business and economic development staff also working elsewhere throughout the province. Madam Speaker, even based on the most conservative estimates, the Grow Bonds Program can be deemed an unprecedented success.

In the few short years it has existed, it has performed exactly as it was intended to. It generated innovative enterprises. It created new employment opportunities and it is leveraging economic activity at a ratio of three to one. In other words, for every \$1 of Grow Bonds money that it raises, an additional \$2 of new capital

investment is generated and put to work in rural Manitoba communities.

As of today, a total of 19 Grow Bonds projects have been approved. These projects have raised \$7.1 million in the community Grow Bonds investments and generated over \$21 million more in private-sector funding. In addition, in excess of 450 more jobs will have been generated in rural Manitoba prior to the start of the Grow Bonds Program once projects have been carefully implemented. That represents hundreds of more families with incomes that they in turn use to buy clothing, food, shelter and other commodities, creating tremendous spin-off benefits for the Manitoba businesses that supply these goods and services. Regarded in this way, it paints a picture of tremendous impact of the Grow Bonds Program and its spin-off benefits for the communities in which the projects are located.

Madam Speaker, in presenting this bill in the Legislature today, the intent is to introduce ways in which the Grow Bonds Program can be made more efficient, more user friendly and be delivered in a more expedient way. Increased activity in the Grow Bonds Program over the past two years served to identify desirable minor modifications to the act that would better accommodate activities and development under the program.

The Rural Development Bonds Act amending bill proposes that the following changes be made: That upon founding of a bond corporation one director be a young entrepreneur who shall be no more than 30 years of age. This would allow longer-term continuity within the bond corporation by ensuring that the young director serve the bond corporation past the age of 30.

The other amendment is that the manner in which the forms used in the processing of Grow Bonds be changed to enable the Minister of Rural Development to authorize them—this would streamline the authorization process—that applications to issue bonds be allowed before the bond corporation is incorporated. In practice, the bond corporation is not incorporated until approvals are acquired, and, also, that the Minister of Rural Development be allowed to approve applications to invest bond proceeds rather than the

provincial review committee. Normally, all conditions of approval have been met at this point in the process so that a second approval by the review committee is unnecessary and only lengthens the approval process. In addition, that clarification be made to the requirements for and the process applicable to the issuing and investment of investment pool development bonds. These alterations would enable and indeed encourage the use of this presently dormant vehicle under the act.

The above-noted amendments which I have summarized will improve the efficiency of the overall Grow Bonds approval process without compromising the integrity of the due diligence process. This is of utmost importance, especially in the administration and application of public funds.

Madam Speaker, there are countless examples of Manitobans gainfully employed and adding to the renewal and revival of the rural economy, all of which has occurred in part because of the Grow Bonds Program. Some of these examples include Operation Fire Fly, Crocus Foods, Elias Woodwork and the Tire Recycling Corporation of Winkler. These are a few examples of Grow Bonds in action doing all that they were intended to do and a whole lot more. We need only to ask those Manitobans who have jobs because of the Grow Bonds Program if they think this program is important to the province's economic development.

* (1110)

So in closing, Madam Speaker, I recommend this bill to the House and to the Legislature for its thoughtful consideration. Thank you very much.

Ms. Jean Friesen (Wolseley): Madam Speaker, I move, seconded by the member for Transcona (Mr. Reid), that debate be adjourned.

Motion agreed to.

Bill 22—The Municipal Amendment and Brandon Charter Amendment Act

Hon. Leonard Derkach (Minister of Rural Development): Madam Speaker, I move, seconded by

the Minister of Highways and Transportation (Mr. Findlay), that Bill 22, The Municipal Amendment and Brandon Charter Amendment Act (Loi modifiant la Loi sur les municipalités et la Charte de Brandon), now be read a second time and be referred to a committee of this House.

Motion presented.

Mr. Derkach: Madam Speaker, it is my pleasure to introduce today a bill to amend The Brandon Charter Act specifically as it relates to public transit fares. Changes to the act are being recommended to make it compatible with The Municipal Act as it relates to public transit fares.

In 1993, The Municipal Act was amended to remove the requirement that public transit fares be approved by the Public Utilities Board. The City of Brandon has a similar clause in The Brandon Charter Act that still remains in place. This amendment will correct this discrepancy making both acts compatible with one another. Furthermore, an additional amendment will clarify that notwithstanding the clause in The Public Utilities Board Act no longer apply to transit fares in Brandon or other municipalities.

Madam Speaker, these amendments will allow Brandon to continue to reasonably adjust fares without the threat of a court challenge.

I therefore recommend this bill to members of this House for their consideration. Thank you very much.

Mr. Daryl Reid (Transcona): Madam Speaker, I move, seconded by the member for Wolseley (Ms. Friesen), that debate be adjourned.

Motion agreed to.

* (1120)

House Business

Hon. Darren Praznik (Deputy Government House Leader): Madam Speaker, I move, seconded by the honourable Minister of Highways and Transportation (Mr. Findlay), that Madam Speaker do now leave the

Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty, with the honourable member for La Verendrye (Mr. Sveinson) in the Chair for Urban Economic Development Initiatives; the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Housing; and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the departments of Justice and Urban Affairs.

COMMITTEE OF SUPPLY (Concurrent Sections)

OTHER APPROPRIATIONS

Urban Economic Development Initiatives

Mr. Deputy Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This morning, this section of the Committee of Supply, meeting in Room 254, will resume consideration of Estimates for Urban Economic Development Initiatives on page 146 of the Estimates book.

Mr. Gary Doer (Leader of the Opposition): This matter deals with the losses, the operating losses of the Winnipeg Jets hockey team, does it not?

Hon. Eric Stefanson (Minister of Finance): Mr. Chairman, the answer is yes.

Mr. Doer: Will this money in the budget adequately reflect the amount of money for the operating losses for this fiscal year, or will it be short of the money required?

Mr. Stefanson: Mr. Chairman, the initial allocation in this particular line is just over \$1.8 million to cover, basically, the quarter from April until June. I indicated yesterday that if the Spirit of Manitoba closes their transaction, there will be another month and a half of losses to be covered, but, to date, we have not allocated approximately \$6 million within this particular account,

so there is the capacity to deal with some additional support, if required, from this account.

Mr. Doer: The deposit was made by the Spirit of Manitoba to the present owners of the team including the government which is an 18 percent owner of the hockey team. Did the losses cease to be a responsibility of the public sector when that transaction took place, or are we still now subject to the operating losses of the team?

Mr. Stefanson: Mr. Chairman, at this point we are subject to the operating losses until the transaction officially closes which is scheduled to be no later than August 15 and preferably earlier, if agreement can be reached.

Mr. Doer: I believe it was February of 1994 the minister made a public statement that the operating loss agreement of the Winnipeg Jets hockey team would be cancelled by the government, would be terminated, I believe the expression was used, on May 1, 1995. The minister made that statement. How does the government intend on fulfilling that promise which is already unfulfilled?

Mr. Stefanson: Mr. Chairman, that was not a promise. At that stage there was an indication that the transaction, as everybody knows, the option expired on May 1, 1995. There was an expectation that the option and closing might occur on the same day. Subsequent to that, it was determined that there would be, not unlike the purchase of a home, a period of time to close the transaction, and that is why we built in some funding into our budgets. Originally the expectation was the option could be exercised and closed on May 1.

Subsequently it was determined that the option would conceivably be exercised on May 1 and closed at some later date, and that, really, is how the ultimate agreement that has been reached is unfolding, that they have reached an agreement that there now is a closing date and the outer edge of the closing date is August 15 of this year.

Mr. Doer: Well, you will excuse us if we are a little questionable about closing dates on the hockey team. It is almost a contradiction in terms, like industrial park

or, perhaps, Progressive Conservative. We have seen more closing dates come and go in this deal than anything I can imagine.

There are more lines in the sand on this thing than the lines in the sand in Grand Beach this weekend. So I think that we will await these so-called deadlines as they come and go.

An Honourable Member: Trust us.

Mr. Doer: Albert knows, he has seen a few of these lines.

The \$1.8 then, does it cover to June 30?

Mr. Stefanson: Yes, it does, Mr. Chairman, that is the expectation of what it will be for the period, the quarter ending June 30, 1995, which will be upon us in a week's time, and it will be verified at that stage, but that is the expected funding for that quarter. The exact number is \$1,891,304.

Mr. Doer: Is this consistent with the third-quarter statement that was given to the government in the spring of 1995, which indicated the losses for the team are projected to be over \$12 million in spite of the fact that we only have half a season?

Mr. Stefanson: The short answer is yes, Mr. Chairman.

Mr. Doer: Mr. Chair, the government has door one that it goes through in their plan on the team, which is to pay \$37 million for a new arena, to be \$17 million short of that capital required to maintain 18 percent share, as I understand it, in this present proposal in the ownership of the hockey team, and to have potential, one way or the other, of the tax status from the federal government, which has revenue implications, as the minister has confirmed, up to \$9 million for the provincial government. That is door one.

Door two is, this thing is not approved by the NHL—the revenue agreement is not given by the federal government or the NHL refuses the transaction, which means that we are subject to the operating losses of the hockey team.

Can the minister tell us, what are the projected losses for this team in the '95-96 season? We have been told by our sources in the Jets that the projected losses will be \$20 million, which would make our projected share to be \$10 million.

* (1130)

Mr. Stefanson: Mr. Chairman, we are in the process of confirming with the interim steering committee which oversees the budget of the Winnipeg Jets Hockey Club and ensures that the budget, the cost side and the expenditures of the Jets stay in the bottom one-third of the NHL.

I think, as the Leader of the Opposition himself knows, there are some player contracts that are coming up very shortly and will obviously have an impact on the 1995-96 budget. So, based on the outcomes of those negotiations, we will have more definitive numbers in the next short while.

Point of Order

Mr. Steve Ashton (Opposition House Leader): The committee in the House is going to be recessing to go back into the House to re-order the Estimates. There was a change made to bring Energy and Mines up, which was not brought into the House. So what I would suggest we do is we recess while that is done in the House, and then we can return to the committee.

An Honourable Member: Five minutes.

Mr. Ashton: Yes, as soon as they finish, we can be right back.

Mr. Deputy Chairperson: Order, please. We will have to recess till we deal with—

* * *

An Honourable Member: Committee should rise, actually.

Mr. Deputy Chairperson: The committee will have to recess. We do have to recess so that the House may deal with changing of the Estimates line.

The committee recessed at 11:32 a.m.

After Recess

The committee resumed at 11:37 a.m.

Mr. Deputy Chairperson: The committee is back to order to consider line 27.7 Urban Economic Development Initiatives on page 146, \$12,500,000.

Mr. Doer: Yes, just to continue on the question. The minister indicated they are going to receive shortly from the interim committee a projected budget for the next hockey season; at this point, we are still legally responsible for the losses. When will the minister be receiving that? We have received preliminary information that it is in the \$20 million projected loss range with the '95-96 season. Could the minister answer when, and what are the projected losses that he as Minister of Finance will have to deal with as minister responsible for, lead minister responsible, also on the other hand, for the Jets, which is a dual responsibility?

Mr. Stefanson: We expect to receive that information early in July. The fiscal year-end of the Jets is the end of June and some of their more significant contracts are coming up very shortly. We have had various preliminary numbers provided in terms of what one might expect for the fiscal year, 1995-96, and there have been at different points in time a fairly significant range of what those losses might be.

As the member knows, if the transaction does close with the Spirit of Manitoba, then effective no later than August 15 the losses become the responsibility of the Spirit of Manitoba. In terms of some of the preliminary information that they have been utilizing, they, over the two-year period of which they would be responsible for those losses, have shown total accumulated losses of approximately \$30 million over the two years, but their objective would obviously be to reduce those losses.

Mr. Doer: Can the minister table the payrolls of the NHL and the verification that our salaries are in the bottom one-third, pursuant to our agreement?

Mr. Stefanson: Mr. Chairman, the interim steering committee has enforced in 1991 an agreement that does provide that the cost of the hockey team be in the bottom one-third of the NHL. In terms of the specifics, whether or not that information can be provided, I will take that as notice.

Mr. Doer: The present owners are operating the hockey team. We are subject to the operating losses until August 15, 1995. What protection do the taxpayers have that the present owners will sign players and front-end load their contracts in terms of our responsibility?

Mr. Stefanson: Mr. Chairman, they have the continued protection of the review being done by the interim steering committee and the 1991 agreement which does provide that the cost of the hockey team be in the bottom one-third of the NHL. That is a fairly significant restriction, so they will have to continue to abide by that agreement.

Mr. Doer: So there is no other protection except the one-third provision in terms of the front-end loading with bonuses and other means that have been utilized before in the NHL, contracts that are basically our responsibility until 1997 unless the agreement is changed or the team and its ownership is confirmed?

* (1140)

Mr. Stefanson: Mr. Chairman, that is the overriding restriction and it is a very significant restriction. There is obviously the ongoing review of the interim steering committee and the review of the budget by the interim steering committee and the reality if the team stayed here and losses were incurred and costs exceeded the bottom one-third they would be the responsibility of the private investors.

Mr. Doer: Do Mr. Benson or Mr. Bessey have veto rights of any contracts in the manner in which they have been established in terms of the liability of the taxpayer?

Mr. Stefanson: Mr. Chairman, I am not sure where the member is heading with this. No, they do not. The control, if he is referring to the control on expenditures

of the Winnipeg Jets hockey team, they are defined in the 1991 agreement and enforced and implemented by the interim committee which is chaired by Mr. Del Crewson, a chartered accountant.

Mr. Doer: A prominent person in terms of the government, I know, Mr. Crewson. What is the contingency plan of the government on August 16, which again is a date which keeps changing? What is the contingency plan on the operating-loss agreement on August 16, if the taxpayers are still subject to it, because the NHL or Revenue Canada or the Spirit is unable to fulfill one of the conditions that they have put forward?

Mr. Stefanson: Mr. Chairman, if that were to occur the terms of the 1991 agreement would continue to be in place, meaning that the Jets would have to have their costs in the bottom one-third of the NHL teams. The interim steering committee would continue to do what they do, chaired by Mr. Del Crewson, in terms of reviewing the budgets of the Jets and in terms of the province providing for any additional requirement to cover losses.

As I have indicated, to date in this account as an example, there are approximately \$6 million that have not been allocated to date, so we do have the fiscal capacity we feel to deal with that situation if it were to arise. Again, the whole objective of all of this and the basis of moving forward by the Spirit of Manitoba and by the three levels of government has been on the basis of finding a solution and an agreement that everyone can live with. We continue to work towards seeing this agreement with the Spirit and the current owners come to a positive conclusion no later than August 15.

If that does occur, then the Spirit of Manitoba will be responsible for all operating losses of the Winnipeg Jets Hockey Club effective at that date.

Mr. Doer: Well, I think it gives us cold comfort on this side to know that there are \$6 million in a "fund," in a kind of envelope for the operating losses of the team in the same budget year the government is reducing its investment in hospitals. I find that very questionable priorities, but that is a political debate we will have in other places and I will just—

An Honourable Member: Five years from now.

Mr. Doer: Well, the member should not be sure on dates. We were sure on dates in '86. There is no such certainty.

I have a question for the minister. I want to know, of the \$10 million that was forwarded last week from the so-called Spirit group to the so-called Shenkarow group—we were informed by banks and credit unions and other groups that the cheques that were delivered by the members of the grassroots campaign were being cleared, just cleared morning, noon and night, just before that deadline of \$10 million.

Can the minister indicate today, of the \$10 million that was forwarded to Mr. Shenkarow for the deposit for the team, how much money came from the major investors, the so-called \$5-million investors in the hockey team—the Richardsons, the Grays, the others, the major investors in this team—and how much money of that \$10 million came from the so-called grassroots citizens? We have been informed that almost all the money came from the citizens and none of the money came from the so-called heavy hitters, or the \$5 million members of the community.

Mr. Stefanson: Mr. Chairman I just want to comment on the other point the member made before. He asked a specific question about comparing the funding from the Urban Economic Development Initiative to health care, or hospitals or other priorities of government. The member knows that this account is the allocation of 25 percent of the urban VLTs. It is set aside for economic development initiatives, ventures, here in our province, and is completely separate and distinct from the kind of funding that we provide for health care in Manitoba.

When I referred to a residual being left, it all depends what happens over the course of the next several weeks. If the transaction concludes and closes and the Spirit of Manitoba takes over the hockey club, as many people hope and expect they will, those residual funds will continue to be available for other economic development initiatives not unlike some of the initiatives that are funded to date from this account—the Winnipeg Green Team, supporting the Winnipeg

Convention Centre, supporting Tourism Winnipeg, supporting the Northern Hemisphere Distribution Alliance, supporting the Winnipeg city's, Winter Cities 1996 Conference—all I believe, both positive initiatives and organizations and facilities that add to the overall economic benefit of the city of Winnipeg.

That is the purpose of this allocation of funding, and the member knows that we allocate approximately 34 percent of our expenditures to health care here in Manitoba, more than any other province in all of Canada. On a per capita basis we provide the third largest of any province in Canada. So we make a very significant contribution to health care.

In terms of his specific question, I will have to take it as notice. That is obviously a decision that is made by the Spirit of Manitoba in terms of what they source from the grassroots fundraising campaign and what comes from other individuals, what the breakdown is in terms of that support being provided by the private sector and by the grassroots campaign, Mr. Chairman.

Mr. Doer: Thank you. I appreciate the minister taking it as notice. Can he provide that to us early next week, not necessarily in this line, but we could ask the question in concurrence? We think the public has a right to know the breakdown from the grassroots people because there should be some accountability back to the grassroots people of the \$10 million and how much of that money comes from the so-called \$5 million group of investors?

Mr. Stefanson: Mr. Chairman, I will undertake best efforts to provide that early next week.

Mr. Doer: Thank you and we will make best efforts to be very persistent in concurrence on this issue. So to the minister, I am just letting him know ahead of time. Thank you.

* (1150)

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, yesterday I did get the opportunity to express some of my thoughts with respect to the arena. The question that I would ask the minister is, has the government reviewed all the different projects that are out there

and, after doing that, then they have come to the summation that the current proposal which is virtually, as I have indicated yesterday, the shovel in the ground, and come to the conclusion that that is the project that has to be gone forward with?

Mr. Stefanson: At various times over the course of the last several months and in excess of a year we have had presentations from different groups. The member referred to a Mr. Koswin yesterday and I have certainly seen his presentation; I have seen many of the other presentations.

Looking back on this issue part of the mandate of the Mauro committee and then ultimately the Burns committee as well, we are to look at issues like the types of facilities, issues like the location and so on. Both of those committees, I believe, came to the conclusion that the best solution for Manitoba was a facility located downtown. Both of them pointed to a stand-alone arena entertainment complex as being the most appropriate kind of facility.

Based on that, going back to 1994, some private citizens came forward and put in place an option to purchase the Winnipeg Jets Hockey Club. We all know what has happened since then.

That option lapsed on May 1 of this year. But that group called the Manitoba Entertainment Complex was going down the path of attempting to acquire the Winnipeg Jets Hockey Club on the basis of developing an arena entertainment complex downtown. At one point they were talking about two sites, either adjacent to the Convention Centre or what is called north of The Forks and east of Portage and Main.

A determination was made that the best site was north of The Forks site. Really, that has now been the basis that the Spirit of Manitoba and this whole issue has moved forward is on the basis of developing an arena entertainment complex on the north of The Forks site. That has been the basis that Spirit has been raising their money, getting significant private sector contributions, raising grassroots contributions, and the basis of them entering into their agreement with the current owners of the Winnipeg Jets Hockey Club. It is a fairly long answer to say that, yes, I have had the

opportunity to see many of these other proposals over the course of the last several months.

In the final analysis, the determination of all parties involved, new investors, new owners, current owners, levels of government, is that the best solution is a facility downtown. The facility being of a nature, being an arena entertainment complex so that it can meet the needs of an NHL hockey team. But it can also meet the needs that the member for Inkster (Mr. Lamoureux) referred to yesterday.

There will be well in excess of a hundred other kinds of events. This will be much more than just a hockey arena, it will be a facility that can be utilized for other events on ice. Ice Capades, skating events, other performances taking place, circuses, all kinds of activities that will benefit many Manitobans who do not necessarily go to NHL hockey games or would not only use the facility for hockey. They would get an opportunity to use it for all kinds of other activities.

Mr. Lamoureux: Would the government actually have the architectural designs of the arena that is currently being proposed to be constructed?

Mr. Stefanson: I have been part of presentations on this issue of the design of the facility. Obviously, that is all going to be part and parcel if we do reach the stage where we enter into an agreement to build a facility.

As I have indicated in the House, that agreement would be entered into between the City of Winnipeg and the Province of Manitoba with the Spirit of Manitoba to develop the facility.

A part of entering into that agreement would be our satisfaction with all aspects of the architectural design, our satisfaction with any contractual arrangements that are potentially going to be entered into by the Spirit of Manitoba with lead contractors and so on. So, yes, I have seen some preliminary designs and we will have complete and total access to all aspects of developing a facility.

Mr. Lamoureux: I just want to basically conclude with comments—and the minister can respond if he so

chooses—to say that I hope and trust that a long-term vision has been developed with a project of this magnitude that is being proposed. What really made a difference, in terms of me, in terms of questioning this whole process, was to a certain extent, Mr. Neufeld's taking the time to make the appearance and indicating that he was of the opinion that a multiplex facility would, in fact, garner more revenues than a stand-alone arena facility, if you like. It would have more opportunities. It raised the whole question for me in terms of how was this particular facility decided compared to other facilities that were out there.

That is why I was somewhat concerned in terms of a quick-fix approach in terms of, let us resolve the Jets by building a facility strictly for the Winnipeg Jets, if in fact two years from now, for example, we have to spend millions of dollars on renovations with the Winnipeg Football Stadium, or there are additional demands on a baseball diamond for, I believe it is the AAA franchise, or Mr. Katz's facility.

When you start adding those sorts of things in, in the numbers that Mr. Koswin was talking about, it was somewhere between 30 to 40 million additional dollars than what the current arena proposal is, if you start adding in those sorts of costs of potential renovations that are there, it does raise some very good questions.

I trust and expect that the government is looking and treating those questions in a very serious fashion and is not going to look just solely for the short-term fix. To one degree I am pleased that the architectural designs have not been finalized because that then does indicate that if in fact the government was of the opinion that it could be expanded to a certain degree to take into account other venues, potential venues, that maybe it is not 100 percent. Maybe it might be just 99 percent. At least the taxpayers and the long-term needs of the province of Manitoba will be looked after. Thank you.

Mr. Stefanson: As we have indicated, over the course of the last many months there have been two different committees that have reviewed facilities, facility locations, types of facilities. We have had presentations certainly through my ministry and others.

I believe the member himself, as he has indicated, he has had a chance to see some of the different proposals that have come forward. He referred to Mr. Koswin's proposal and there have been a series of others. There has been the one that has been talking about potentially renovating the existing site and so on. So there has been a series of alternatives put forward. They vary very significantly in terms of what kind of capital cost is required or what kind of contribution they are even looking for from governments and so on. At the end of the day, the two committees that were reviewing this issue suggested that they felt the most appropriate location was a downtown site.

The focus has been on these two sites and now a determination that the one is a preferable site, north of The Forks, and that the facility be of a nature of being an arena and an entertainment complex. Really, that has now been the basis of a lot of review, a lot of input, a lot of decision making, an awful lot of money being put forward by private investors to invest in keeping the Winnipeg Jets hockey team here in Manitoba.

Obviously, the three levels of government are looking at the entire issue and determining that would be the best kind of facility to meet all of our needs, not only hockey, and move forward from there.

Mr. Deputy Chairperson: 27.7 Urban Economic Development Initiatives \$12,500,000—pass.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,500,000 for Other Appropriations, Urban Economic Development Initiatives, for the fiscal year ending the 31st day of March, 1996.

* (1200)

The time is twelve noon. Is the committee wishing to take any break at this time or do they wish to proceed?

An Honourable Member: Proceed.

Mr. Deputy Chairperson: Proceed.

This concludes the Estimates for Urban Economic Development Initiatives.

**Canada-Manitoba Infrastructure Program
- Capital**

Mr. Deputy Chairperson: The next set of Estimates to be considered are the Estimates for Canada-Manitoba Infrastructure Program on page 146 of the Estimates book. Does the minister responsible have an opening statement?

Hon. Eric Stefanson (Minister of Finance): Yes, Mr. Chairman. We are very pleased and proud of how this program has been implemented here in Manitoba. We get compliments right across this nation that we have put in place the most efficient, effective and inclusive system in all of Canada both in terms of how we distributed the funding between traditional and municipal projects and strategic initiatives and also by setting up a mechanism with an allocation to rural Manitoba to include input and consultation with municipal leaders from rural Manitoba.

We have representation on the review committee from the Union of Manitoba Municipalities and the Manitoba Association of Urban Municipalities, and here in Winnipeg we have the City of Winnipeg offering comment on projects that affect the city of Winnipeg. So we have been very pleased with that part of the delivery mechanism.

In this budget line you will see we have \$34,200,000 allocated. That is on the basis of being 50 percent of our contribution over the term of the infrastructure agreement, and that was on the basis, again, that originally the federal government had indicated this would be a three-year agreement with 85 percent of the funds having to be spent by the end of 1995-96.

The federal government has since changed this program to now be a five-year program, and as a result, they are talking about potentially some change of cash flow, but here in Manitoba we are following the approach that commitments were made to municipalities and to projects, and we want them all to move forward as quickly and expeditiously as they possibly can.

This program has had several benefits. One of the most significant has been the very significant job creation during the program. The other, of course, has been the improvements to infrastructures in communities right throughout our province.

So we have been very pleased with how it is being dealt with here in our province. I am pleased with the work done by everybody in the infrastructure secretariat. I am pleased with the co-operation we have received from the municipal governments and from the federal government on this initiative.

Mr. Chairman, there is a long list of projects that have taken place right throughout Manitoba. In fact, the rural review committee, basically, to a large extent, did a great deal of their allocation on a form of a per capita allocation. So there is fairness.

There is regional distribution right throughout our province, and we are pleased with the kind of distribution that we have seen occur in Manitoba. We are very pleased with that overall allocation.

* (1210)

We are also pleased with what has happened here in the city of Winnipeg with the kind of allocation that the City of Winnipeg has done and the support that has taken place in that whole area. So, Mr. Chairman, it has been from our point of view a very successful program here in our province, and it is certainly benefiting communities right throughout all of Manitoba. In fact, I am told when the federal ministers talk about the infrastructure initiative, when they talk about programs—in fact the Prime Minister himself will often refer to Manitoba with a great deal of—he is very complimentary in terms of what we are doing here in our province.

So, Mr. Chairman, this is a program that is serving us well, and I would be pleased to answer any questions at this time.

Mr. Steve Ashton (Thompson): We have expressed our concern about the priorities of this government in allocating \$11 million in excess of its campaign promise out of this item alone in this fiscal year for

infrastructure, and, quite frankly, when there are communities in this province that do not have sewer and water and basic infrastructure, we feel that the priorities of this government are wrong.

Those are my opening comments, and I would be prepared to proceed into the section to discuss these matters further.

Mr. Deputy Chairperson: Item 27.9 Canada-Manitoba Infrastructure Program—Capital \$34,200,000.

Mr. Ashton: I have expressed the concerns of our caucus, and I will put it in the form of a motion.

I move that under 27.9 Infrastructure, that the line be reduced by \$11 million, the amount equivalent to the funding of a new Winnipeg arena.

Mr. Deputy Chairperson: It has been moved by the member for Thompson that under 27.9 Infrastructure, that the line be reduced by \$11 million, the amount equivalent to the funding of a new Winnipeg arena.

Mr. Stefanson: I, of course, am disappointed to see this motion from the member for Thompson. We discussed this issue somewhat yesterday about both the Winnipeg Jets and the development of a new arena entertainment complex here in our province. I outlined for the member and will remind him of some of the very significant economic benefits that flow as a result of having the Winnipeg Jets here in our province.

On an annual basis, the provincial Treasury brings in approximately \$6 million a year as a result of having the Winnipeg Jet here in our province. Various reports that have been prepared have shown that the Winnipeg Jets generate an economic benefit to our community of approximately \$50 million a year, that they also create, direct and indirect, anywhere between 1,000 and 1,400 jobs, and if a new entertainment complex is going to be built in our province, that approximately 2,000 jobs would be built during construction, and in terms of our Treasury, that the Province of Manitoba would take in \$10 million in direct taxation.

Now that pales by comparison to what economic benefits the federal government would receive if a new

facility were to be built. The federal government would receive some \$20 million in direct taxes just from the building of a new entertainment complex and arena here in Manitoba, and, on an annual basis, the federal government receives anywhere between \$10 million and \$12 million a year. The members often talk about economic development. They often talk about jobs and those kinds of initiatives, and here you have an entity that provides very significant economic benefits to our community, very significant levels of taxation to both the provincial government and the federal government and taxation levels for the City of Winnipeg, as well. The member knows that under the Canada-Manitoba Infrastructure Program in this year's budget, we are allocating \$34,200,000.

When we discussed this issue yesterday, we did indicate that for the upcoming year, 1995-96, that if a new facility, a new arena entertainment complex, is going to be built in Manitoba, that this would be a potential funding source. The federal government, themselves, have already indicated that the support they want to provide if a facility is built would come from the Canada-Manitoba Infrastructure agreement, and we indicated that, because one major project in Winnipeg is not moving forward, the Kenaston underpass, we would be looking to redirect some of those funds to the building of an arena, if that is the final decision that one should be built.

So, within this \$34,200,000, we do have the capacity to provide approximately \$11 million toward a new entertainment complex, Mr. Chairman, and it would be our intention to do just that, if agreement can be reached on all fronts dealing with the Winnipeg Jets and dealing with developing an entertainment facility. There are many issues that have to be addressed to ultimately determine whether or not this money will, in fact, flow. Obviously, the Spirit of Manitoba has recently exercised what one would call an option or closed an option with the current owners of the Jets.

The Spirit of Manitoba has indicated they have at least three hurdles they need to clear to close their transaction with the current owners. They have said they intend to close it no later than August 15 of this year. That is part of the agreement that has been reached, and the kinds of conditions they have outlined

that they need to meet are that they would have to receive NHL approval to transfer the franchise. They would have to raise an additional \$20 million in private—

Mr. Deputy Chairperson: Order, please. We have to recess this section of the committee to go to the House for a formal vote.

The committee recessed at 12:12 p.m.

After Recess

The committee resumed at 12:26 p.m.

Mr. Deputy Chairperson: It has been moved by the member for Thompson that under 27.9 Infrastructure, that the line be reduced by \$11 million, the amount equivalent to the funding of a new Winnipeg arena.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, just very quickly, the infrastructure program is a program which we have been very supportive of. In fact, we were quite pleased when the federal administration had made announcements during the last federal election that they would move forward with this program. We believe the provincial government has been working fairly co-operatively on this particular program. I applaud them on that. We definitely have some concerns with respect to the Winnipeg arena in terms of how much money, where the rest of the money is going to be coming from for the construction of this arena.

We would have liked to have seen further clarification of that before we start assigning additional dollars out to the Winnipeg arena, but suffice to say, the infrastructure program is a good idea and we believe will provide many jobs in the future for Manitobans.

An Honourable Member: Question.

Mr. Deputy Chairperson: The question has been called on the motion by the honourable member for Thompson:

THAT under 27.9 Infrastructure that the line be reduced by \$11 million, the amount equivalent to the funding of a new Winnipeg arena.

Voice Vote

Mr. Deputy Chairperson: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Deputy Chairperson: All those against, please say nay.

Some Honourable Members: Nay.

Mr. Deputy Chairperson: In my opinion, the Nays have it.

Formal Vote

Mr. Ashton: I request a recorded vote.

Mr. Deputy Chairperson: Is there a second member to—

Mr. Ashton: My buddy is supporting me here.

Mr. Deputy Chairperson: The honourable member for Crescentwood (Mr. Sale).

We shall recess and proceed to the Assembly for a formal vote.

The committee recessed at 12:28 p.m.

After Recess

The committee resumed at 12:36 p.m.

Mr. Deputy Chairperson: Order, please.

Item 27.9 Canada-Manitoba Infrastructure Program - Capital \$34,200,000.

Mr. Lamoureux: Mr. Chairperson, I did want to add a bit more comment in terms of why it is that we felt this is a motion which we could not support, primarily because we believe in the infrastructure program and the many benefits that Manitobans have derived from it and will continue to derive from it into the future.

If, in fact, for example, this particular motion would have passed, we would have seen a significant reduction in the infrastructure program and all members of the Chamber, I am sure, are aware that these are dollars that are in fact matched and by not matching on the funds, then are we releasing federal and other jurisdictions of their responsibility to put in. Having said what I probably should not have said in terms of commenting on the amendment that was brought forward, I will leave my comments at that.

Thank you, Mr. Chairperson, we are prepared to pass it.

Mr. Ashton: Yes, I indicated we are going to have a number of questions for the minister, although we do anticipate passing the whole section prior to two o'clock. What I want to indicate is, without referencing the motion which was unfortunately defeated by both the Liberals and Conservatives, our concern in terms of infrastructure once again is—

An Honourable Member: He called me a Liberal.

Mr. Ashton: I have always acknowledged the member for Inkster as a Liberal, obviously through his official and unofficial party status, but in the same way that the New Democrats in Ottawa and Conservatives in Ottawa do not always get recognized, they are still Conservatives and New Democrats. I find it is rather absurd if we start getting into calling members such as the member for Inkster as independent. He is a member of an unrecognized party in the House, but that does not mean he is not a member of the party. So I extend to him that courtesy.

An Honourable Member: They might change their name.

Mr. Ashton: Well, the minister is talking about changing the name. I think the only party that has done

that in Manitoba is the formerly Conservative Party, now the Filmon team, but anyway we will not get into that.

What I want to indicate is that our concern is with priorities and we could not—and we will not support \$11 million out of the infrastructure program for the new Winnipeg arena. In moving the motion, which I am not going to refer to in the sense that it was defeated, what we want is to make it absolutely clear and the only way, shape and form open to us is that we do not want money from the infrastructure program going to the arena in contravention of every single campaign promise that the Filmon team, that we were just referencing, made in the election.

They promised \$10 million maximum, period. In this line item, we are dealing with \$11 million in one year, one fiscal year. I ask the rhetorical question, Mr. Chairperson, really, what has changed in that period of time, other than the election? I can tell you from my constituency that the overwhelming opinion of my constituents is in opposition to this allocation—overwhelming, and it crosses all political boundaries. I have received many calls on it, I have talked to many people, and they understand that in these times of limited tax dollars what the real issue is, and that is the priorities.

The government is saying out of \$35 million allocated for infrastructure in this line item, that \$11 million should go for the construction of this new arena. Let us not kid ourselves as to why this arena is being put in place. There has been reference in these committee hearings to it being put in place for generalized purposes, but you know, before the election those generalized purposes, I mean, we heard about Ice Capades and the circus. The Ice Capades and the circus rationale was there, and the government said \$10 million, period.

* (1240)

The only thing that has changed is after the election, coincidentally, we saw the whole succession of events unfold which saw, first the team leaving, then the team not leaving. We have seen these moving deadlines. We have seen the MEC, the Spirit proposals. We have

seen negotiations back and forth between Messrs. Shenkarow, Asper et al. We have seen this whole process. In that process, what we have essentially seen is the government up-the-ante from \$10 million to \$37 million for the arena. The city has done the same. It has committed the \$37 million in other costs. We have seen the federal government come up with the \$20 million.

Then we have seen the unresolved question, which I cannot particularly raise under this line item, which is the whole question of taxes. So we are seeing the public sector paying for essentially well over 50 percent of the combined cost of the team, the package, the new Spirit package, if you want to call it that, and the arena.

The minister will eventually have the numbers, I am sure of it. If the tax deduction goes through you are dealing with 70, 80 percent, the total amount. Certainly well in excess of 50 percent, because 50 percent is covered in the arena in as of itself, fully funded by the taxpayers.

It is a question, again, Mr. Chairperson, of priorities. We do not feel that we should be supporting, as people of Manitoba, \$11 million out of infrastructure for the new arena.

We have communities that do not have sewer and water. We have communities that do not have basic road service. We have communities that do not have line hydro power. I happen to represent a number of them in northern Manitoba. We have communities in Third World conditions. [interjection] The Minister of Northern Affairs says, name them. The former Minister of Northern Affairs, he knows full well—

An Honourable Member: You voted against every bit of money we put forward for those communities. You voted against it.

Mr. Ashton: The minister who neglected the Northern Affairs communities during his tenure and this minister, Mr. Chairperson, who argues—

Mr. Deputy Chairperson: Order, please. The honourable Deputy Premier, on a point of order.

Hon. James Downey (Deputy Premier): No, Mr. Chairman. I want to be put on the list so I can give a speech.

Mr. Deputy Chairperson: All right.

Mr. Ashton: Well, Mr. Chairperson, I understand fully that the minister is sensitive. He has been debating back and forth with the current Minister of Northern Affairs as to who is responsible for the abysmal showing of the Conservative Party in the previous election, an election, which by the way, resulted in the Conservative Party in Thompson receiving less support than it has in 26 years and less support than the NDP received in Arthur-Virden.

I understand the minister is sensitive. The minister can talk all he wants, but he stood in his place just a moment ago and voted for \$11 million for a Winnipeg arena. That is \$11 million that is not going to go to his constituency in Arthur-Virden, and it is \$11 million that is not going to go to northern Manitoba. He knows the communities, and if he does not know the communities that do not have sewer and water and line hydro power, he should know about it. He should know that some of the negotiations go back to when he was in government, by the way, when he was incompetent to the point where he ended up losing the Northern Development Agreement, the same minister.

Here we have another federal-provincial agreement, Mr. Chairperson, in which this government has an opportunity to put priority in terms of northern communities. Do you know what they did in terms of Northern Affairs? They did not increase the capital budget one cent. Municipalities did, in the case of Thompson, they put money up. Other communities put money up to access the federal and provincial funds.

In the case of Northern Affairs communities, which are under the jurisdiction of this government, they did not put up an additional cent, to be able to access money from this agreement. There are communities, and the minister should know that, who were repeatedly under the Northern Affairs capital process and have had to wait their turn, year after year. I represent communities like Nelson House, for example, Mr. Chairperson, and Thicket Portage.

The minister should know about Pikwitonei which received funding for half the community to get sewer and water and then had to wait two years for the other half to get the sewer and water. The fact is, there is only so much money in any given year within the Northern Affairs budget for infrastructure. If we continue on that basis we will end up with the process that we have had for a number of years, whereby some communities will get their sewer and water, but it will be on a slow, gradual process. We will get some communities that will get the fire trucks. We get various different requests. I know the minister knows from the discussion in the House.

But you know, here was \$11 million out of \$35 million that could have been allocated for sewer and water. It could have been done very easily, because when you are dealing with Northern Affairs communities it is very simple, Mr. Chairperson. The government of Manitoba basically is responsible for the Northern Affairs communities. They could have gone to the federal government and said, let us cost-share the improvement of these type of facilities.

Those kinds of cost-sharings, by the way, were available with the previous agreement that we had, the Northern Development Agreement. We have no Northern Development Agreement. This is the only area you can cost-share this, and that is where the government is completely failing.

You know, the minister walks into this debate with great indignation and starts waving his hands around and waiting his chance to speak. I would like to say to this minister, as I do to every rural member in this House, that they just voted for \$11 million for a new arena, and, yesterday, they voted for \$1.8 million for Jets' losses. Are they representing their constituents?

You know, when we see in Ottawa a federal Liberal government trying to turf out people that have spoken up for their constituents on issues such as the gun registration, and we hear people criticizing that government for making its members tow the line.

What about the rural members, Mr. Chairperson, the rural members who just voted for \$1.8 million for the losses and who just voted for \$11 million for a

Winnipeg arena? On what basis did they vote for that? On behalf of their constituents? No, there is not a single rural constituency in this province where people support what this government is doing, not a single one.

You can run a referendum in the municipalities in this community, and you will find that. Run a referendum in the city of Winnipeg, and you will find the same thing because every single survey that has been conducted has shown that right here in the city of Winnipeg, people are opposed to taxpayers' money going to pay for what? Going to pay for millionaire salaries in terms of a hockey team, and we are now dealing with constructing a new arena.

Ask any one of the members of the government benches on the rural side to go to their communities and say, here is \$35 million. We are going to spend \$11 million for the Winnipeg arena. Do you think that is the appropriate priority for the provincial government? Mr. Chairperson, you know, I know, we all know the response that is going to come from rural and northern Manitobans.

The Minister of Finance, of all people—here is the Minister of Finance, who on the one hand is lecturing people about the shortage of taxpayers' money, and on the other hand, he is the minister in this same debate who is now saying, well, yes, we are short of money, but we do have \$11 million this year alone for a Winnipeg arena.

This is the Minister of Finance who says we have got money in next year's budget, and we have got money in the budget the year after. You know, every time I get up on behalf of my constituents, I am told there is only so much money to go around. [interjection]

Well, Mr. Chairperson, I can see that the former Minister of Northern Affairs is awfully sensitive, and so he should be, given the abysmal showing of his party in the Thompson constituency, where the communities voted on the basis—and he used to send letters to the newspaper long after he was Minister of Northern Affairs, saying what a great job his government did, in his own mind—in his own mind.

This is the worst showing of the Conservative Party in how many years, Mr. Chairperson—26 years in the Thompson constituency. They lost every single community, every single community, and the minister would not know the truth if he tripped over it, and I wish he would stop harassing me.

Point of Order

Mr. Downey: Mr. Chairman, I will not make a big issue out of it, but I would appreciate if the member would stick to parliamentary language and not try to demean myself as a person and an individual.

Mr. Deputy Chairperson: Order, please. I just have a question for clarification. What is the complaint here on the point of order?

Mr. Downey: No, carry on. I just wanted to bring him to his senses.

Mr. Deputy Chairperson: There is no point of order.

* * *

Mr. Ashton: Mr. Chairperson, I think the minister should come to his senses and wake up to the reality of his government's seven years of neglect. [interjection] Well, I would appreciate if you could ask the Deputy Premier (Mr. Downey), who should know better—perhaps it is the heat that is getting to the member, but when I see the member standing there making gestures and constantly interrupting, this is not the way to proceed in committee, and it is absolutely uncalled for, for the Deputy Premier, a senior member of this House, to be—[interjection]

Mr. Chairperson, I would ask if you would call the Deputy Premier to order, because his antics are somewhat on the juvenile side, to say the least. I do not think it is appropriate for members to be sitting there making various gestures at other members and constantly interrupting. I would ask that we get some order in the committee.

* (1250)

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

Mr. Downey: Mr. Chairperson, if the member feels offended by the fact that I actually made a reference to the fact that he was doing a lot of talking, I will apologize. That is the only thing that I did, was make reference to the fact that the member is actually doing a lot of talking and not saying a whole lot.

Mr. Ashton: Mr. Chairperson, there is not much point in continuing this kind of discussion in the committee. You know, I want to put some comments on the record based on the priorities of this government. I mean, if the minister wants to come in and make the kind of juvenile comments that he continues to make even when he withdraws his comments—if he wants to withdraw his comments, he can do it, as I had to and others have had to do unequivocally. If he wants to make juvenile comments on the record, I would suggest he do that in his caucus room because it is not appropriate to this committee.

Our concern in this issue has been very clear right from the beginning. It is a question of priorities. If we have \$11 million to spend on a Winnipeg arena, we can come up with a thousand and one better ways to spend it. It is a simple fact, Mr. Chairperson, and, quite frankly, I can understand why members opposite are sensitive on this issue. They are not representing their constituents when they vote for \$11 million for the Winnipeg arena, and they are not representing their constituents when they vote for \$1.8 million in Jets' losses. It is as simple as that. The fact that this number, the \$10-million figure, was expanded after the election is full indication of that.

The people of Manitoba on April 25 did not have the opportunity to vote on the true agenda of this government, and no one is going to kid anyone in rural and northern Manitoba. This government knew that it was willing to raise the ante, but did it say that in the election? The Premier (Mr. Filmon) said, read my lips, \$10 million, and within a matter of days, it was clear that we were not going to see a limit on that, and within a matter of weeks, Mr. Chairperson, it was very apparent that the real figure was \$37 million, and that is just from the provincial government. That is not including any other indirect or direct tax liabilities that will be incurred as part of the rest of the package which involves the tax liability.

So that is what we boil it down to, Mr. Chairperson. We want the government to understand that what it is doing here, to my mind, is not only poor priorities, but it is really what I would consider an abuse of the infrastructure program.

When the federal government and the provincial government sat down, the purpose of the infrastructure program was clearly to deal with basic municipal infrastructure. Well, the minister says no, but where does he justify on the grounds of public policy building a new arena for a professional hockey team. If he can justify that to his constituents, then that is between him and his constituents.

I know the fact is that most Manitobans, given the choice, would say it does not make sense to spend money out of an infrastructure program, \$11 million for an arena when we have basic needs in communities. Lack of sewer and water, I mentioned; roads, I mentioned. There are communities that need major upgrading of sewer and water. There are a whole series of projects that have far greater merit than this particular project.

What really concerns me is the matter of public process, quite frankly, the fact that this was done in the midst of some very unusual events that took place. It was done basically without public input, without public consultation. The significant nature of what is happening with this line item and with the previous line item we dealt with yesterday, this is the first time the Manitoba Legislature has had a time to vote on this.

(Mr. Deputy Chairperson, in the Chair)

Everything has been done thus far by cabinet fiat. That is not acceptable. It is a question of public process here. Even the City of Winnipeg held a direct vote on whether they would put in their \$37 million plus the other associated items.

The provincial government has refused to put this to the Manitoba Legislature. I say that our role as legislators is very clear. It is to decide on matters of public policy. I believe that this government should have had the political courage to show its true agenda

before the election by putting the \$37 million figure on the table.

I believe, Mr. Chairperson, they should have gone to the public on this. I also believe that, since they did not go to the public on the \$37 million figure, the least they should have done is put this to a vote of the Manitoba Legislature. I mean, I represent my constituents; you, Mr. Chairperson, represent yours. We all represent our constituents, the 57 constituencies, and each would have to decide if a true vote was to be held on this issue, whether to vote the party line.

Quite frankly, Mr. Chairperson, each would have to make that decision, but we do not get that option. The only option we had was yesterday and today. I think it was significant that every single government member voted with the government in favour of the \$11 million and the \$1.8 million, including every rural member and every urban member that was present. I am not making reference to the absence of any members. The only members that were absent as far as I am aware were ministers who were paired on government business.

I would appreciate—in fact, I would like to ask the minister this question, and this will be the one question I will be asking. My colleague will be raising this afterwards in terms of some other follow-up questions. I would like to ask the minister, in all honesty, how he can justify it to the many communities that have needs out there in terms of infrastructure, including the city of Winnipeg which has significant needs in terms of sewer and water—for example, upgrading of sewer and water is required—and many other infrastructure needs.

If he can say in good conscience that in terms of public process what the government is doing is right, that \$11 million should be allocated to an arena for the Winnipeg Jets instead of the many other needs of Manitoba, I assume he will answer that that is his case that he is putting to the people of Manitoba, and that is fair in terms of debate. I would appreciate once on the record that statement, because that is really the issue here. There are limited public dollars. Where, in this case out of a \$35 million line item, do we spend it? For the Minister of Finance (Mr. Stefanson), on the one hand, who preaches—and so he should, as Minister of

Finance, that is his responsibility to look after the finances of this province.

But I would appreciate even if the minister can justify there why, on the one hand, he is talking about the shortage of tax dollars and the need on a constant basis to be responsible in terms of the fiscal management of this province and how he can justify, on the other hand, with spending \$11 million in one year out of a \$35 million item, in addition to the \$1.8 million in losses that have been budgeted—how can he justify spending that amount of money when as Finance minister he knows all too well just how tight our finances are and how priorities have to be met? So I would appreciate if the minister could answer that question.

Mr. Stefanson: I will be brief because I know my colleague has a comment he would like to make as well. I think what the member from Thompson (Mr. Ashton) shows with his remarks is a complete and total lack of understanding and knowledge of how the infrastructure program has been put in place from day one. He makes a big to-do that all of the money should be going into what he calls traditional water and sewer projects. If he looks back at the history of this issue, he will very quickly realize that the provincial government, the federal government and other governments across Canada realized that there should be much more broad-based support.

In fact, at the western premiers' meeting in 1993, and I think he knows what political parties are represented amongst the western premiers. There are two Conservative governments, two NDP governments. The western premiers themselves said they support an early start to the national infrastructure program and agreed to a number of important principles and criteria to guide its implementation. The first one of those is that the infrastructure must be broadly defined.

There are priority needs in a variety of areas that could include technological innovations, transportation, communications, environmental protection, community needs and skills training. So from day one the whole objective was to have a broad-based program. Very early in terms of the \$204 million that was allocated for Manitoba, \$60 million was designated to rural

Manitoba for traditional water and sewer projects. That has been done on the basis of recommendations from the Union of Manitoba Municipalities and the Manitoba Association of Urban Municipalities with their wholehearted support. Mr. Chairperson, \$60 million to the City of Winnipeg for traditional water and sewer and \$84 million for strategic initiative.

Within the strategic initiative, some of the kind of undertakings that are in motion are rural gasification, distance education, initiatives that are benefiting rural Manitoba. Within that same pool of resources, there are also allocations for the city of Winnipeg, and one of those tentatively at this point in time is to fund a new entertainment complex and arena.

I want to remind the member, if political leaders of the day had had the same kind of attitude that he has here today, and I know even the NDP governed this province occasionally, we would not have the Convention Centre, we would not have The Forks, we would not have North Portage, we would not have the Concert Hall, we would not have the Pan Am Pool, we would not have the aqueduct, we would not have a whole series of capital initiatives because of the lack of vision, the lack of foresight and the head-in-the-ground attitude that is being portrayed by the member from Thompson (Mr. Ashton), that the whole objective of the infrastructure program was to be broad based, to do traditional sewer and water, but to do a number of other things.

* (1300)

It was to create jobs, and it has done just that. It has created some 3,300 jobs to date. It was also to create economic development opportunities and have a long-term legacy for all of our communities. Obviously, an entertainment complex arena, if it is built here, it will continue to maintain an NHL hockey team that has an economic benefit to our community. It will continue to provide a facility to attract all kinds of other events and organizations that will generate economic activity in our community and many—he does not need to take my word for it.

Independent studies have been done by various corporations, organizations, individuals that point to a

very significant economic benefit to our community by having the Winnipeg Jets here in our community.

In terms of the agreement itself—I mean, the whole idea of re-entering this agreement was on the basis that the public sector would build a facility as they have done in the many examples I have given him, where there have been significant public resources, not only here in Manitoba, but right across Canada, for those kind of facilities, and the private sector would put together resources to purchase the hockey team and keep them here in Manitoba.

A very significant commitment, a significant contribution from individuals in our province who are prepared to put forward a lot of money to do just that, a significant contribution by governments to put in place a facility that will serve the needs of Winnipeg and Manitoba for many, many decades to come for a whole range of activities and will create a significant economic impact for our city and for our province, not only during construction but for many decades thereafter.

Mr. Chairman, I could go on and on and point out the error of judgment on the part of the member for Thompson (Mr. Ashton) and his lack of understanding of the infrastructure works agreement.

I would gladly do that at any point in time, but I know the Deputy Premier has some comments, and I will conclude.

Mr. Downey: I regret that the individual whom I had my remarks most prepared for—but I am sure he will read it in Hansard, because it—

Point of Order

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I know that the member opposite knows that it is not proper to refer to a member's attendance at any hearing or sitting of the House or its committees, and I know that he did not mean to do that.

Mr. Deputy Chairperson: To all honourable members, we are not to refer to the presence or non-presence of any of the members.

Mr. Downey: On the same point of order, I would ask you to read Hansard. I did not make reference to the fact as to whether or not he was or was not here.

Mr. Deputy Chairperson: Order, please. I did not rule on the point of order. I simply cautioned all honourable members.

* * *

Mr. Downey: I appreciate your caution. If the member for Crescentwood (Mr. Sale) would read Hansard, and I would advise that he would, he got awfully jumpy as to what I was going to say rather than what I did say, and that is a typical New Democrat.

On the infrastructure, I want to take this opportunity to acknowledge the work the Minister of Finance (Mr. Stefanson) and the committee, provincial, and all the employees have carried out on behalf of the people of Manitoba in putting together a program as quickly as they did to make sure there were jobs and that there were necessary infrastructure programs put in place. They are all very well-meaning programs, right from rural gasification to the educational infrastructure that is being developed. It will mean a tremendous economic boost for all of those communities that are a part of the program.

Mr. Chairman, I think it is important that that be put on the record. I could talk for hours and hours about the incompetence and the manner in which the New Democratic Party, when the member for Thompson was part of that administration—and let me just remind the public of Manitoba on the record that they frittered \$27 million away to Saudi Arabia; \$27 million at that time would have built an entire arena probably or an entertainment complex, but what did they do?

They chose to spend \$27 million of hard-earned taxpayers' money to keep a few people employed at Manitoba Telephone System. They did not want to have to face the fact that maybe there had to be some downsizing.

This is the kind of decision making that was made by a New Democratic government. The member for Thompson—

An Honourable Member: What about the bridge?

Mr. Downey: The minister reminds me about the bridge without a road to it, north of Selkirk, again, 20-plus millions of dollars. That, along with all of the other ridiculous spending by the New Democrats, piled a debt on the people of Manitoba that we are still trying to dig out.

We currently have a \$600-and-some-million interest bill that we are trying to pay on an annual basis because of their incompetence, their misdirection and their misguiding of the public purse of this province—has to be said and I am saying it, and I will say it over and over again. That, quite frankly, is why the people on April 25 left them in opposition. They did not want any more of those experiments with the New Democrats and their spending as happened in Ontario, so the numbers and the way the people of Manitoba have spoken again on the 25th of April clearly point out whom they want in charge of the expenditures of these funds.

Mr. Chairman, the member makes a lot about whether or not Thompson should support or the people of Thompson want to support. If we break down all the monies that are spent community by community, and they measure how much money goes back to that community across the board, not just lotteries, sales tax, everything else, that breaks totally and is in opposition to what I believe the New Democratic Party and the socialist philosophy believe in, totally, totally makes a province ungovernable, that you have jealousies, you have disruption, you have people saying, they got more than we got. That cannot happen. It flies in the face of what they are trying to sell us on, whether we believe in the Canadian Wheat Board. They believe that we should all throw our wheat into one pot and we should level it all out and take so much back as per bushel.

I can tell you, for years, the people of southwestern Manitoba produced high-quality wheat. We did not get paid for the quality. It was blended and mixed off, and we got an average price like everybody else because that was the right thing to do. That was what the socialists believe in. Today, what they are doing is saying that is not any longer right: we will measure it as to how much you put in; you will take out that much.

That is almost separatist policies. It is almost driving wedges community to community. I say to the people of Manitoba, it is absolutely, absolutely improper that governments be put in the situation that we are driving.

So the infrastructure, we believe, administered through Executive Council in the legislative system has been done fairly and will continue to be done fairly.

Let me just speak to the entertainment complex, because I put it on the record the other day. I do not look at it as an arena just to play hockey. I look at it as an investment in Manitoba's future.

Winnipeg is a major part of Manitoba. Winnipeg people help build things throughout rural Manitoba, whether it was the Keystone Centre in Brandon, where several millions of dollars have gone in, whether it is the road system to Thompson, whether it was the sewage lagoon at Pikwitonei that the member for Thompson (Mr. Ashton) talks about, and it was so poorly done under the NDP it has not floated a gallon of water or sewage. Goodness knows, if they used it for the member for Thompson, it would have quite a bit, but it has not even the ability to be operated.

The member for Thompson says that he has not any electricity in some of his communities. Well, he is wrong. There is electricity. Some of his communities need an upgrade. They need an overland line, which every year we have funds in place to put the monies toward the overland hydro lines to north central or northeastern Manitoba communities. He has voted against it, Mr. Chairman.

The member for Thompson has not supported the programs that we put in place to bring the overland hydro lines to those nine or 11 communities. We put the program in place, \$117 million, with the federal government, Manitoba Hydro and the province to bring those people up to today's living standards. He voted against it—not let he sit here and say that he is the great saviour of the North, because he has been a disaster.

In Flin Flon, the infrastructure that we supported in putting in \$25 million to the upgrading of the smelter, the NDP were in for—how many?—years and could not put it together.

The Repap operation now at The Pas, one of the biggest environmental disasters was the operation of Manfor under the New Democratic Party, that we spent millions of dollars of taxpayers' money to clean up the mess that they left, and we sold it to a private company. Today it is creating jobs and wealth for the province.

Let me, Mr. Chairman, remind the member of the lack of support for the native communities where Hydro had caused tremendous damage, whether it is the Grand Rapids forebay problems where this Premier (Mr. Filmon) sent a letter to Manitoba Hydro and said: we do not have a legal obligation, but we have a moral obligation; get on with resolving it. We put millions of dollars into the settlement.

The NDP, I can go to the record and show you letters that they said, we have no legal obligation. I can tell you, the NDP can sit here holier than thou, but the record clearly speaks for itself. They were a disaster as it came to looking after the people of northern Manitoba, and the member for Thompson (Mr. Ashton), every time we have put a positive initiative forward, has voted against it, so I get a little bit upset. The member for Crescentwood (Mr. Sale), I appreciate, says, keep it at a higher level. Well, I intend to keep it at a higher level, and I intend to keep telling the people the truth.

As for the member for Thompson saying that I am juvenile, I do not know what he has against juveniles. I think he should rethink what he said. What I actually did was I said nothing on the record, but I made a motion that he was doing quite a bit of talking. Now if he takes exception to that, I apologize to him if his feelings are a little bit sensitive because he had to back off this morning in the House, but, again, there are many examples.

This government, that is what a Conservative government is all about, is building infrastructure so people can do things on their own. I again conclude my remarks by saying I have no difficulty in saying to the people of Arthur-Virden, yes, we supported a Manitoba entertainment complex because your children, the future children of Manitoba, of which we are all a part—we are all a part of the same community. We are all a part of Canada. That is a part of what we

own. It is not just for a few people in Winnipeg. It is not just for a few hockey players. It is for everyone in the province. It is an entertainment complex of which we will be able to bring trade missions. We will be able to demonstrate what we do in this province on events that I think will be world class because we will have a world-class facility.

Again, let me remind the member for Thompson (Mr. Ashton), in voting against this, how many hundreds of jobs is he voting against of his union friends that will be there building it? How many people is he voting against? Is he going to take the narrow-minded view that if it is not built in Thompson, we should not do it?

I suggest to the New Democratic Party, they should take a look at their true values and what they are now espousing as it relates to either the Lotteries spending in community by community or whether they take to heart what they really stand for as New Democrats.

I honestly believe, Mr. Chairman, that we all are a part of Manitoba, we are all a part of Canada, and I say to the people of Winnipeg, we will do what we can to make sure we are able to maintain the focus of building this city as we want to build Thompson, as we want to build the Brandons, as we want to build the Arthur-Virden communities, as we want to build the Steinbachs.

* (1310)

I take exception to the almost separatist attitude that the member for Thompson is taking, because that is what he is saying. If Thompson spends the money, the only place that any money should be spent is back in their community. I do not think that is what the people of Thompson want. I think the people of Thompson are very, very fair people. They want their fair share. That is what he is sent to the Legislature to do, is to truly stand up and represent them on a fair and equitable basis. If he feels that he is unable to do so, then he should reassess what his position is in this Legislative Assembly.

So I say, Mr. Chairman, today—and I put this on the record because I think it is extremely important in future as it relates to infrastructure, as it relates to how

we spend monies in this province. The Legislative Assembly gives the authority. Executive Council has the authority to distribute and to make sure that the funds are allocated properly with the government caucus. We, I believe, received a mandate on the 25th of April to continue on with the policies and programs we have put in place.

I say I am extremely proud of what we have done and, yes, the argument could be made that we had to go a little further than we had previously decided on the facility. I have had a few people comment about it, but when I explain to them the situation we are in and the numbers of millions of dollars that we will get back in tax revenues, that we will get such a tremendous economic spin-off that we are going to be ready for the year 2000 in Manitoba, we are not going to be a have-not province, that we can, I believe, afford to do it.

One finishing comment—and there are just many things that keep coming to my mind, you know. When is the New Democratic Party going to get its act together? When the Leader of the opposition party said, well, we think the infrastructure money is the perfect place to take the money from. Take it from the underpass, take it from Route 90, that is where we want to do it. Clearly on CJOB, I believe, he was espousing, use the infrastructure money to build the entertainment complex.

Now he is saying, the member for Thompson (Mr. Ashton) is saying, why would you use that infrastructure money? Let us not use it for that. Let us use it for infrastructure. I wish he and his Leader would get their act together. They are certainly sending mixed messages. Of course, that is nothing new, Mr. Chairman, because it is whatever thinks will gain them more political popularity. That is what drives the New Democratic Party, not what is right.

So, yes, there are people—and I am not saying everyone is absolutely 100 percent sold on this in Arthur-Virden, but I say, in general, when you talk to them and tell them the truth about what is happening, they are generally supportive. In fact, I have had some pretty strong advocates come forward, who are extremely positive on sports and sporting activity, who are telling me that it is absolutely essential that we

support the development that has taken place. So I want it on the record.

I want it on the record, as well, that the member for Brandon East (Mr. Leonard Evans), I wish would stand up too in defence of what is happening. Not only has the Keystone received considerable amounts of millions of dollars to help it develop, as many other rural communities have, there is a request currently which the Minister of Finance (Mr. Stefanson) could speak to in infrastructure that is currently being requested of this government to help fund. Do you think we should turn it down? Do you think we should say it is the wrong thing to do because it is an entertainment centre? Yes, they play hockey. The Wheat Kings play darn good hockey. It is not just for the Wheat Kings. It is for the fair. It is for rural winter activity. It is for world curling. It is for all those events that you can bring to a facility like that. Without that facility, we could not have had the world curling in Brandon. Without an entertainment complex, we would not be able to entertain world events like we are going to. Of course, the Pan Am Games is another example of what is taking place.

So I tell the members of the New Democratic Party, pull your heads out of the sand. We are in a progressive province. We are in a progressive country. Yes, we have to spend responsibly, and we have to earn the money that we do spend. We do not have to tax the people and go into debt like they did. We can do it, and we will do it. We are going to put legislation in place to make sure we do do it, and any future governments have to follow the same path.

I apologize for taking so much time, but I felt it was extremely important to put this on the record because truth is truth, and I feel very strongly about it that the right path has been struck by this minister in infrastructure. I compliment him and all the members of the government who support this line and the use of money to help build a better, more progressive province.

Mr. Sale: Mr. Chairperson, I have been promised that some time during this session I would hear from the honourable member for Arthur-Virden (Mr. Downey), and I am glad to now have heard from him at his finest.

I am not going to make very many comments about what he said. I will make a few though. I have a number of comments I want to make about the arena and the overall process.

I want to start simply with the question of the arena itself. The minister has said that he has seen drawings and has seen some of the preliminary—I do not know whether they are sketches or whether they are preliminary working drawings or whether they are final working drawings, but I would say to the minister that a great deal of the anxiety being expressed by those who are concerned about the wisdom of this expenditure would be allayed by having these drawings, which presumably were the basis for the final guaranteed maximum price, available for public inspection so that the public could know the answers to certain questions.

I have here a letter, which I am not going to table at this time, but I will be tabling in due course, from—[interjection] Mr. Chairperson, I apologize to the staff of Government Services who, I understand, were asked to come, and I believe that the decision is that we are going to continue in Finance until the close of the day. I am sorry. I am prepared to close it, too, if you want to carry on for half an hour. [interjection] Well, we did have rather a long peroration.

Just for clarification, if it is the wish of the committee that we close at, let us say, how about a quarter to two? But I have a number of comments on the whole project which I want to put on the record so they are in one place. I spoke with my colleague and that was our agreement. I am prepared to close by quarter to two if that is of assistance to the process.

Mr. Stefanson: Agreed. It is different than my understanding of what was tentatively agreed to, but that is fine.

Mr. Sale: Okay. Then I will hold to that commitment.

I want to start with the question of the actual arena, and I have said that I thought it would be helpful if the government would make available to all Manitobans the sketches or the drawings which are going to be apparently shared on Monday evening with City

Council. It appears to me that it would be entirely reasonable that, if a final guaranteed maximum price has been arrived at, these drawings should be shared.

* (1320)

The concern is simply that, according to figures from across North America, no arena has been constructed in the last number of years for the price that is included in the final guaranteed maximum price. The arena currently under construction in Vancouver by the same consortium, Dominion Hunt, is currently estimated at \$160 million finished cost, with \$14 million allowed for land. We find it difficult to accept that we can do the same job here for approximately \$120 million including the land. That is why we would like to see the working drawings on which the final guaranteed maximum price was set.

Specifically, I want to raise the following questions. We talked about this, and the member for Arthur-Virden (Mr. Downey) talked about this, as being an entertainment complex. The government continues to call it such. In an entertainment complex there are provisions for multiple kinds of events. Are there specifically at least three loading docks that can handle semis at the same time with appropriate unloading facilities and storage facilities? Otherwise, the cost of staging some of the events which are hoped for for the other 70 approximately event days each year will be very high and the profits will be accordingly lower.

What are the staging sizes and configurations? What are the heights and widths of the stage that could be used for shows in the arena?

What are the catering and kitchen arrangements? When you bring in a major show, you are required to feed the crew and the cast, at least a hundred people. The catering and kitchen facilities and eating facilities ought to be adequate for an absolute minimum of a hundred people at a time.

What are the box office and ticketing arrangements, not just for hockey—that is the easiest part—but for the many other events? The current deal apparently has eliminated the building of parking as a cost-saving measure. However, there is an absolute requirement

for secured parking for semitrailers, for commercial vehicles associated with the arena and for performers. The minimum is eight semis and six buses. That needs to be secure 24-hour parking. In any first-class facility, that parking is climate controlled because much of the equipment is sensitive to temperature, but at absolute minimum adjacent parking is required.

There are a number of other technical issues. This letter that I am referring to comes from Jerry Shore and Associates who was the second largest user of the arena this year, bringing in profitable events that contribute substantially to the bottom line of the arena. Mr. Shore has never been contacted by the design group, by Dominion Hunt, or by MEC, nor to the best of his knowledge have any of the other professional promoters in town been asked for their absolute minimum or desirable technical requirements for such a facility.

No one has been able to satisfy those people who, unlike us, favour the building of this complex. We do not favour the building of the complex. Nevertheless, we want to represent their questions that we think are legitimate and go to the question of the viability of the current proposed plan.

Now I want to comment on the questions of the viability of the MEC business plan.

The MEC business plan obviously has been substantially amended since it was presented first on April 26, written approximately April 12 or 13. The minister has continually used the net and gross benefits of having a professional hockey team in Winnipeg as though they were interchangeable. The minister has been asked in previous Estimates' debate to table the Coopers & Lybrand report. I have not had a response back from him as to either whether this will be done, or if it will not be done, why it will not be done.

The Coopers & Lybrand report is, I believe, the basis for many of the estimates of benefit. Yet we have not been able to see this report to ascertain how these benefits were arrived at.

Errol Black and Joseph Dolecki of Brandon University took a look at the question of gross and net

benefits and pointed out, quite correctly, that unless a professional hockey team or any—it does not matter whether it is a hockey team or a restaurant. Unless any new economic initiative actually brings new dollars into a jurisdiction, then it simply rearranges the economics of that existing situation. Putting a new restaurant up on Pembina Highway does not bring the gross benefits to the Manitoba economy of that restaurant's gross proceeds. It brings the net benefits of whatever new spending is new to Manitoba, and it is not simply redirected existing spending.

Any accounting firm, whether it is big or small, that does a cost-benefit study knows that we talk about net benefits as the bottom line, not gross benefits. The net benefits estimated by Black and Dolecki at maximum are \$7 million a year. That is not an insignificant figure, but it is far from the figure that has been quoted by the minister and by the government many times over.

If they would not want to confuse and unnecessarily mislead the people of Manitoba in terms of their understanding of this initiative, they would not use gross benefits as though it were net benefits.

I would refer to the work of Dr. Robert Baade, who is an American economist who is a sports economist. That is his whole study, the economics of professional sport. He has exhaustively studied the impact of professional sports franchises on major American cities, some 35 different franchises he examined. His conclusion is that in no case is it possible to discern any net benefits, let alone the modest amount that we have seen here in Black and Dolecki's report.

He says that it is impossible to ascertain any net benefits from professional sport franchises, that where there are effects that are discernible, they have all been negative, that is, they have been losing revenues for the jurisdiction, not providing new revenues.

He points out absolutely correctly that in a province like Manitoba or a state like Minnesota, unless the new initiative succeeds in bringing significant numbers of new people into that jurisdiction from outside to take part in the events that are scheduled in the facility, there cannot, by definition, be any real benefit because there

simply are no new dollars arrived at in this whole process.

Baade's work has been widely accepted by a very large field of economists who draw on it for these kinds of studies. I am sure that the government probably has this study, but, if it does not, I would be glad to supply them with a copy.

First, on the question of the viability of the plan and the assumption of net benefits, I do not believe there are significant net benefits from the maintenance of a professional hockey team in Winnipeg. I believe, if there are benefits, they are of a psychological marketing kind of benefit but that they are not real economic benefits.

The viability of the plan tabled by MEC: The budget for the salaries of the hockey team has grown very sharply following the salary dispute lockout, strike, whatever of last year. MEC recognizes in their business plan the degree of the salary increases. I believe that now they are estimating that this year it will be at least \$30 million. That, of course, is before the signing of the three marquee players whose contracts are now up for negotiation.

Incredibly, the sensitivity analysis that has been done in MEC's business plan is based on salary escalations of only inflation. No professional sport of which I am aware has had salary escalations limited to inflation. They have vastly exceeded inflation. "Skyrocketing" is one of the terms that has been used repeatedly. Since the signing of the NHL agreement early in 1995, the salary escalations, according to MEC's own figures, have exceeded 50 percent.

So a business plan whose sensitivity analysis is limited to a case of salary escalations of 10 percent for two more years and 6 percent thereafter, and that is their worst-case scenario, is clearly open to serious question.

I would point out that the base case is a 4.5 percent increase per year until the year 2000 and 3.3 percent after the year 2000, that even at their so-called worst-case scenario of 10 percent and 6 percent, the reserves which they were planning on were fully depleted by the

year 2002, and new funding is required thereafter to cover escalating losses.

* (1330)

So our question to the minister is, is the business plan making sufficiently conservative assumptions in regard to players' salaries and other costs with regard to estimated team losses? We have noted that the endowment fund has been suggested at the level of \$60 million. The estimated losses, according to our sources at City Hall, which unfortunately is the one place where we get reasonably straight information from these days—[interjection] Well, we have none from the government.

The information from City Hall is that they will be between \$20 million and \$22 million next year. That means that over the next two years, even if we flatline them for two years, which is unlikely, the endowment fund will be short by between \$40 million and \$44 million before any move into the new building takes place, leaving somewhere in the order of \$20 million or \$25 million to underwrite any subsequent losses.

We note too that there is an assumption, on page 26, I believe it is, of continued revenue sharing. I beg your pardon, Mr. Chairperson, it is page 21.

The business plan suggests that the federal and provincial governments—it does not say which ones but talks about governments—should provide matching ongoing funding to cover losses of between \$1.5 million and \$2 million per year. It makes that request following an assumption that the NHL revenue sharing will generate a similar amount of \$1.5 million to \$2 million per year.

We know already, from the current meeting of the governors, that any revenue sharing has not been decided yet—it is a long-term question if it is ever going to be decided—and that even the discussions about some measures to deal with Canadian currency have been put on hold at least until their next meeting and perhaps after that.

So we wonder whether the promises of absolutely no ongoing losses were made in the light of the April 26

business plan which clearly called for the public to continue to participate in ongoing losses in the order of at least \$1.5 million to \$2 million per year.

We also note that the government has been all over the map on the question of charitable status. I understand the confusion in this issue, but various ministers at various times have either said, well, that is purely a mutual decision by Revenue Canada; others have said, it is probably a good idea.

I would ask the minister to consider whether this government wants to be part of a deal that makes professional hockey appear to be a charity for tax purposes?

This government has made much over the years of the role of the voluntary sector. It has made much of the importance of charitable activities in the community, and rightly so as the minister opposite says. It stretches morality and credulity to think that in any way a professional hockey team could be put in the position to be a beneficiary of a charitable donation. It simply twists the notion of charity all out of any reasonable meaning.

We also question, on the issue of viability, the need for the complete giving over of all revenues from the new entertainment complex arena to the NHL as a first call. We know that there is an ongoing discussion, which this government is not directly part of but it has become a partner to, on the issue of the entertainment tax.

We know that the city is in a very difficult situation of trying to figure out how to deal with entertainment tax for charitable organizations when it has said that it will give back the entertainment tax to a professional hockey team. We know that at least some of the events in the arena will be charitable events. They will be events with the purpose of raising money for charities and yet any net proceeds from those events will, by virtue of this agreement, go to subsidize hockey.

We would ask the minister to seriously examine the propriety of funding a professional hockey team through charitable donations or through the use of monies derived from charitable events. Again, when

you cheapen people's understanding of charity and you cheapen people's understanding of what it is they are doing with their voluntary dollars, you ultimately cheapen public morality. I think this is a question of public morality, and I ask the minister to seriously reflect on it as he goes about negotiating agreements.

In terms of the final guaranteed price, the minister has made much of the fact there is a price of \$75.1 million with a contingency account presumably included in that of \$3 million. The minister also, and I believe rightly, says that there is no agreement about this as yet. I would say to the minister, you cannot have it both ways.

The contractor has provided a guaranteed maximum price to Spirit or to MEC I suppose really in the initial case, but if we are to believe the government, they have not been party to that. They stated that they had not seen it or read it, and yet they provided unequivocal assurances to the House that this was an adequate guarantee. I do not see how they can have that both ways. Either they have been part of the discussion and they know what the clauses are and the conditions under which the price would hold are, or they do not. I would be interested in the minister's comments on that question.

(Mr. Edward Helwer, Acting Chairperson, in the Chair)

In terms of the total raised by the private sector, the NHL Board of Governors the other day, in a somewhat I guess jocular fashion, said we cannot get any straight answer on what the numbers are. Is it \$20 million?. Is it \$51 million? Have they raised \$47 million or have they raised \$60 million, or as that same Free Press story said, have they raised \$78 million?

We are not able to ascertain, but we can say that Mr. Asper and others from MEC have repeatedly said that they have raised or have committed at this point about \$60 million. We take that as the best guess at this time.

We would ask the government to be very clear about the fact then that the shortfall is not \$20 million, as Spirit has been trying to spin out to the press, but \$51 million. The \$51 million may be comprised of \$20

million in donations to an endowment fund and \$20 million in capital cost donations to the construction of boxes and club seats, builder contributions.

That really does not matter because it is all coming from the same well, it is all coming from Winnipeggers either in the form of businesses or individuals, so whether they are asked to put money into a donation pot or money into a construction pot, it is still their money, they are being asked to put it in in one form or another.

I would ask the minister also to be very clear about the requirement that all of the monies promised by Spirit would be on the table available before any construction starts.

Finally in terms of the question of the \$51 million, the minister knows that the MEC business plan and the MEC-Spirit press conference has continued to count on \$10 million worth of season ticket sales as capital contribution to this project.

I think the minister, who is a very competent accountant, knows very well that when you receive income in advance of operations, it is a great assistance with cash flow, but by no accounting designation that I know of can operating funding be considered capital. It is certainly not available to disburse for capital purposes, because then it is not available to pay team salaries.

So I would ask the minister to consider the propriety of allowing MEC-Spirit to count on season ticket sales two years hence as part of a \$111 million commitment to the project. I think that is a very important question.

*(1340)

In terms of the scheduling, we know that the project was supposed to break ground in July. We have been told that they can still make their deadline of substantial completion by September 1997 if they begin after August 15. We are exceedingly concerned. We know the government has the power to push this project through. We know they have a majority. We know that ultimately they will do what they will do, but we are exceedingly concerned that the government is

opening the door to a bottomless pit of contributions from the public sector.

If the government agrees to proceed before it has seen deposit receipts, irrevocable pledges for \$111 million, then another promise has been broken, and that is the promise that this is a 50-50 deal, that the private sector will come up with \$111 million and the public sector will come up with \$111 million.

We already know the public sector is coming up with at least \$140 million. We know that of the promised \$111-million private sector, tax breaks will make up at least \$50 million for the donors. So the real project is a \$50 million, \$55 million private sector, \$200 million public sector. That is the real project.

We are very concerned that the government is in the process of slipping away from yet another commitment, and that is that it is a 50-50 up-front deal—that is, on a gross basis, \$111 million from each partner. We believe that the government is laying the groundwork to let that commitment slip by the wayside so that Spirit will only raise perhaps \$80 million before the shovels go in the ground and they will promise to do their darndest to raise the rest some time in the future. That, I think, would be seen by the public as yet another betrayal on this issue.

I think that there are many other concerns. They are of a detailed kind and the minister probably does not have the ability to answer them, but I will put a couple of them on the record in any case.

We understand from an MEC business plan that as of April 26, \$5.8 million of what was then supposed to be \$10 million towards one-time payments for construction had been committed. It is on page 2 of the business plan. Now we do not know whether that \$5.8 million is in cash or in pledges. We do not know the firmness, in other words, of those commitments. We know that fewer than 50 percent of the club seats have been sold as of April 26 and that eight boxes remain unsold.

We are puzzled, then, Mr. Chairperson, at the \$10-million gap between MEC's statement on April 26 that their goal was \$10 million towards one-time payments

for construction and yet the current plan apparently calls for \$20 million towards construction. So we are puzzled about that.

We are also puzzled about the propriety of both sides claiming the clock rights, the naming rights and other ancillary rights to the project on their sides of the ledger. Clearly, the public sector in the House in the words of the minister and the Premier (Mr. Filmon) has claimed those rights for the public sector. It is clear from press releases and others that the private sector is claiming the same rights.

With those questions and comments, Mr. Chairperson, I would conclude and thank the minister for listening to my comments.

Mr. Stefanson: Mr. Chairman, I will be brief. The member has not put very much new on the record other than the questions that he has asked over the course of the last several weeks in the House. I believe that I have answered most of the concerns or questions that he outlined here today.

The first issue, he talked about the drawings and design; again, I believe all of his concerns will in fact be addressed, and, as this issue moves forward, all of that kind of information will certainly be made available.

He talks at length about the MEC business plan, and I think it is important for him to know that was a plan at a particular point in time with MEC and, subsequent to the agreements that have been reached with Spirit, there are differences from the MEC plan. So, when he tries to suggest that we are both claiming naming rights and rights to the clock, that is an issue that has been agreed with the Spirit that the province and the city will have the access to the naming and the clock.

When he talks about the MEC plan referring to some additional public support of \$1.5 million to \$2 million, that was the MEC business plan at a particular point in time. It has been agreed to with Spirit that will not be in place under any new arrangement. He spoke at length about previous economic studies by Baade and Black. I have certainly seen the Baade study, read some of the information from Black.

There also has been the Coopers study. There has been the work done by Art Mauro and his commission, Mr. Burns and his commission, and a great deal of work done on the whole issue of economic benefits here in our province.

I will not take the time here again today to put them all on the record, but I will gladly continue to do that at any occasion that I get the opportunity to do so.

An Honourable Member: Are you going to table the Coopers & Lybrand report?

Mr. Stefanson: Well, we will provide as much information as we can on the entire issue. I have a series of issues I am responding to from when I was in my own Estimates that I will be responding to.

Charitable status, our position has been any organization can apply for whatever they feel they are entitled to to Revenue Canada. That is what Spirit is doing. I guess, unlike the NDP, we are not prejudging what might come of that. They think they are entitled to apply for a particular status depending on how they structure, how they put in place, their organization.

We are saying that, if they feel they are entitled to apply under federal legislation, go right ahead and do so, and that is exactly what they are doing—nothing more, nothing less. Whether they are successful or not will be decisions made by Revenue Canada and another level of government.

Mr. Chairman, I could go on at length, but, as I say, I think most of the questions I have answered on several other occasions. It just continues to illustrate to me that the NDP opposes, at all costs, finding any solution to keep the Winnipeg Jets here in Manitoba. They have no desire to keep the Jets in Manitoba. They want to see them playing in Minneapolis or somewhere in the United States. They want to lose the economic benefit, whatever figure they choose to put on it. They want to lose the tax revenues. They want to lose what it does for the image and confidence of Manitobans and Winnipeggers. They do not want an entertainment complex that will be available for a hundred-plus other events that will do all kinds of things for our economy.

As I said in response to the member for Thompson (Mr. Ashton), it just shows to me the lack of vision. If we had a government like that, we would not have the Concert Hall, we would not have the Convention Centre, we would not have the Pan Am Pool, we would not have the Art Gallery, we would not have North-Portage, we would not have The Forks, we would not have the aqueduct. I do not know what kind of a province it would be, but it would be a kind of province I do not think that would have many people living in it.

Mr. Chairman, I will conclude my remarks with that.

The Acting Chairperson (Mr. Helwer): Item 9. Canada-Manitoba Infrastructure Program - Capital \$34,200,000—pass.

Resolution 27.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$34,200,000 for Other Appropriations, Canada-Manitoba Infrastructure Program - Capital, for the fiscal year ending the 31st day of March, 1996.

This concludes the Estimates for the Canada-Manitoba Infrastructure Program - Capital.

* (1350)

Emergency Expenditures

The Acting Chairperson (Mr. Helwer): The next set of Estimates to be considered are the Estimates for Emergency Expenditures, page 145 of the Estimates book.

Does the minister have an opening statement?

Hon. Eric Stefanson (Minister of Finance): No, I do not, Mr. Chairman.

The Acting Chairperson (Mr. Helwer): Thank you.

Does the critic from the official opposition have an opening statement?

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I just say for the record that if any of my colleagues have

questions in this section we will ask them in concurrence. We are prepared to pass this item now.

The Acting Chairperson (Mr. Helwer): Item 5. Emergency Expenditures \$10,000,000—pass.

Resolution 27.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,000,000 for Other Appropriations, Emergency Expenditures, for the fiscal year ending the 31st day of March, 1996.

This concludes the Estimates for Emergency Expenditures.

The next set of Estimates to be considered are the Estimates for Government Services.

Is it the will of the committee to call the hour two o'clock?

Some Honourable Members: Agreed.

The Acting Chairperson (Mr. Helwer): Committee rise.

ENERGY AND MINES

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Please come to order.

This section of the Committee of Supply will be considering the Estimates of the Department of Energy and Mines.

Does the honourable Minister of Energy and Mines have an opening statement?

Hon. Darren Praznik (Minister of Energy and Mines): Yes, Mr. Chair, first of all, I would just like to thank my critic. She appreciates some of the scheduling difficulties I have today with my constituency, and as a consequence of her understanding, I am going to reduce my statement and just touch upon a few points.

First of all, let me welcome the member for St. James (Ms. Mihychuk) to this Legislature. I know she has—the word I am looking for is a very close or had a close

relationship with the Department of Energy and Mines, having been an employee of our department. She and I have had a chance to discuss that, and I know she is probably very cognizant of many of the issues and operations of the branch during her time with the department.

I would just like to touch on a couple of points that I know members of the committee may be most interested in and that, of course, in this department is our need to improve exploration in the province. There is obviously a long lead time between beginning to look for mineral deposits, discovering them, proving them and getting to the point where they are actually developed as an active mine employing people and generating wealth, which we as a province obviously tax and benefit from.

Over the last number of decades we have not had the kind of exploration, particularly in parts of this province that are difficult to access—I am thinking of the northeast. One of the challenges of this department over the last few years and which I take on as new minister will be to put in place the type of initiative that will lead to that exploration, particularly in those target areas.

So I say in my opening remarks that that is a major objective of this department over the next few years. It obviously involves a host of things being done, one of which is giving some certainty to land tenure which involves the settling of land claims issues, or at least of limiting them to the areas where land claim settlements or land for those settlements will be found. So that certainly is a priority that we will be taking on.

I am also very pleased to speak a little bit about our mines and minerals conference which we host annually. My predecessor, Mr. Orchard, was the host of last year's.

This has become a very exciting event in Canadian mining and attracts a large number of delegates from across Canada, I think more than 550 last year for the mining, mineral and petroleum portions of that conference.

I am also pleased to indicate that because of some of the policies that my predecessors were able to put in place in our incentive programs—and some of them have difficulties which we are working on correcting—the indication that we are getting by many in the industry is that Manitoba is becoming the place to be in the mining field in Canada. Certainly with an industry that today generates approximately \$1 billion in revenue as an industry, it is one of the more significant sources of income to us as Manitobans, and an industry that we must continually look for new opportunities and continue to see play a significant role in our province.

I am also pleased to announce that this year on the petroleum side, we had one of our best year's ever in the petroleum lease process this spring. We had some very, very good results, and I think they are reflective of some new technology and opportunities that exist because of horizontal drilling and some other activity that is taking place in our neighbouring province of Saskatchewan and south of us in the United States, which are all part of the Williston Basin. We are looking, as a department, at some significant opportunities in this area to again increase the activity, the expenditure and ultimately the economic activity of the petroleum sector in this province.

Mr. Chair, those are two points that I wanted to touch upon, and, as I have indicated, I wanted to make a very brief statement. I look forward to the questions and the discussions that we will get into in the course of these Estimates.

Mr. Assistant Deputy Chairperson: I thank the Minister of Energy and Mines for those comments. Does the official opposition critic, the honourable member for St. James (Ms. Mihychuk), have opening remarks?

Ms. MaryAnn Mihychuk (St. James): Yes, I do. First of all, I would like to thank the minister for his kind remarks and I do look forward to actually learning about the department. In a lot of different areas I am quite familiar with part of the department, and geology is a very complicated field and so we are specialized in various fields. So I too will be learning as the new critic in this portfolio, and I look forward to that.

First of all, I would like to say to yourself, how having worked in the department for many years that I know you have a very capable staff, very dedicated and with a great deal of expertise. Many of the people in your department I know are out in the field doing that exploration you were talking about, working in very difficult environments, in conditions that most Manitobans do not realize that our civil servants are out there doing what they can to stimulate our economy and provide, hopefully, more employment for Manitobans and bring in more revenue.

Clearly, in this department, I know that the civil servants we have go beyond what we would expect, and it is always seems to me that we do not recognize the economic value of our team. In fact if we recognized the amount of exploration work and put in claims where those geologists found or discovered new deposits, mineral wealth in the hard-rock sector, in the soft-rock sector, in the aggregate sector and in the energy industry, we would then have a better idea of how valuable those staff are, so I just wanted to put it on record that you are fortunate to be working with a group of people so dedicated.

I do want to just mention that I am disappointed that the Manitoba Mineral Resources has been sold by the government, I understand, or is in the process. It was established in 1971 by our government, by the NDP, and did bring in a profit for Manitobans over the years; \$2.3 million in 1992. Fundamentally, I guess this is where our political philosophy differs.

I do believe there is a role for the public sector to be involved in this type of initiative and we did see this corporation bringing in good for Manitobans, so I am disappointed to see Manitoba Mineral Resources no longer being the prominent role that it did have.

In addition to that, over the past numerous years we have been involved in mineral agreements with the federal government. We have been successful in negotiating two five-year agreements, I believe, and, out of that, I am sure, have seen many developments that perhaps would not have been done in other circumstances. It is very disappointing for myself and our side of the House that the federal government has made an announcement in February of this year that

they are no longer interested in that agreement. It is my hope that the minister will continue to pursue that avenue and indicate to the federal Liberals, which seem to be fairly shortsighted in their vision, that that type of investment is indeed a benefit to Manitoba and a benefit to Canada.

In terms of the department itself, the goal and the mission of the department is to protect Manitoba's nonrenewable mineral resources under the principles of sustainable development, and we have seen that focused through the new Mines Act. That is, I think, a very positive step. We do not, I believe, as Manitobans wish to see high grading, the depletion of our reserves in a haphazard manner. We need to see a managed control of the resources that we have in Manitoba so that we can see a stable economic future.

I think that one of the other major incentives is the rehab program for abandoned mine sites, pits and quarries that have occurred. I will be looking forward to asking the minister about some of the progress that we are seeing there. Given over 4,000 pits and quarries that are depleted, we have a long way to go in terms of that program. We all know in our communities in rural Manitoba that they are truly an eyesore and sometimes dangerous as people use them for recreational activity or swimming holes and whatnot, and it is better to have them rehabilitated.

There have been many new mining operations, as well, which have been initiated. As we see commodity prices go up, we are very excited, as there is more revenue for the government and that is very much needed at this time to be directed in other sources. Hopefully, we will see the increase of jobs. We see northern development. That is all very positive, so this is very exciting times for Energy and Mines, for the mining industry in particular.

Mining in Manitoba is the second leading primary resource sector after agriculture so we are aware how important it is, and we produce over a billion dollars worth of mineral product annually.

It is unfortunate, however, that most of that mineral product leaves Manitoba with minimal processing, and whatever we can do to develop secondary and tertiary

processing in Manitoba is, of course, a benefit to our economy and to Manitobans as they create even further jobs.

Mining, as the minister says, employs a great number of people and that is very important to many communities. Having worked in many northern communities, mining is basically the staple. Housing values drop, people move, economic security is always a concern as mining towns go through cyclical periods of boom and bust. It is very hard on families and people working up north or wherever the mine site is.

Employment and family is a priority to myself and, of course, to our party and we would like to see employment numbers actually rise. Given the present situation in mining with the technology that we are seeing, and I understand that the economy is basically driving this, we are seeing more and more technology doing the actual mining and less jobs in that field. But I am hopeful with projects such as the potash mines, the diamond exploration, the further base metal showings, the Cross Lake project, all of this as well as the gold prices make it an optimistic time for the mining sector.

I am going to be asking the minister and the department some questions about the environmental impact of mining. Although we have seen some major investment in the Flin Flon area, for example, sulphur dioxide emissions are still exceeding acceptable levels. That is a concern of mine; I am sure it is also a concern of the minister. I will be looking forward to learning about what we have in store for Flin Flon and how we are going to address the acidification of the lakes in that area and the air quality.

Overall, Energy and Mines as a department has remained fairly stable. I would like to suggest that investment in this department actually is a very wise investment. It would be our hope that we would see some increase in the amount of exploration, the amount of work done by Energy and Mines. The return on the dollar, I am sure, is doubled or tripled as we invest in this department and they bring back showings and other indications of mineral potentials. When the minister says that one of the goals is to increase exploration, I do look forward to, either in these

Estimates or in the discussion, seeing where the line item is for additional personnel or additional geologists out there to do that exploration.

* (1150)

I do not at this time see new programs, and I will be inquiring from the department as to what new initiatives are underway. I do know that the Mineral Development Agreement is winding down, but I would like to get sort of a synopsis of how the department feels, whether it was successful and to what level.

In terms of energy, the Conawapa project was cancelled over two years ago. We see no hints of any other hydro sales in the short term. There are 500 Hydro workers being cut while Hydro makes over \$100 million dollars a year from limestone sales to the U.S. Hydro had a net profit in '94 of over \$69 million. Clearly our resources, having an abundant supply of hydro, has been a benefit to Manitobans. As we reap some of the lowest hydro rates in Canada and we have some of the largest supplies, we look forward to more marketing. I will be asking the minister what outreach we are doing in terms of sales, of energy supplies, and what the future plans are.

In addition to the Energy Branch, and this is where I am going to be doing a great deal of learning, I am interested in the mission of the branch taking a leadership role in energy planning and policy development and in its role in promoting and encouraging energy industries to locate in Manitoba.

The energy sector is a very important one and the department overall since my time is a much leaner situation than it was when I was there, so I will be asking the minister what programs are available, what type of resources are available and ask him about the future of that branch.

In terms of the energy also, I am going to be asking questions of alternative energy sources and, in particular, the natural gas program and the oil industry—as the minister has said, it is one of the best this year—and what work we are doing in terms of the ethanol industry which has really been growing in Ontario particularly.

In terms of just a few other things, in terms of the North which I am somewhat familiar with, it seems somewhat of an irony when you look at communities that are close to our large hydro generating stations that do not have access to power.

Recently seven reserves on the northeast side of Manitoba approached the federal government, actually in 1993, to have power available to those communities. A switch to hydro would actually save 100 percent to 200 percent less in their utility bills a month. Their power source is limited since it is generated from propane, so then a family, a person who is doing perhaps the cooking cannot have the washer going on.

The fact is that in a lot of those communities families are carrying water from the lakes, so what we are talking about is Third World conditions sometimes within sight of a hydro station. It is I think truly something that we need to address. I know that the northeast is not that close to Limestone and I will be interested in the situation at Cross Lake.

But for northern reserves, I think that they deserve and must have the same equal treatment as we in the south. We do not worry whether we are able to cook and do laundry and whatever we consider basic and in the North they do. We take the resources from the North and we also must give back so that there is a fairness in how we handle Manitoba's economy and our resources.

That concludes my statements, Mr. Chairman, and I look forward to going through the Estimates today and learning more about the Department of Energy and Mines. Thank you.

Mr. Assistant Deputy Chairperson: We thank the critic of the official opposition.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department and, accordingly, we shall defer consideration of this item and now proceed with consideration of the line. Before we do that we would invite the minister's staff to join us at the table, and we ask the minister to introduce his staff that will be present.

Mr. Praznik: Mr. Chair, first of all, I would like to introduce an individual who is not here today. That is Mr. Michael Fine, who is the new Deputy Minister of Energy and Mines and of Northern Affairs.

Mr. Fine joined our department about three months ago. He comes from the Department of External Affairs in Ottawa where he was a senior trade negotiator involved in trade negotiations at a very senior level about the world. He was recruited by us because of the direction in the mining department of wanting to take the initiative of marketing Manitoba in the mining world and the expertise that he brings ultimately from the international picture. He is also a very fine administrator. Mr. Fine, regrettably, is not here today. He is in Ottawa. I offer my apologies to members of the committee.

I have with me Mr. Garry Barnes, who is the director of our Administrative Services. Mr. Barnes is today acting deputy minister, and he also served for several months, I understand, as acting deputy minister of the department over the course of the last year until Mr. Fine's appointment, so he is very familiar with the workings of the Department of Energy and Mines.

I also have Mr. Craig Halwachs, who is the manager of Financial Services; Ms. JoAnne Reinsch, who is the manager of Personnel Services; Mr. Lyle Skinner, who is the acting director of the Marketing Branch; Mr. Barry Hadfield, who is the chief mining engineer, and he is here today in place of Mr. Art Ball, our director of Mines, who also could not be here today; Mr. John Fox, our chief petroleum engineer, joins us, as well as Mr. Dave McRitchie, director of our Geological Services Branch.

* (1200)

Mr. Assistant Deputy Chairperson: I thank the honourable minister for that. We will now proceed to line (1) Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits on page 50 of the main Estimates book.

Before we move on into the Estimates, the normal process is that we do go line by line in terms of the Estimates, is it the will of the committee that we

proceed on that basis, or does the committee wish to take a different approach?

Ms. Mihychuk: Yes, please.

Mr. Assistant Deputy Chairperson: Agreed and so ordered. Line by line.

Ms. Mihychuk: We are in, let me see—okay. Are we talking about the Minister's Salary being moved to— [interjection] Yes, I agree. Now it would be the time to ask some questions about the deputy minister—would that be correct?

Mr. Assistant Deputy Chairperson: We are on Executive Support, line 1.(b).

Ms. Mihychuk: It is disappointing that the deputy minister is not here. In fact, I have not had the opportunity to meet Mr. Fine, and I looked forward to that.

Can the minister share with us the experience that Mr. Fine has in terms of the mining industry specifically or in the energy sector?

Mr. Praznik: I cannot answer that specifically as to his background in either sector. I would imagine it somewhat limited. His experience is that of a senior public servant, as administrator, and also with expertise in the area of dealing in the international community in trade negotiations with a host of countries and companies.

By way of background, what I can tell you, I guess, I quote from his biography that: prior to joining the Manitoba government he was a member of Foreign Affairs and International Trade Canada, where he was responsible for managing and negotiating Canada's textile and clothing trade policy relationship with supplier countries. He previously held positions as director of personnel; deputy director, Technology, of Export Canada. He was a consul and trade commissioner for Canada in Orlando, Florida. He was first secretary, commercial, at the Canadian Embassy in Washington, D.C. and vice-consul and trade commissioner at the Canadian Consulate General in Sidney, Australia.

I think as the member will appreciate what Mr. Fine brings to us in Manitoba—and again we start with the premise, and I think an accurate one, that mining is very much an international industry, that if one is going to be trying to see this industry develop and grow, it is important that we are able to make a thrust with companies and players in the industry who operate in a very international world.

It was felt by my predecessor and the Premier that it was very important to have somebody who was comfortable in this field, who had experience in this field and was a competent administrator, and Mr. Fine certainly meets those requirements. I have had the opportunity to work with him over the last number of weeks as his minister, and I find him to be an excellent individual. I am very, very honoured to have him as part of our team. I am very excited by that.

Ms. Mihychuk: The deputy minister is the hands-on person with the department in most cases. Given the, I suppose, limited experience that Mr. Fine has in terms of Energy and Mines specifically, can the minister share with us, who are your main advisers in terms of this sector?

Mr. Praznik: Mr. Chair, I can tell you that the senior directors and senior staff—as the member well knows, the Department of Energy and Mines employs some excellent individuals who come with a wealth of experience in their particular fields, in geology, in petroleum, in the whole array of work that is done in the department. I have had the opportunity to meet my new staff, as has my deputy, and as she well knows, I think we can ensure that we have very excellent people with a very solid background and understanding of the technical aspects of the industry and of the work that has to be done by the department.

I also share with the member that my special assistant, Mr. Bill Hood, is a geological engineer by trade, was a geologist with TANCO mines in Lac du Bonnet for a period of time, had an independent geological consulting service which he operated until he came to work with me a couple of years ago as an assistant and is very cognizant as well with the industry, so I must share with the member that I feel very comfortable to date as the Minister of Energy and

Mines with the kind of technical expertise and experience in the mining industry that exists in the Department of Energy and Mines today.

I am very proud of what I have seen so far in the group of people we have put together in this department.

Ms. Mihychuk: Can the minister share, have we in the past had deputy ministers without experience directly in Energy and Mines, say in the last 10, 20 years?

Mr. Praznik: Mr. Chair, I cannot answer that. I have only been Minister of Energy and Mines for a brief period of time, and I must admit I have not paid that much attention to who has been the deputy minister. I can tell the member that when I was Minister of Labour my deputy minister, Roberta Ellis-Grunfeld, who was an excellent deputy minister, did not have experience in the labour community.

I think what one has to appreciate with deputy ministers is deputy ministers are chief administrators. The kind of experience that one needs to be an administrator is often very different from the experience that one would have as a geologist. I think if one looks at management generally throughout government, throughout large institutions, et cetera, it is very valuable to have a good administrator as your chief administrator. That is not to say that a geologist cannot become an administrator, et cetera, but the role of a deputy minister is to be the chief administrator of a department.

The technical expertise that comes in any particular area, whether it be in labour relations if one is Deputy Minister of Labour, whether it be in personnel services if one is Deputy Minister of the Civil Service, whether it be in special soils and crops if you are a Deputy Minister of Agriculture, or in geology if you are the Deputy Minister of Energy and Mines, should be housed and exist in the department and be available to a deputy and to a minister.

Most of us who come to this place as politicians are not experts in the field where we are asked to serve as a minister. What is critical with deputies is they be very good administrators. Mr. Fine has that experience

as an administrator, and he also has an added expertise in international marketing which we feel is very critical to the kind of work that we want to do.

I should also point out to the member for St. James that when I arrived at this place, and my staff jogged my memory, but when I arrived in this place in 1988, the deputy minister who was appointed by her party in power, Mr. Charles Kang, had absolutely no experience in mining nor in energy. So I think it has been a long-standing tradition in government that deputy ministers, wherever they are, are appointed for their administrative experience and competence, and that is why from time to time deputy ministers are moved around from department to department. The technical expertise that is needed is housed in departments and that has always been a very important part of the British parliamentary system.

* (1210)

Ms. Mihychuk: I would just like to say the sector of energy and mines, as I said earlier, is extremely complex. Having gone through some education myself I feel that I am on a major learning curve here, and I would expect that the minister too has a great deal to learn in terms of the energy and mines, particularly, I would say, the mines sector, and so to have that type of expertise is indeed valuable.

It would seem to me, it is my understanding, that you had other, say, opportunities when you were reviewing the position. I am cognizant that the only factor here was not administrative skills because you do indeed have a selection within your department that are excellent administrators. So I would take from the statement that the deputy minister was indeed—that the focus was on administrative but, more importantly perhaps, the trade sector that the minister opened with, talking about the deputy minister.

I would just like the minister, if he could, to perhaps indicate the people that are in the Executive Support section. Here we see seven individuals. Could the minister outline who they are?

Mr. Praznik: Mr. Chair, my staff are giving me the exact list so that I provide the member with accurate

information. I just make the point that in most government departments, and I use Health as an example, by and large, their job is not to operate on patients, their job is to administer a health care system. In the Department of Energy and Mines, our job is not to go out and find mines, develop them, mine the ore, process the ore and do the work of mining, our job is to regulate, to gather certain geological information and to administer policies which encourage mining.

That is why one hires an administrator as a deputy minister, not a miner.

Mr. Assistant Deputy Chairperson: Order, please. The committee has been called to the Chamber for an important formal vote. The committee will recess.

The committee recessed at 12:12 p.m.

After Recess

The committee resumed at 12:36 p.m.

Mr. Assistant Deputy Chairperson: Order, please. Will the Committee of Supply for Energy and Mines please come to order.

When the committee last met, we were considering the Estimates on line 23.1, 1. Administration and Finance (b) Executive Support.

Ms. Mihychuk: Mr. Chairman, I see that we are missing the staff support, and perhaps, with the minister's agreement, we should recess for five minutes or—[interjection] You will take the questions? Okay.

I have a question in terms of the deputy minister—just wrapping up a few questions. Oh, we were going to go for the names, were we not? I am sorry, and the minister was responding, if I remember correctly.

Mr. Praznik: Yes, the seven positions that are referenced are: Mr. Bill Hood, who is my special assistant—there is another staff position of executive assistant that is currently shared on a split basis between two individuals who, I expect, will be leaving

my employ during the course of the summer and will be replaced by another individual who is currently working for me in the constituency. The appointment secretary or the ministerial secretary is Mrs. Velma Davis. There is a secretary as well, Ms. Pat Chapko, and I do have to check on that because, having Northern Affairs, I have three secretaries in my office. One, I believe, is assigned to Energy and Mines, one to Northern Affairs with the paper flow there. Velma Davis is the ministerial secretary. The deputy minister, Mr. Fine, also has two secretaries who work in the Executive Support area.

Ms. Mihychuk: Well, I am sorry that I am still somewhat confused. Perhaps clarification could be made if we actually went down through the section. Now, the managerial would be your deputy minister. Is that correct?

Mr. Praznik: Yes, Mr. Chair. Because I have two ministries, two departments, there are administrative office allotments between the two, and if the member is willing, when the financial people who work these out between the two departments and their allotments return, I can provide you an exact answer.

Perhaps we can move on to another area.

Ms. Mihychuk: That leads into my second question. Given that the deputy minister is also Deputy Minister for Northern Affairs, are there any plans, for example, to merge the two departments?

Mr. Praznik: Mr. Chair, no, there are not. I was Minister of Labour and then also was given responsibility as Minister of Northern Affairs, and I shared the same deputy. What we in fact did was, where we had the abilities between the two departments to find some savings in sharing administrative costs and functions between departments, we did. With my appointment as Minister of Energy and Mines and relinquishing the Ministry of Labour, we unencumbered any of those relationships. Again, we will build practical ones between the two departments, but they are certainly not being merged in a formal way or an informal way, just practical level.

* (1240)

Ms. Mihychuk: Is the minister aware, or the department staff, of a situation where Energy and Mines has not had actually a full-time deputy minister. What we learn now is that the deputy minister is half-time Energy and Mines and half-time Northern Affairs. This seems to me to be fairly unusual. Can the minister enlighten me as to whether this has happened in Energy and Mines before?

Mr. Praznik: Mr. Chair, I cannot go back all over the years of history. I know at one time the Minister of Energy and Mines was also with what is now the Department of Natural Resources and had one deputy.

It is not unusual in government, over the years, where ministers have had two departments and deputies have had two departments to manage. Again, much of the work as an administrator is very much the same. I imagine whether one can handle the issues or not depends on how many issues are there at any given particular time with what you have to deal with and the complexity of them.

Both Northern Affairs and Energy and Mines, by comparison to many departments in government, are relatively small departments. Many of the issues which they have to deal with over the next while are very much intertwined. Once before in the history of this government both departments were under the Honourable Jim Downey and Mr. David Tomasson, as deputy minister, and they worked very well.

I just share with her one point that illustrates the relationship. Because the bulk of mining exploration is in northern Manitoba, for example, one critical factor in mining exploration is certainty of land tenure, and the settlement of land claims issues, Northern Flood Agreement, is absolutely critical to being able to pursue further mining exploration. Also in finding land that is available and identifying land that is available for Treaty Land Entitlement, et cetera, the ability to know what other interests exist there becomes important.

So there are a lot of relationships between the departments that make a lot of sense to be together as policy develops in the next while. Having Manitoba Hydro, also part of my responsibilities, so intimately involved in northern development and Northern Flood

Agreements makes it a lot easier as a minister to bring the parties together to be able to make the kind of decisions you need to advance those issues.

Ms. Mihychuk: Yes, there are links between Northern Affairs and Energy and Mines, but I would argue that there are probably stronger links between Energy and Mines and Natural Resources and, perhaps, the Department of Environment.

These decisions about executive support are made at the senior level by the minister, and I just wish to put on the record my concern that, given what I hope to be a very exciting time in the mining sector and a very challenging time in the energy sector, it is perhaps shortsighted to look at one deputy minister versus half. I do look forward, now that the administration is back, for a further explanation. Is it then accurate that the managerial component, under line 23.1(b) is the deputy minister? So the deputy minister's salary is incurred in the Energy and Mines budget?

Mr. Praznik: First of all, let me just point out to the members and new member that the appointment of ministers and of deputy ministers has always been, and remains under our British parliamentary system, the prerogative of the Premier of the province. Premiers, in structuring their cabinet, have the prerogative and make decisions on the amalgamation of ministries or the creation of ministries, or assignment of departments and portfolios, based on a host of objectives, in both the short and long term.

The Premier of Manitoba, when he gave me my mandate as minister, indicated to me very clearly that we have a major mines program that we want to take on, and, obviously, that the settlement of land claims issues is very important, and northern flood with Hydro. Amalgamation at this particular time of having these three areas under one minister certainly makes eminent good sense, given the issues that are facing us as a government in this area in the next few years.

I have absolute confidence in my deputy and staff that they will be able to rise to the occasion. I should also point out to the member that the Assistant Deputy Minister of Northern Affairs, Mr. Oliver Boulette, is a very senior civil servant, based out of the North, the

senior provincial civil service in northern Manitoba, and as a practical matter he handles much of the day-to-day operation of the Department of Northern Affairs.

The point I make with respect to the assignments, as I would hope the member may appreciate--I am sure she appreciates at this time that this Estimates book, which was prepared for the budget that was passed by the Legislature prior to the general election, had the Energy and Mines portfolio under one minister who had no other portfolio. We go forward with these Estimates as part of that budget, and so for this current year the salary of the deputy minister will be in this department, as are the two staff positions.

Next year, in the Estimates book, there will be a proper split made between the two departments, as we did in Labour. So, given the cabinet shuffle took place after the preparation of these documents and of this financial structure, we have had to kind of unencumber Northern Affairs and Labour, and there will be some reassignments of money, I am sure, by Treasury Board to ensure that there are actually additional dollars to the system. Otherwise, the Minister of Labour may find that they only have half a salary for a deputy, while Northern Affairs has half a salary, obviously with no deputy. These adjustments will be made accordingly.

Ms. Mihychuk: That is helpful, but it still does not clarify who the minister has in terms of executive support. Given this change, can you provide me with information as to your support staff here that is responsible for Energy and Mines?

Mr. Praznik: Within the minister and deputy minister support staff, there is, as I have said, Mr. Bill Hood, who is my special assistant. I have an executive assistant position, which is currently divided between two part-time employees who are in the process of departing from my service, and I will then be replacing those two part-timers who are sharing a salary, in essence, with one individual and that person has not yet been appointed. She is currently working for me in my constituency under the constituency allowance rules. I hope to have that change made by the end of the summer.

Mrs. Velma Davis is my ministerial secretary. Mrs. Pat Chapko is also a secretary. This is where I think there was some confusion whether Mrs. Chapko was on Energy and Mines or Northern Affairs, on that support. There is also the deputy minister, Mr. Fine, who has two secretaries, Lina Desjarlais and Sonja Starr. In addition to this, in the ministerial office is a further secretary, who, I gather, is on the payroll of the Department of Northern Affairs, Mrs. Laurie Evans.

If I did not have two departments, I would only have two secretaries, but with two departments I have a ministerial one for each of the departments.

* (1250)

Ms. Mihychuk: Do I understand correctly the two secretaries that the deputy minister has are both for Energy and Mines, or is one for Northern Affairs and the other for Energy and Mines? Who is responsible for their salaries, Energy and Mines or Northern Affairs?

Mr. Praznik: As we sort out these relationships between Northern Affairs and Energy and Mines, the deputy minister had one secretary. I believe normally there is an allotment for two, one which he did not fill. After also having added responsibility for Northern Affairs, it was felt, given the paper flow with that department, that he required a second secretary in his office. This is when Ms. Sonja Starr was hired.

I gather now the departments have sorted out that given where the workload is coming from, this position will be accounted for in the Department of Northern Affairs. So in terms of the seven to the department the member refers to, there may be one that is vacant as we sort this out. I ask for the indulgence of members of the committee simply because both my staff and both departments have had to do a lot of shuffling to ensure that there is a fair allotment of staff between the two departments' budgets.

Ms. Mihychuk: I take the assurance of the minister that this department in fact is not perhaps covering more than its share of executive support and that will be worked out in the future. I understand that

amalgamating has created some difficulties. I am prepared to move on off of this item.

Mr. Assistant Deputy Chairperson: Item 23, 1.(b) Executive Support (1) Salaries and Employee Benefits \$341,800—pass; (2) Other Expenditures \$75,300—pass.

Item 1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits.

Ms. Mihychuk: In this sector, I have a couple of questions, and I am going to ask a series of questions on affirmative action. The Department of Energy and Mines over the years has tried various ways of including target group members in employment, both term, permanent and in summer service. Can the minister share with me the plans and progress over the past few years, and what our targets are in terms of affirmative action in the department?

Mr. Praznik: As I am sure the member for St. James will appreciate, over the last number of years within government we have—and I say this as a former Civil Service minister—reduced the number of positions in government by about 2,100. In the process of doing that we have actually laid off very few people, only several hundred. We have done that by way of vacancy management, by moving people whose jobs or positions may disappear in a budget process into other positions that remain that were vacant, with a voluntary incentive program, et cetera.

Why I raise that is it has meant that we have not done a great deal of hiring across government. The opportunities to hire people under an affirmative action program have not been there, to be blunt, over the last few years. Our first priority has been to keep working those people who have been employed with us and whose positions may have disappeared during these budget exercises. To that end we have been extremely successful, probably more than most any other government in Canada.

Certainly, when you compare us to the federal government, a far, far greater success in maintaining employment, maintaining some jobs for our employees as opposed to letting them go. So having said that, I think our affirmative action numbers have not been

where many would expect them to be. I think there is a very valid reason for that, you cannot reach them if you are not hiring people.

In the past year, representation in all four designated groups has remained relatively unchanged. In the case of women, approximately 44 percent in 1994 and today it is 44.81 percent, 1995.

In the category of disabled, we have had a slight decrease from 3.33 percent to 3.25 percent, and that may be reflective just in the change of the staff of the number of staff, as opposed to the loss of any individual.

The visible minority category, we have gone from 2.67 percent to 2.6 percent, and again, I would suggest that is because the total staff has declined as opposed to staff changing or leaving.

On the aboriginal side, a slight increase from 3.3 percent to 3.9 percent, and I would suspect that is because we probably hired one individual. So affirmative action is still there in our hiring, but given the fact that there have not been a lot of opportunities for hiring, these numbers are not going to change significantly.

Ms. Mihychuk: Can the minister share with me the number of females that are in the professional, managerial sector? Many of the females that are within the department are actually in the clerical component, if that is still the case. In fact, when you look at the hierarchy of the department, the percentage of women that are in the senior managerial or in the professional component actually are quite few. So perhaps you can share those numbers with me as well.

Mr. Praznik: Mr. Chair, I do not for a moment pretend to understand all the ways these records are kept. I guess, whenever you are classifying people in positions and affirmative action categories, they are never entirely an easy thing to do.

What I share with the member for St. James, what I have here is under our managerial SYs which would include everything from the minister to senior officers. We have 23 in total, of whom three are in the category

of affirmative action, one being female, one visible minority and one disabled.

On the professional and technical SYs where we have 87.05, and I am never quite sure why we have .05 but obviously that is the amalgamation of part-times, et cetera, we have a total of 27 in the category of which 20 are female.

On the administrative support SYs where we have a large number of what are called administrative officers, so they are not secretaries per se, they have additional duties, et cetera, we have 48 on that side, of which eight are in the category of affirmative action of which three are female.

So the member can appreciate the bulk of the women working in the department would be in the professional and technical staff year positions and in the administrative support. Certainly the largest number would be in the professional and technical category.

Ms. Mihychuk: I think the minister would agree that we have a long way to go to have gender parity or reaching our targets in terms of a fair representation of peoples of Manitoba in the department, and I concur that it is very difficult when you are looking at downsizing and limiting the amount of movement there is in the departments. I would ask the minister whether we have his full support in terms of the affirmative action program and ask that he perhaps share with us his vision for affirmative action.

*(1300)

Mr. Praznik: Mr. Chair, as Minister responsible for the Civil Service Commission, it was my responsibility to oversee that particular program over a number of years. Obviously, we always have to be cognizant of the importance of having people who are qualified for positions or within our own staff building the qualifications to give people the opportunity for advancement, et cetera. One has to be cognizant of those things.

My greatest frustration as a minister responsible for that area was the attitude of the Manitoba Government Employees' Union which I know her party has some

relationships with. I must admit in many discussions we had at joint council the MGEU position was always that, yes, they supported affirmative action but only at entry level positions. Their position as the major representative of our employees was that they did not want any outside hiring for positions and they were not ever prepared to accept an affirmative action model beyond the entrance level.

They certainly did not want their current members who have employment to be denied opportunities to change jobs or seek advancement within the civil service because of the operation of an affirmative action program. So as a new member to this House, I would very much appreciate if perhaps in the discussion she may have with Mr. Olfert and his executive, which I know there is a relationship between her party and that particular organization, her Leader having been a former president of that organization, then perhaps the concern which I know she sincerely brings to this table today she might take or forward to that organization.

Although we may have ultimate responsibility here, it is somewhat politically ironical to on one hand be asked in the House about affirmative action, very legitimately about that, and on the other, at the bargaining table or in joint council be criticized by another group from the employees union about that issue. We always tried to balance that, of course, and did, but probably the greatest stumbling block is the attitude or position of the MGEU.

Ms. Mihychuk: Well, the issue of affirmative action is a sensitive one. As we look at downsizing and people's opportunities to keep their jobs, it is of course very sensitive. However, even in a department that has a stable population, certain positions come open. At that time, or in cases where—well, primarily in those cases where an opening comes open, training can be given to target group members. Opportunities can be given to encourage that type of movement, and those types of initiatives are benefited by the full co-operation of the senior management and the minister.

That is the assurance that I am asking from the minister. It is true there are other barriers but, where possible, movement can be made. In a field which is

traditionally a male-dominated field, a male field, we would like to see movement I think, and the minister would concur. That was what I was trying to ask from him, for his full endorsement.

I have a specific question now. In terms of the director of Mines position, which recently opened, was an affirmative action statement included on the advertisement? Were we able to receive any applicants in terms of that position, which is considered a fairly senior managerial position? Were there any target group members applying for that position and, more specifically, were any women applicants available in that selection?

Mr. Praznik: First of all, as a comment on the previous exchange that the member and I have had, I would like to point out that in terms of educational assistance to departmental employees, which I am sure the member will agree is important in building up the kind of skill set and knowledge base and understanding of issues in the department that are important to advance people within it, that the department continues to financially assist those employees wishing to further their education through college or university courses. In '94-95, three female staff members were provided ongoing financial assistance in this regard.

It should also be noted that during the same period, 45 percent of the department's designated group members either attended seminars or workshops sponsored by the government or outside agencies or participated in formal university college courses. So the department is very encouraging of that, and I certainly am for all people in our department, because I like to have a workforce that is up to date and thriving and being on the leading edge of what is happening.

With respect to the director of the Marketing branch of the department, the deputy and I had a chance to discuss this particular position in great detail after my appointment. I hope the member will indulge me in the explanation because it obviously is a key management position within the department. The expectations that we share for the Marketing branch and the kind of skill set that we are looking for in this position, that we feel we need, is a very, very unique one.

I know in the first round of entrants that we received—which had all of the affirmative action points made, and there were people from those categories who applied—it was felt by the deputy, who had discussions with me, that we really were not garnering the kind of skill set we needed here in the marketing area. That is a very unique skill set. One reason, quite frankly, may be that this position does not pay the kind of dollars for this very unique skill set.

We were not looking for sales people. We were looking for marketers, and there is a difference. Consequently, this position has been advertised farther afield.

I must compliment the acting director now, Mr. Lyle Skinner, who is doing an excellent job in that position in the administration. The deputy and I have an agreement on a different kind of skill set that we are needing today than that branch has particularly had, and if we are not able to attract someone we may have to look at how we structure that and maybe separate an administrative position from the kind of skills and have to look elsewhere either by contract or what have you to obtain those skills. So this position is far from being settled as to where we go with it.

It would not be a fair assessment to look at this particular position as one where we would use it for affirmative action. The skill set we are looking for is just so unique. I would be most pleased if my deputy could find one or two individuals anywhere in Canada who would have what in fact we are looking for.

We may have to look at separating the function we think we need for our new programming from that particular branch and the administrative function. I just might say today, because Mr. Lyle Skinner who has been in the department for many years has been acting in this branch, the administrative work there has been excellent, and he has done an excellent job in that area. The skills that we want we may not find with an administrator, so we may have to separate that somehow, and we have not come to grips in our own minds yet with how we want to deal with this.

* (1310)

By the way, this position was advertised some time ago and put on hold again because the marketing function just did not come together. So again we may have to look at this function and separate some of the aspects of it and leave the administration to good administrators and find another way to get that marketing skill set that we need for our new program. So it is somewhat in the air yet.

Ms. Mihychuk: Would the minister be willing to articulate those unique skill sets that he is saying that are difficult to fill, and will he assure us that once those are articulated that indeed the position be posted and perhaps, although the minister feels it is unlikely, across Canada we can find what I hope would be a target group member, or at least open it up for competition, that could fill that position? So my question is, what is that unique skill set that the minister talks about?

Mr. Praznik: Mr. Chair, my deputy minister, who is senior administrator of the department, posted this position. I think the description that we were looking for in rather broad-based terms was posted, and I know he had briefed me on the first round of applicants that we had, I think some hundred and something. The position was initially advertised locally in Manitoba and I think also in *The Northern Miner*, which is the main mining magazine. In his report to me, and obviously I am not privy to all the details of the applicants who applied, but his comment to me at the time was we had a lot of people with sales experience in a host of different products.

As one can appreciate, if you are building a program to attract exploration into the province, for example, you have to have someone who is very able to identify the target people—and the target group may only be some 200 companies in the country—have enough experience in that particular area or skills in doing a similar kind of marketing to be able to target that group, develop a strategy how as to best reach that group in a meaningful way, and to then plug in to make the introductions, to get them interested, to be able to follow up on that and to ultimately look after them in terms of working through their issues if you are able to attract them here to look at Manitoba. That skill set may not necessarily be consistent with an individual

who has strong managerial skills for a branch which has other functions.

So I say to the member, we are still—this is the second, third time we have actually gone out now. This second time, I think, was a year or so ago under Mr. Orchard, and then that was cancelled. We went out again recently; it was when I assumed the ministry. We have now gone out again, and I think we are advertising in *The Globe and Mail* and nationally. If again we are not able to find an individual who the deputy and the hiring committee is comfortable has that marketing experience—and we have some concerns that we may be looking for two very different things in one person. That makes it rare, a good manager of a government department versus someone who is a very good target marketer is a hard package of skills to particularly articulate. That might be a reason why we are having difficulty in our information.

So we are struggling with this, but I can assure the member that should we go out with it again, as we are doing now, we will have a wide search and a fair articulation of those skills. That may be our problem why we are not catching the right person in our net now. We are working at this steadily, and I hope the right individual is found for this position. One problem may be the salary range as well. That, we are trying to sort out as we go through it.

Ms. Mihychuk: My original question actually dealt with the position of the director of mines, but it is interesting that we were provided the information on the position of the marketing. A couple of years ago, you had the opportunity to fill that, and it does not happen very often actually so I am glad that you shared the information on marketing. But the Department of Mines, a senior position became open. Can the department share what was the response with that position? Did we have target group members apply for that, and were the criteria used? Can the department tell us if any of those applicants actually met the qualifications required to fill that position?

Mr. Praznik: Mr. Chair, I cannot comment from personal knowledge or involvement in that issue, as I was not minister at the time. I am advised that when that position became open, Mr. Art Ball assumed the

position as acting director. There was a competition, and an individual who was in the target category assumed that position. I am advised that during the course of the probationary period, it did not work out. I do not know if it was a mutual parting, or otherwise, but it did not work out. The position was again vacated. Mr. Art Ball assumed the acting position again and in a subsequent competition, I believe was the successful—no, there was no competition. He was appointed to that position.

I am not going to comment further on the detail, as I do not think it is fair to the individual who was involved. From time to time, people get positions. They may be mutually unacceptable, expectation levels being different for both. Skill sets may not be matching and that should not be a reflection on anyone involved, but the decision, I do not have personal knowledge of. I am only repeating here the history of that particular hiring.

Ms. Mihychuk: I agree. I do not wish to make any individual uncomfortable, and I am not questioning the capability of the director of mines or any of the staff.

My issue would be that this position was made by appointment. It was an opportunity to look at perhaps providing an opportunity at that level. When appointments are made you step out of the process which allows affirmative action, I think, to work. That is disappointing. So it is not in regard to the capability or the selection, it is in regards to the selection process.

Mr. Praznik: As I am sure the member appreciates, we in government, in hirings, are governed by a set of rules under The Civil Service Act and by collective agreements, obviously not applicable in this particular position, but it is not unusual when one does a competition that out of that competition one may identify two, three, four or five suitable candidates and hire off of that list if the first one does not work out or if another position becomes available a short while thereafter, as opposed to going through the competition again.

One should be cognizant that Mr. Ball was a participant in the first competition, obviously scored very well, and rather than go through the process of

another competition, a direct appointment, which is provided for in The Civil Service Act, was of course made. I can tell you Mr. Ball is doing an excellent job.

The member's point, though, that we should always be cognizant of opportunities to advance and give people the opportunities to find significant positions in the Civil Service has to, of course, be recognized and appreciated, and I note her point. I know as Minister of Labour, those are always difficult things.

My former deputy, Miss Roberta Ellis-Grunfeld, we had a very good relationship in developing those points and, regrettably in some ways, I lost her as Minister of Labour because she went on to better things in taking over the EITC. So opportunities to advance are important and I recognize the member's point.

Ms. Mihychuk: Just for clarification now, am I to understand that Mr. Art Ball is the director of Mines?

Mr. Praznik: Yes, the vacant position that the member, we assumed, was talking about was the Marketing branch. That is the only senior position we have today that is officially unfilled with a permanent occupant.

Ms. Mihychuk: I am going to move away from the affirmative action sector and under this line, one for information actually, is a category under Other Expenditures called public debt, where \$20,000 is provided to cover debt, not quite enough to cover our debt, I believe, but it is a start I suppose.

Mr. Praznik: A good question to a new minister who now knows something about this issue. Under the old CHEC home loan program, the rates applied to recipients of that program were a set rate. The dollars borrowed by the province to fund that program may have been, from time to time, a higher rate. As a consequence there was a difference incurred, and that particular difference is a debt to the department which we are accounting for and, I gather, paying off.

Ms. Mihychuk: Thank you for that information. I just could not seem to understand how that line item was in this department. Is this the section that is responsible for all supplies, including the field program?

Mr. Praznik: No.

* (1320)

Ms. Mihychuk: I do see under the section, Supplies and Services, there has been a fairly large drop from \$106,000 to \$82,000. Can we get some information as to what changes there have been there?

Mr. Praznik: I am advised that the difference there is the result in the lesser cost space that we now have at our St. James location. I am sure as a local MLA she will be most pleased that we moved from the downtown area. Her colleague Mr. Santos may not share that with her. The department did move to a one—all of our operations in Winnipeg under one roof, in a much less costly space in beautiful St. James. So there was a savings to the taxpayer and the department, and that is reflected in that requirement in these Estimates.

Ms. Mihychuk: Well, this just gives me an opportunity to promote my riding, and given the imminent closing of the arena, Mr. Chairman, it is a concern to us about the economic viability of that area. So I encourage all staff members to eat in St. James, shop in St. James.

Mr. Praznik: Mr. Chair, as an MLA for Beausejour and not a resident of the city of Winnipeg, she speaking of course of the Winnipeg Arena. In my riding, we have to be cognizant of the Pinawa arena, the Lac du Bonnet arena, the Beausejour arena. I just want that clarification.

Ms. Mihychuk: Yes. For clarification, I am talking about the present Winnipeg Arena that may actually be shut down, I understand, and moved. A brand new arena might be built at The Forks for some \$60 million more than the original site in St. James. So that is what I was referring to in terms of potentially—[interjection] Well, I am hoping that we would build the site which would be economically the best scenario, back in the original site.

Although that is a little bit off topic, I will—[interjection] We have got enough in Dauphin. We do not have enough in St. James.

My question is—sticking to this because we really do not have much time and I know that the minister needs to leave soon—in terms of the move to St. James, can you give me some information as to the cost of the move and now, the anticipated savings at the new location.

Mr. Praznik: Mr. Chair, my staff advised me that they do not have that specifically, but we will commit to provide that to the member.

I gather we will be going into Estimates again on Monday, so I will have that information for her at that time.

Ms. Mihychuk: Given that the department is going to provide that information, I am going to leave this section.

Mr. Assistant Deputy Chairperson: Item 1. Administration and Finance (c) Financial and Administrative Services (1) Salaries and Employee Benefits \$624,600—pass; (2) Other Expenditures \$150,400—pass.

2. Energy and Mineral Resources (a) Energy Management (1) Salaries and Employee Benefits \$845,500.

Ms. Mihychuk: Are we at 23.2? [interjection] I would like to ask some questions here.

The minister has another commitment, so—

Mr. Assistant Deputy Chairperson: Is it agreed that committee will now rise? [agreed]

Committee rise.

* (1330)

JUSTICE

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Justice. Will

the minister's staff please enter the Chamber at this time.

We are on Resolution 4.4 Corrections (d) Community Corrections.

Point of Order

Mr. Gord Mackintosh (St. Johns): On a point of order, Mr. Chair, I have—well, put it this way, for the first time in the history of St. John's High School, the girls' 4A basketball won the provincial championship in March, and the team is coming in to see me at twelve noon today in Room 200 for no more than five minutes.

They are on their way to the Lieutenant-Governor's, and I just wonder if the committee can take a break at that time, rather than trying to deal with who is speaking and so on. I wonder if that is convenient to the committee, just to take a five-minute break.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Chair, yes, that is certainly important, and we have no problem with that at all.

* * *

* (1120)

Mr. Chairperson: Item 4. Corrections (d) Community Corrections (1) Salaries and Employee Benefits \$7,350,300—pass; (2) Other Expenditures \$1,281,000—pass; (3) Program Development \$1,328,000—pass.

Resolution 4.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$54,532,400 for Justice, Corrections, for the fiscal year ending the 31st day of March, 1996.

Item 5. Courts (a) Court Services (1) Salaries and Employee Benefits \$2,695,500—pass; (2) Other Expenditures \$1,114,600—pass.

5.(b) Winnipeg Courts (1) Salaries and Employee Benefits \$7,320,800.

Mr. Mackintosh: Has the minister considered what discipline procedures are available to deal with

complaints made about the conduct of masters?—and I will leave it at that.

Mrs. Vodrey: I would just like to take a moment to introduce Mary Humphrey, Executive Director of Judicial Services, and Dave Brickwood, Director of Administration in Courts Division. I would like to introduce both of those staff members to the committee.

On the question of how to deal with issues relating to masters, there is a process at the moment that is recommended, and that is that where there are complaints, that the complaints be made in writing and that they be forwarded to the Chief Justice of the Court of Queens Bench.

Mr. Mackintosh: Then I take it that no matter what the severity of the issue might be or the seriousness of the complaint, the matter is left to the discretion of the Chief Justice?

Mrs. Vodrey: The member asks, is this the only way? Unless the complaint is a criminal complaint—in which case, if the complaint is criminal then the police would investigate.

The difficulty, I understand, is that masters are also civil servants. So the process for conduct—and I believe that is what the member is speaking about, because if it was a decision then obviously there is another route. Where it is conducted, it is made in writing to the Chief Justice of the Court of Queen's Bench, and the Chief Justice then would examine the complaint and determine an action. One of the possibilities is because masters are also civil servants, then there could be a referral to the Civil Service Commission.

Mr. Mackintosh: In light of the increasing demand on masters to deal with much more complex issues than, for example, before the changes to the Queen's Bench rules of about ten years ago—and I think of things like summary judgment and certainly issues regarding maintenance come to mind.

I think it is appropriate that the government now look at the review procedures, the discipline procedures affecting masters, and I will pursue this further with the minister through correspondence.

Mr. Chairperson: 5.(b) Winnipeg Courts (1) Salaries and Employee Benefits \$7,320,800—pass; (2) Other Expenditures \$1,471,600—pass.

5.(c) Regional Courts (1) Salaries and Employee Benefits \$3,981,800—pass; (2) Other Expenditures \$2,113,500—pass.

5.(d) Judicial Services (1) Salaries and Employee Benefits \$7,392,100—pass; (2) Other Expenditures \$609,400—pass.

Resolution 4.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,699,300 for Justice, Courts, for the fiscal year ending the 31st day of March, 1996.

Item 6. Protection of Individual and Property Rights (a) Manitoba Human Rights Commission (1) Salaries and Employee Benefits \$1,095,900.

Mr. Mackintosh: I only have one question for the minister on this item, and I am wondering when the response to the correspondence regarding Jerry Olfman's complaint to the commission can be expected?

Mrs. Vodrey: Mr. Chair, could I ask the member just to repeat the question, please?

Mr. Mackintosh: Yes, I would like an indication from the minister as to when I can expect return correspondence about my inquiries about Jerry Olfman's complaint, the Human Rights complaint.

Hon. Darren Praznik (Deputy Government House Leader): Mr. Chair, if I may just indulge the minister and members of this House for a moment, we discovered that in yesterday's resolution in committee to change the order of Estimates that the motion that was moved and agreed to by the House with respect to allowing the Department of Housing to proceed, which was intended to be for just one day, did not include that wording, we are advised by the Clerks.

Consequently, we cannot go back to the original order form. So if I may ask the indulgence of the committee, if we could adjourn for a moment or two, if

the Deputy Speaker perhaps could take the Chair and the House can make that change.

Mr. Chairperson: Is it the will of the committee to recess and call the Speaker back into the Chair to make the change asked for by the deputy government House leader? It is agreed? [agreed]

The committee is recessed. Call in the Speaker.

* (1130)

IN SESSION

House Business

Hon. Darren Praznik (Deputy Government House Leader): Mr. Deputy Speaker, I would ask if you could canvass the House for leave for the Estimates in the Committee of Supply in Room 255 to return to the original order that would have the Department of Energy and Mines on the list today instead of the Department of Housing, which was substituted yesterday and should only have been for one day, so that we now return to the original list. I would ask for leave, please.

Mr. Deputy Speaker (Marcel Laurendeau): If I understand the minister correctly, we are going to the Department of Northern Affairs?

An Honourable Member: Energy and Mines.

Mr. Deputy Speaker: Energy and Mines.

Mr. Praznik: And we are reverting to the original agreed-upon revised list. Yesterday, leave was requested for a substitution for the Department of Housing.

We were under the impression, as House leaders, that was for only one day, but that regrettably was omitted in the record of the House, so consequently Housing is the committee in Supply now. We would like to revert to the original revised list which would be the Department of Energy and Mines.

(Madam Speaker in the Chair)

Madam Speaker: Is there leave to have the deputy government House leader change the order of sequence of Committee of Supply to ensure that Energy and Mines is dealt with today?

Mr. Praznik: Madam Speaker, that was agreed to—the revised list that has been agreed to, that we return to that revised list.

Madam Speaker: And return to the revised list. Agreed? [agreed]

Mr. Praznik: Madam Speaker, I move, seconded by the honourable Minister of Labour (Mr. Toews), that Madam Speaker do now leave the Chair and that this House resolve itself—

Madam Speaker: Order, please. That is not required because the committee had just recessed.

Mr. Praznik: Fine.

JUSTICE
(continued)

Mr. Chairperson (Marcel Laurendeau): Call in the staff.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): I can tell the member that I expect he will have the answers to his questions certainly within the next two weeks.

Mr. Chairperson: Item 6. Protection of Individual and Property Rights (a) Manitoba Human Rights Commission (1) Salaries and Employee Benefits \$1,095,900—pass; (2) Other Expenditures \$359,100—pass.

6.(b) Legal Aid Manitoba (1) Salaries and Employee Benefits \$5,379,500—pass; (2) Other Expenditures \$7,724,300—pass.

6.(c) Public Trustee (1) Salaries and Employee Benefits \$2,741,600—pass; (2) Other Expenditures \$773,900—pass.

6.(d) Land Titles Offices (1) Salaries and Employee Benefits \$5,479,400—pass; (2) Other Expenditures \$1,708,800—pass; (3) Less: Recoverable from other appropriations \$155,000.

6.(e) Personal Property Registry (1) Salaries and Employee Benefits \$657,200—pass; (2) Other Expenditures \$483,000—pass.

Resolution 4.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$26,247,700 for Justice, Protection of Individual and Property Rights, for the fiscal year ending the 31st day of March, 1996.

We will now revert to the Minister's Salary at this time. We ask the minister's staff to leave the Chamber, please.

Mr. Gord Mackintosh (St. Johns): Mr. Chair, I move,

WHEREAS this minister has proven her inability to maintain the confidence of Manitobans and the administration of justice by:

1. Failing to make any meaningful progress toward the comprehensive implementation of the recommendations of the Aboriginal Justice Inquiry report;

2. Failing to implement a comprehensive crime prevention strategy for Manitoba and implement The Crime Prevention Foundation Act;

3. Failing to stand up to the government which, by its social and economic policies, including cuts to family and youth supports, is helping to breed the worst crime rate in Canada;

4. Failing to heed virtually all the recommendations of the Summit on Youth Crime and Violence and failing to implement the minister's nine-point plan on youth crime;

5. A failure to radically reduce court backlogs;

6. Failing to comprehensively deal with violence against women and ensure an effective zero-tolerance policy;

7. Failing to ensure the effective administration of maintenance enforcement and refusing to comprehensively overhaul maintenance enforcement and entitlement laws;

8. Failing to provide leadership to break down interprovincial barriers to maintenance enforcement;

9. Failing to provide stable, predictable and timely funding for victims assistance programs and ensure victims' rights;

10. Failing to adequately meet policing needs in Manitoba and failing to respond to concerns raised by the RCMP in a forthright manner;

11. Failing to spur adequate community-based policing through effective leadership;

12. Failing to ensure an independent inquiry into the infant deaths at the Health Sciences Centre and the role of the government;

13. Failing to properly account to Manitobans by failing to provide annual reports and answers to questions on a timely basis;

14. Engaging in posturing and public relations efforts to give Manitobans the impression of government action as, for example, misleading Manitobans as to the existence of boot camps.

THAT the Minister's Salary at line 1.(a) under the Department of Justice Estimates, be reduced to \$1.

* (1140)

Motion presented.

Mr. Chairperson: I find that the motion is in order and debate may proceed.

Hon. Glen Cummings (Minister of Environment): Mr. Chairman, I am rather taken aback at the

vehemence with which the opposition critic puts forward this motion. He spent a number of days, literally, in Estimates with this minister and he has found, I think, that while he may not be in a position to approve of the efforts that this minister and this government have put forward, he certainly should be in a position to acknowledge that there have been significant strides taken in the very direction that he on occasion in this House has stood up and literally made fun of.

One of the things that has been so important in this Chamber over the last couple of years has been the issue of deterrence, particularly in youth crime, particularly in vandalism and those sorts of efforts, and what did we get from the opposition when we saw a response from this minister? We saw derision, we saw them calling them bootie camps.

Bootie camps—can you imagine them talking in that manner about a camp that is designed—they were trying to conjure up the American boot camp image where you are marching around in jackboots and you are chained together and all that sort of foolishness when in fact the boot camp initiative in this province is now being considered one of the leading approaches to being able to influence the behavioural antics, if you will, of some of those younger people in society who have somehow gone astray in terms of respecting other people's property, in terms of respecting the values of our society.

Frankly I think that it is with, I would imagine, some tongue in cheek that the opposition would raise these types of issues, particularly during the Minister's Salary discussion because what you are doing is attempting to deride and attack the minister that is considered a leader in this country in a number of areas, not only in the areas of deterrent to some of the youth vandalism and crime that we have seen lately but also in the area of maintenance.

I mean for, goodness' sake, you have seen some significant advances in the area of maintenance enforcement. Having seen a few constituents who are in fact actually on the other end of the pipe looking down at receiving some of the enforcement that this minister and this government has now put in place, I

can tell you that Manitoba is again respected across this country by other jurisdictions in the actions that we are taking.

Let me expound for just a moment on the area of youth crime, Mr. Chairman. Not only the boot camp initiative but also some of the other positive initiatives that go beyond deterrent but go toward encouraging young people to re-evaluate what their principles and what their place in life might be and how they intend to integrate within their community, we have seen a number of positive actions from enhancement of opportunities for youth to get themselves out of situations where they find themselves embroiled in gang situations, where they need counselling and support.

Again, we have seen leadership in this area that is being considered and being looked at by other jurisdictions in a very thoughtful way. I would indicate that my constituents and the people across this province that I have occasion to interact with are becoming sick and tired of the feeling that there is nothing that can be done short of holding hands and patting people on the head and saying, now, now, that was not a nice thing to do and maybe you should not do it again.

I mean, that seems to be the approach that an awful lot of people in society—in many cases, those are put forward as proposals and supported by the members opposite, that the only way of interacting with youth and others who are committing crimes in our communities is to make sure that there are alternatives for them and that they will make the right decision. That is a laudable objective, but that is not the only way to deal with people who are distancing themselves from the standards of our society.

There have to be meaningful deterrents to the actions that some people are taking. It is a two-pronged approach. It is not a singular approach.

The members opposite would be only too glad if they were on this side of the House to ignore some of the deterrent issues, if you can judge by the reactions that they have taken every time this government has talked about deterrents. They have stood up and derided those deterrents.

* (1150)

They have deliberately set themselves on the other side of the issue. They have forgotten that there are two ways of approaching these problems within our society. Not only have they forgotten it, they are flaunting the idea that we are somehow enforcing jackboot mentality in terms of dealing with people. That is not the case either. I do not care how the members want to—the members on the other side, if they want to continue in that manner, then they will have to answer to the concerns out in the public that I see through Autopac and the concerns the people have about vandalism and the steps that we have taken there. One of the most consistently asked questions is, will there be reimbursement? Will there be payback for this cost?

I think we have taken significant steps in that area, Mr. Chairman, and I would suggest that this motion be rejected.

Mrs. Vodrey: Absolutely. The member continues his foolishness, his total arguments, which are consistently put forward in the areas of actually dealing seriously with criminal activity and criminal behaviour in this province.

Mr. Chair, every time this government has brought forward any initiatives which would be of assistance in the public safety of Manitobans, that party has totally rejected them. They have always spoken against them. The people of Manitoba are quite frankly tired of it. The people of Manitoba are expecting and looking for the kind of action that this government has been prepared to give, in fact, very brave action.

I look at this government's formation of the very first committee across Canada to deal with notification of the community for high-risk sexual offenders. This government has taken brave steps in the area of youth crime, in the area of protection of women and children with setting up the very first Family Violence Court and continuing with very strong action, encouraging the federal government to make changes in the Criminal Code for the protection of women and children and also being very diligent ourselves in all areas of our jurisdiction to move forward.

In the continuum of public safety initiatives, we have begun with assistance in the policing end. We have added \$2 million to the City of Winnipeg for 40 new police officers. We have put forward money to the RCMP to increase their complement, an added telecommunication system. We have worked diligently under the First Nations policing policy to assist aboriginal communities in determining the type of police service they would like to have.

We continue to move diligently in the area of prosecutions and also in the area of courts, and we have worked co-operatively. I think that is a very important point to make in that we have moved very co-operatively working with all divisions of the Department of Justice and also with the judiciary to make sure that cases move swiftly and smoothly through the courts.

Again, in the area of corrections, Manitobans demanded consequences, and consequences are exactly what they are seeing from this government in the area of anyone sentenced to our provincial institutions. Both youth and adults are now experiencing a much more rigorous and meaningful confinement.

Mr. Chair, we are very pleased that we were able to move so quickly in these areas. We did not just think about it and dream about it; in fact, this government made brave decisions and we acted.

We have also acted bravely in the area of legislation. Where legislation has been required, we have amended The Highway Traffic Act to deal with auto theft and auto vandalism, and most recently, we are dealing with The Maintenance Enforcement Act. We are looking forward to the support of the other side in passing the maintenance enforcement bill through third reading and into law, because that is what the women and children of Manitoba, in particular, are expecting. This is the toughest bill available across Canada.

The other side has not looked for a very workable law, and where I have kept the door open on behalf of our government to examine other kinds of solutions, they have simply rejected it. They wanted to think about it. Quite frankly, Mr. Chair, they just want to think about things, and they are not prepared to take

part in any action whatsoever. So when the people of Manitoba are looking for who has failed, they only have to look across the way.

With that, Mr. Chair, I am very pleased to stand on the record of this government for our action in the area of justice with all citizens of Manitoba.

Mr. Mackintosh: The Minister of the Environment (Mr. Cummings) and the Attorney General have made arguments that there have been positive initiatives by the department and, you know, from time to time, we actually have seen some initiatives. Of course, we on this side believe that many of those initiatives follow the actions and the pressure that we have been putting on the minister to make changes, particularly in the area of youth corrections and maintenance enforcement, but we are concerned that those initiatives are like raindrops on a fire, Mr. Chair. The government fails to deal in almost every area comprehensively, and I want to point one item out—[interjection]

Mr. Chair, would you please call order.

Mr. Chairperson: Order, please. I am having great difficulty hearing the honourable member for St. Johns' debate, and I know the honourable Minister of Labour (Mr. Toews) is having trouble, so if the honourable members would just keep it down so that we will keep the decorum.

Mr. Mackintosh: Mr. Chair, today I think is an appropriate day to lament the lack of meaningful progress towards a comprehensive implementation of the recommendations in the AJI report. Today is the fifth anniversary of the death of the Meech Lake Accord, and for many people in this House, both staff and members, that experience in Manitoba was one that I think has changed the course of history, not just in Manitoba but in Canada.

I have heard from many people, particularly aboriginal people, that as a result of the Meech Lake Accord and since that time, they felt that, indeed, change can be made for the better, and often that change can be made within the political structures. There is a new confidence, and as was said by Mr. Harper, it was not just about the death of the Meech

Lake Accord, it was about the rebirth of aboriginal people in Canada.

I, myself, was very proud of my role in the Meech Lake Accord. It was an experience that changes one's life. I think that many of the negative stereotypes that have existed in this province for many, many years were broken by the leadership from the aboriginal community that was obvious during the course of those two weeks, leadership that is asking that a partnership be fully developed with the dominant society and with the Province of Manitoba, in particular, a partnership to ensure that the needs and aspirations of aboriginal peoples are fulfilled, finally.

In particular, it was just one year after the death of the Meech Lake Accord that the report of the two Manitoba judges on aboriginal justice was released, a tremendous report, one that offers great insight into the challenges facing all Manitobans to deal with aboriginal justice and the unfairness that is inherent in our system.

Despite, although cryptic, some positive statements by the government on the release of that report, that progress would be made, now four years later there has been virtually no progress. I have said this many times, and I think in this Chamber, but it is one of the darkest clouds over this government, this failure.

Perhaps some day, Mr. Chair, we will bring that report into the Chamber and go through it, recommendation by recommendation. It is nothing less than—not simply a political shame, it is much greater than that, that this government has not heeded the recommendations and entered into partnerships to ensure their implementation.

Mr. Chair, if I can continue my remarks after the break.

Mr. Chairperson: Order, please. There were some discussions earlier about taking a break at twelve noon. What is the will of the committee? Agreed?

It is agreed that we take—

* (1200)

Mr. Mackintosh: Well, Mr. Chair, there had been discussion earlier about the engagement I have for five minutes at noon. I believe there is an understanding that we would let the clock go on the condition that the clock remain running for five minutes until my return.

Mr. Chairperson: Is that agreed? [agreed]

* * *

Mr. Chairperson: The meeting will come to order.

Mr. Mackintosh: I thank the committee for allowing me to do that. I think it was important for those young women.

So it is with emphasis on the lack of initiative on the AJI report that I left the debate. I think the motion speaks for itself as to what our concerns have been, and we have defined what we meant, I believe, as time has gone by over the past number of months and in public debate and in questions in this House. We know full well what Manitobans feel about this government's Justice record. Manitobans are more fearful now than they have ever been, as to their safety. I am confident of that. I hear that door after door after door. They are concerned about their safety, not only on the street but in their homes.

The NDP caucus task force on violence against women is continuing with its efforts to define how an effective, comprehensive antiviolence strategy can be implemented in this province, because too many out there are saying that there really is no zero-tolerance policy when you really look at what services are available, what laws are available for women.

As well, the maintenance issues are going to be dealt with further in this session, and I will not speak on that further now.

This motion was decided on by the caucus after much thought, and it was with some regret. This is a rare motion. It is one that should be moved only in cases of extreme and obvious mishandling of departmental and public policy affairs. It was felt that the minister is not moving in the right direction, is engaging in public relations efforts without substantive

change to Justice policy in the province. So we do not take this lightly, Mr. Chair, one bit.

We hope that the minister will look at this resolution and the contents of it to see what the objectives of the Justice department are, in our view, what they should be. I trust that the minister will start to move, in a meaningful way, toward meeting those objectives.

* (1210)

Mr. Chairperson: Is it the will of the House to adopt the motion? [interjection] No?

Voice Vote

Mr. Chairperson: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Nays have it.

Formal Vote

Mr. Mackintosh: A count-out vote, please, Mr. Chair.

Mr. Chairperson: A count-out vote being requested, call in the members.

All sections in Chamber for formal vote.

* (1220)

Mr. Chairperson: Order, please. The motion before the committee is,

WHEREAS this minister has proven her inability to maintain the confidence of Manitobans in the administration of justice by—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense.

1. Failing to make any meaningful progress toward the comprehensive implementation of the recommendations of the Aboriginal Justice Inquiry report;

2. Failing to implement a comprehensive crime prevention strategy for Manitoba and implement The Crime Prevention Foundation Act;

3. Failing to stand up to the government which, by its social and economic policies, including cuts to family and youth supports, is helping to breed the worst crime rate in Canada;

4. Failing to heed virtually all the recommendations of the Summit on Youth Crime and Violence and failing to implement the minister's nine-point plan on youth crime;

5. A failure to radically reduce court backlogs;

6. Failing to comprehensively deal with violence against women and ensure an effective zero-tolerance policy;

7. Failing to ensure the effective administration of maintenance enforcement and refusing to comprehensively overhaul maintenance enforcement and entitlement laws;

8. Failing to provide leadership to break down interprovincial barriers to maintenance enforcement;

9. Failing to provide stable, predictable and timely funding for victims assistance programs and ensure victims' rights;

10. Failing to adequately meet policing needs in Manitoba and failing to respond to concerns raised by the RCMP in a forthright manner;

11. Failing to spur adequate community-based policing through effective leadership;

12. Failing to ensure an independent inquiry into the infant deaths at the Health Sciences Centre and the role of the government;

13. *Failing to properly account to Manitobans by failing to provide annual reports and answers to questions on a timely basis;*

14. *Engaging in posturing and public relations efforts to give Manitobans the impression of government action as, for example, misleading Manitobans as to the existence of boot camps.*

THAT the Minister's Salary at line 1.(a) under the Department of Justice Estimates, be reduced to \$1.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 24, Nays 27.

Mr. Chairperson: The motion is accordingly defeated.

The three sections will resume their consideration of the Estimates.

JUSTICE (continued)

Mr. Chairperson (Marcel Laurendeau): The question for this section of the committee is, shall the item pass? The item is accordingly passed.

Resolution 4.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,169,500 for Justice, Administration and Finance, for the fiscal year on the 31st day of March, 1996.

This concludes the Department of Justice. We will next be considering the Department of Urban Affairs.

* * *

Hon. Darren Praznik (Deputy Government House Leader): Mr. Chair, if this committee will just grant some indulgence to the members of both parties who are in other sections of the committee, I understand that within a moment or two, we will be returning to the House for a further vote. So we may just want to allow the Minister of Urban Affairs (Mr. Reimer) a little bit of leeway in bringing his staff in right away.

Mr. Chairperson: Agreed? [agreed]

Mr. Gord Mackintosh (St. Johns): It was my understanding that the Aboriginal Justice Initiatives line would follow the Department of Justice. I may be incorrect in that. Perhaps the minister could respond, and we could deal with that item in the next couple of minutes.

Mr. Chairperson: The sequence of Estimates has the Aboriginal Justice Initiatives after Urban Affairs, Environment, Labour, Legislative Assembly, Civil Service Commission and Sustainable Development and then Children and Youth Secretariat, so it does not follow the sequence at this time.

* * *

* (1230)

Report

Mr. Ben Sveinson (Deputy Chairperson of Committees): In the section of Supply, meeting in Room 254, the honourable member for Thompson (Mr. Ashton) moved that under 27.9, infrastructure, that the line be reduced by \$11 million, the amount equivalent to the funding of a new Winnipeg arena. This motion was defeated on a voice vote. A formal vote was then requested by the member for Thompson and the member for Crescentwood (Mr. Sale).

Formal Vote

Mr. Chairperson: A formal vote has been requested, call in the members.

All sections in Chamber for formal vote.

Mr. Chairperson: It has been moved by the honourable member for Thompson (Mr. Ashton) that under resolution item 27.9, infrastructure, that the line be reduced by \$11 million, the amount equivalent to the funding of the new Winnipeg arena.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 22, Nays 29.

Mr. Chairperson: The motion is accordingly defeated. We will now resume to the three committees.

URBAN AFFAIRS

Mr. Chairperson (Marcel Laurendeau): This section of the Committee of Supply will be dealing with the Estimates of the Department of Urban Affairs. We will begin with a statement from the honourable minister responsible.

Hon. Jack Reimer (Minister of Urban Affairs): Mr. Chairman, I am pleased to introduce the 1995-96 Estimates for Manitoba Urban Affairs. As the new Minister of Urban Affairs, I can tell you that I appreciate the unique role the city of Winnipeg plays in our province. I look forward to developing a positive working relationship with my colleagues in the City of Winnipeg and the capital region.

Manitoba Urban Affairs continues to be the focal point for intergovernmental relations between the city and the province. It is responsible for the development and the maintenance of the legislative, financial and planning framework that effectively meets the needs of the citizens of Winnipeg.

During this fiscal year, my department will be involved in a variety of initiatives which will contribute to the delivery of its mandate in a manner which is intended to foster partnerships with the City of Winnipeg.

In the area of provincial financial partnerships, I am pleased to advise that this year the operating grants provided from my department to the City of Winnipeg will be increased by 2 percent. This includes a \$1 million increase in the unconditional video lottery terminal grant. During 1995, my department will be providing the City of Winnipeg with \$50.4 million in operating grants.

The province has also made \$12.3 million in commitments to the City of Winnipeg through the Urban Capital Projects Allocation. The Urban Capital Projects Allocation is a cost-sharing partnership between the province and the city with each party contributing 50 percent towards the eligible program expenditures. This year's commitments include funding towards the purchase of low-floor Transit buses, Handi-Transit buses, bridge reconstruction and

community revitalization. These projects will not only upgrade existing infrastructure within the city but will create jobs and have beneficial effects on the economy.

Tri-level agreements provide an opportunity for partnership among governments to maximize the use of limited resources and to achieve common goals by pooling their resources. On March 10, 1995, the \$75 million Winnipeg Development Agreement was signed by the governments of Manitoba, Canada and Winnipeg. The agreement has three major components which are: community development and security, labour force development and strategic and sectorial investments. The programs to be developed through the Winnipeg Development Agreement will capitalize on this city's great potential in key economic sectors and in labour force, helping to ensure long-term employment opportunities for Winnipeg residents.

In addition to overall provincial co-ordination for the agreement, my department will be responsible for the implementation of a number of programs including north main economic development, urban safety, neighbourhood improvement, riverbank development and strategic initiatives. These programs are currently being developed by my staff with input from relevant interest groups. A provision of \$3 million has been included in the budget for the delivery of provincial Winnipeg Development Agreement programs this fiscal year.

My department is also fostering a partnership between Winnipeg and the surrounding municipalities. As part of this process a capital region study has been developed jointly by the Round Table on Environment and Economy and the Capital Region Committee. The draft strategy identifies goals, objectives, policies and actions aimed at implementing sustainable development in the capital region. Public workshops on the issues and policies included in the draft strategy will be held during the month of June. The public input will be used in preparing a revised Capital Region Strategy.

* (1240)

Several years ago the province identified a need for the City of Winnipeg to have a comprehensive urban transportation study. As a result, my department has

committed \$390,000 towards the preparation of TransPlan 2010. The plan will provide a 15 to 20-year framework to guide both short- and long-term transportation service delivery in Winnipeg. A steering committee of five citizens has been appointed to direct the development of TransPlan 2010. Department staff are participating on the advisory committee and the city-province management committee. The plan is scheduled to receive provincial approval and adoption by City Council by July 1996.

All levels of government today are conscious of the need to continually find opportunities to increase cost-effectiveness in delivering services to the public. One such opportunity which may exist is with respect to the voters list. All three levels of government prepare voters lists. Recently, the City of Winnipeg approached the department with a request that we determine the cost-effectiveness of developing a common voters list to be shared by the three levels of government. Through a working committee of staff from the government, municipal and school associations, my department will take the lead on a study to determine the feasibility of developing a permanent voters list. The study will identify if cost savings can be generated by reducing the duplication of effort.

Urban growth management that is consistent with the principles of sustainability is a concern to both the City of Winnipeg and the province. Accordingly, my department has agreed to cost-share in a study and participate with the City of Winnipeg and the Urban Development Institute on an urban growth management study. The purpose of this study will be to determine if the capital costs of new development are being borne equitably by the private sector and, ultimately, by their customers without subsidization by taxpayers in existing areas of Winnipeg. The study will also identify and evaluate options to address any inequities which may be identified.

On the legislative front, two bills to amend The City of Winnipeg Act are being introduced this session. Bill 7, which was distributed to the House on May 31, 1995, contains amendments permitting Winnipeg City Council to issue tax credits and rebates for campaign contributions, and amendments to strengthen penalty

provisions for violations of electoral expenses and contribution legislation. The second bill to be introduced will contain the balance of amendments in Bill 17, which died on the Order Paper.

As you can see, during the year Urban Affairs will continue to be a vibrant department actively involved in improving the well-being of the residents of this capital city.

Mr. Chairman, this concludes my opening remarks. I look forward to discussion on the Estimates. Thank you very much.

Mr. Chairperson: We thank the honourable minister for that response, and we will now have the customary reply from the honourable member for Wellington.

Ms. Becky Barrett (Wellington): Mr. Chair, I will, as the minister was in his opening remarks, be brief in my opening remarks so that we can spend the time that we have to deal with these Estimates and actually dealing with them, line-by-line concerns.

I thank the minister for his comments, and he has given me a couple of areas that I will be asking more detailed questions on as we get into the Estimates. I find it interesting, in light of many of the actions that have been undertaken by this government, that the minister talks about the unique role the City of Winnipeg plays and the intergovernmental relations that is the major component of the activities of the Department of Urban Affairs, those relations between the city and the province. I will be exploring what the minister has said and what is stated in the Supplementary Estimates quite extensively the distinction between what the minister and the Estimates book says about the unique role and the leadership role that the city plays with what is actually taking place in many of the relationships that are being played out between the provincial government and the City of Winnipeg and the capital region.

I am glad the minister has highlighted that element because I think it is one of the most challenging parts of the Department of Urban Affairs, and I challenge that, frankly, Mr. Chair, we do not think the government is meeting adequately.

With those brief comments, I would conclude my opening remarks.

Mr. Chairperson: We thank the honourable member for Wellington. I would remind the members of the committee that the debate of the Minister's Salary, item 1, is deferred until all other items in the Estimates of this department are passed. At this time we would invite the minister's staff to take their place in the Chamber.

At this moment we would like to ask the minister if he would like to introduce his staff present.

Mr. Reimer: Heather McKnight, Marianne Farag, Jim Beaulieu, my deputy, and Vernon DePape.

Mr. Chairperson: We will now be dealing with item 1.(b) Executive Support (1) Salaries and Employee Benefits \$176,700.

Ms. Barrett: Mr. Chair, I would like to ask a general question of the minister relating to the flow of the Estimates and wondering if I can deal with a number of issues under this category, or will there need to be additional staff brought in to deal with specific items?

Mr. Reimer: I would think that we would maybe be able to go on a general flow with the questions, and if there is something that comes up that we cannot answer, we will either try to get back to the member or possibly utilize the staff that is here that might be able to give us some direction.

Ms. Barrett: I would like to go first in the Supplementary Estimates to Schedule 2 on page 5, which is the organization chart. The senior urban policy co-ordinator is vacant according to the organization chart, and I would like to ask the minister a series of questions, which I will just ask all at once and then he can answer all at once.

* (1250)

Is it still vacant? When did it become vacant? If it still is vacant, when do you anticipate filling it? Who is doing the job now, and who was fulfilling that senior urban policy co-ordinator position prior to the vacancy?

(Mr. Frank Pitura, Acting Chairperson, in the Chair.)

Mr. Reimer: Mr. Chairman, the position was formerly held by Claudette Toupin, who was transferred and promoted to the Department of Education. The position will, in all likelihood, be open for competition later this year, I believe, in November or so.

Ms. Barrett: How long has this position been vacant?

Mr. Reimer: Last September—vacant since last September.

Ms. Barrett: The minister in his first answer said it would likely be open later this year for competition. So it will have been vacant for most likely a year or even a little more by the time it is filled. Is that a correct—

Mr. Reimer: That is right.

Ms. Barrett: Who is undertaking the duties that were previously filled by the senior urban policy co-ordinator?

Mr. Reimer: I have been informed that it has been handled more or less within the staff that are there, the existing staff, for the last while.

Ms. Barrett: It seems, just as a comment—I guess, I will ask a question first. Why has it not been bulletined, or why has the competition not been open for this position when it is the senior policy co-ordinator and the department is dealing with some very large and complex and important issues which have major policy components? Why has the department not, or the minister, I guess, not seen fit to open this very important position for competition prior to some time later this year?

Mr. Reimer: I would just like to point out to the member that it is not uncommon for various departments to see whether there can be an absorption or a sharing of responsibilities within the various departments to see whether the workload can be absorbed within the department itself. With this particular position it would appear that, after the time that it has been vacant, with the direction of looking at replacing it now, it would appear that the most

appropriate action is to get the position refilled, which is coming up, as mentioned, later this year.

Ms. Barrett: So my understanding of the minister's answer is that when Ms. Toupin went to the Department of Education, there was a deliberate decision made on the part of the department to see if the duties of the senior urban policy analyst could be handled by other staff in the department. It has now been determined that there needs to be this position filled. Is that an accurate summary of your earlier answer?

Mr. Reimer: That is an accurate assessment of the situation. Right.

Ms. Barrett: A comment I will make here, I understand and do not disagree with the philosophy that sometimes when a position becomes vacant, there is an opportunity then to see if the duties of that position can be shared among the existing staff, thereby providing services in a more cost-effective manner. However, my understanding and my reading of organizational theory, which is not deep and extensive, but there is an economy of scale that shows itself in this kind of situation, as well as in others.

In a department the size of Urban Affairs, it is a very small department in the size of its actual staff component and very small, even smaller, in the policy area. It seems to me that a much higher percentage, we are looking here at—not even dealing with the finance side, but under the Director of Urban Planning and Development—one-third of the policy component or 25 percent of the entire staff component position is being looked at to be downsized. That is an enormous percentage of the work of that division. Not only that, it would be hard enough if you took a policy or program analyst, but you are not taking a policy or program analyst, what happened was you lost the senior policy administrator.

I am sorry but I do not understand how you can say that you can lose the most senior policy administrator in this area. When you are dealing with things like the Winnipeg Development Agreement, the Capital Region Strategy, all the things that are coming forward from the City of Winnipeg, and all of the other issues that

this department deals with for over a year and not feel that lack of that input.

Mr. Reimer: I think that a lot of what the member has said has a certain direction on it. But at the same time, I look at the staff that is involved with the department, the quality of output, and the availability of the strength that we have within the department; they rose to the occasion.

What has happened in the last little while is, as the member has pointed out, new challenges have been brought forth with the Winnipeg Development Agreement, the Urban Capital strategic study. At this time, this is one of the reasons why we have to look at filling in that position because of the workload and the fact we can only stretch them so far. So we will be filling that position.

Ms. Barrett: I do not want it put on the record, or even in the vaguest sense intimated by the minister's comments, that I was in any way casting any doubts or aspersions on the calibre of the people who are staffpersons for the Department of Urban Affairs. The minister knows that would never be my intention.

I sometimes think that smaller departments have a more difficult time because you just do not have the depth of staffing—I am talking about numbers, not quality—that you do in larger departments. I think that the staff have done an excellent job, and particularly when they have not had a full complement. I am glad to see that the minister has decided that this is an essential position, and I look forward to the competition and hope it is earlier later this year rather than later later this year.

I have just one more question on this organization chart, and this will show my abysmal ignorance of many of the elements of this department, but to the right-hand side there are four boxes that look to be dotted rather than full lines. Two of them are the North Portage Development Corporation and the Forks Renewal Corporation that the department is shareholder of. Is it not true, or has there not been an amalgamation of those two corporations?

* (1300)

Mr. Reimer: As a legal entity, they are both identified in the organizational chart, but the management has been amalgamated under one. As pointed out, for the sake of the chart, they are still shown as two, but there is one board.

Ms. Barrett: I would like to then go forward more to the subappropriation 20.1.(b) Executive Support.

I have a couple of fairly specific questions, and then I will probably spend the majority of my time asking about some of the initiatives under the department here.

Under the Salaries and Employee Benefits, I noticed that there is an increase in salaries and benefits for both the profession-technical and admin support staff. I am wondering what causes the increase in light of the Filmon Fridays and those reductions. Is it merit, or what causes that increase?

Mr. Reimer: Just for clarification, you are working off the yellow book on page 16? Okay.

It is mainly merit increases for the existing staff that the increases are shown for.

Ms. Barrett: On page 3—I guess I lied when I said I was going to stay on pages 15 and 16—but on page 3 of the Supplementary Estimates, where they talk about the role and mission of the department, it talks about the review and approval of Plan Winnipeg and related amendments. I wonder if the minister can outline, just list what reviews are being undertaken relating to Plan Winnipeg and then maybe we can get into more detail later.

Mr. Reimer: The line that the member is referring to, these are done on a periodic basis, and the last time it was done is 1993. So it is not something that is done on a continual basis. It is done as required. We will most likely be doing the same type of review in 1997 again.

Ms. Barrett: There are, however, are there not, amendments that came forward under Plan Winnipeg and by-laws? There is one that I will ask about later dealing with East St. Paul and Headingley. Those are more specific things. What it says on page 2 is a

general overview look at Plan Winnipeg. Is that correct?

Mr. Reimer: Right.

Ms. Barrett: On page 3, again under Role and Mission, it talks about promoting and undertaking research and studies in support of the department's mission, and I am wondering if the minister can outline for us what research and studies have been concluded or are currently being undertaken or are planned for the next year.

Mr. Reimer: In regard to the line that the member is referring to, the promotion, research and study, as an example, there is the suburban growth management study that has been undertaken. There is the riverbank study regarding the Elmwood Cemetery, and another example would be the TranSport 2010 study that is being undertaken right now. I was just going to also mention too, as mentioned earlier, the permanent voters list is a study that is being undertaken.

Ms. Barrett: Maybe I will, if it is okay with the minister, ask some questions about a couple of these studies at this point in time, particularly the suburban growth and the permanent voters list.

The permanent voters list, I will start with that one. The minister in his opening remarks stated that the three levels of government were undertaking this study to determine whether cost reductions could take place by instituting a permanent voters list. My understanding is that is with the three levels of government—the municipal, the provincial and the federal. Is that correct?

Mr. Reimer: Correct.

Ms. Barrett: This will deal with the City of Winnipeg, or will all municipalities be affected by the decisions that come out of this study?

* (1310)

Mr. Reimer: The question is very apropos because the forming of the study committee, the first meeting is actually next week. Some of the parameters of

discussion will be taken into consideration on the municipalities and their involvement with the voters list and the reachingness in the coverage of the voters list. It is in the formative stage with the idea of trying to get a reconciliation of voters lists.

Ms. Barrett: Who will be attending that first meeting next week?

Mr. Reimer: The chairman of the committee and the organization will be the Deputy Minister of Urban Affairs. The Manitoba Association of Urban Municipalities will be involved, the City of Winnipeg will be involved, MAST will be involved, the Department of Education will be involved, the provincial electoral office will be involved, and the federal electoral office will be involved with that. There will be appointees from these organizations at that meeting.

Ms. Barrett: The various groups that are represented, was this a determination made by the government?

Mr. Reimer: The invitation was made to the various organizations to appoint people to make representation. They were not appointed by this department or this minister.

Ms. Barrett: I understand the individuals who will be representing the various groups that the minister has talked about will be appointed or asked to sit on this committee to participate in this study, but who made the determination that MAUM, the city, MAST, the Department of Education and the federal and provincial Elections branches would be the component parts of this plan?

Mr. Reimer: The invitation that was sent out was extended to any and all jurisdictions that were affected by electoral lists, so that if they were involved with any type of elections or something, they were asked to participate or send representation, in a sense, to the committee.

Ms. Barrett: How many members will be appointed from each of these areas?

Mr. Reimer: Usually one.

Ms. Barrett: Have the terms of reference been established for this study?

Mr. Reimer: The terms of reference, I believe the member is referring to, are available. They can be supplied to the member. I do not know whether we have them with us today, but we will make sure that we get you a copy of the terms of reference.

(Mr. Chairperson in the Chair)

Ms. Barrett: Madam Chair—

Some Honourable Members: Oh, oh.

Ms. Barrett: —I am doing that on behalf of the Speaker, who has had to deal with several Mr. Speakers.

Now I have lost my train of thought. Yes, I would appreciate the terms of reference Monday morning or something. That would be great because I do have some questions on this whole issue of permanent voters lists and I think the terms of reference would help me be more specific in my questions. So I will, if I may, leave that area now and perhaps come back to it when we return on Monday.

The minister talked about the suburban growth. I think if it is the same study, it is the study that the previous minister spoke about in Estimates last June, the suburban cost study. Is that the same study that the minister mentioned earlier in his answer about which research projects are underway?

Mr. Reimer: I would just point out that the goal is to determine if new development pays for itself, and, if not, what needs to be done to make sure it does in a sense. The objectives can be divided into three stages.

Number one, the study will determine if the capital costs of development are being borne in an equitable manner by the private sector and ultimately their customers without the subsidization by taxpayers in existing areas of the city of Winnipeg.

Stage two will identify and evaluate options to ensure that the costs associated with new development are fair

and equitable and do not adversely impact either existing and future taxpayers or developers.

Stage three will proceed only if one and two reveal that development charges are necessary to equitably distribute the cost of new capital improvements in Winnipeg. Stage three will then consist of a creation of a Winnipeg development charge assessment model for all types of growth, for example, residential, commercial and industrial. The model will be used to calculate the capital improvement cost per unit of the new development.

I can just point out that the terms of reference are nearly completed and the study cost will be jointly shared by the city, the province and the Urban Development Institute.

Ms. Barrett: I am a tiny bit confused here. The first is the study to determine if capital costs are being borne equitably by the private sector without undue subsidization by the public sector. Is that accurate? If that is accurate, then is this a study that will be undertaken every time a development takes place, or is this a study to determine how you will in the future determine if the costs are being borne equitably? My understanding was that the study that was talked about by the former minister of Urban Affairs last year was going to be a general study to determine how you decide if the costs are being borne equitably.

Mr. Reimer: This is more or less the same study that was previously alluded to. It is a generic study in a sense that it will not be the same type of analysis and study that would go through for every project or development.

Ms. Barrett: The first of three elements the minister talked about is a study. When this study is concluded it will be kind of a model to be put in place for suburban development in the future. Is that accurate?

Mr. Reimer: It is actually meant to lead towards better development, structure and decision making regarding the developments.

Ms. Barrett: Who is undertaking this study?

Mr. Reimer: As mentioned, the costs are jointly shared by the city, the province and the Urban Development Institute.

Ms. Barrett: Is it staff then of the province and the city and the Urban Development Institute that are actually doing the study, or are there other extra governmental individuals involved?

Mr. Reimer: No, an outside consultant will be hired for the study.

* (1320)

Ms. Barrett: An outside consultant will be hired. So am I to take it that an outside consultant has not yet been hired, so therefore this study has not yet begun?

Mr. Reimer: The terms of reference have not been finalized. Once that is put into place, then there be the advancement of the other steps involved with the formalization of it.

Ms. Barrett: So what activities have been undertaken since last June's Estimates, since this was discussed last June 28, I believe? It would appear that it is fairly much in the same beginning stages as it was a year ago. Is that accurate?

Mr. Reimer: This department has been fairly forward in trying to get this study on track. There has been a hesitancy by the city to get involved, if you want to call it, in trying to look at their priorities of development. We have been fairly positive in trying to get this program going, as the member mentioned, since last June, but it has been indicated that the City of Winnipeg has not been overly aggressive in dealing with the area of appointment. Also, the Urban Development Institute is in the process of appointing people, too. So we have tried to be very proactive on this, but, dealing with the other two levels, there is always the trying to satisfy two other groups as to get the program initiated.

Ms. Barrett: So the problem with the city and, to a lesser extent, with the Urban Development Institute has been that they have been hesitant to appoint members

to this study, or is their hesitancy about the terms of reference or something else about the study?

Mr. Reimer: It has been pointed out to me that the Urban Development Institute has been very judicious in getting their representation on board and everything. I may have alluded to the fact that maybe they were, you know, being a bit hesitant, but they have been fairly positive in their attitude and direction on this development, too. It seems that where there is a bit of a slowdown, or a hesitancy, has been with the city to get involved with the direction, the planning and the study that is being proposed.

Ms. Barrett: Can the minister share with us the reasons for the city's hesitancy?

Mr. Reimer: Mr. Chairperson, I guess it is hard to pinpoint exact reasons why the city may be hesitant. I can recognize their reorganization and their involvement with a lot of different changes over the last year in their analysis of management and the direction and the priorities of spending and budgetary considerations that they are looking at. So they have not been able to maybe put the priorities that we feel are important in the same context as what they feel is immediate on their venues. It is like anything, you know. Coming together with any type of different proposals and directions you have to have consensus, and what one sees as important the other may not see as important at that particular time.

Ms. Barrett: Do you have an estimated time of beginning of the work of this study?

Mr. Reimer: We are optimistic that we could possibly get this going by the fall of this year of '95.

Ms. Barrett: Really, the final question on this one. The terms of reference, when they are put together, could they be shared with the House?

Mr. Reimer: Yes.

Ms. Barrett: One other activity that is under the role and mission statement is to co-ordinate intergovernmental, interdepartmental and multisectoral

committees. Could the minister outline what some of those committees are?

Mr. Reimer: Mr. Chairperson, as an example of the co-ordination of the intergovernmental and interdepartmental and multisectoral committees, we can point to the Environment Committee, the Urban Affairs Committee of Cabinet, the capital region study, the voters list, which we talked about a little while ago, and also the recent WDA, Winnipeg Development Agreement.

Ms. Barrett: Is the department involved in any way with the WINNPORT project at the Winnipeg airport?

Mr. Reimer: The province is involved to the extent because of the fact that it would require an amendment to The City of Winnipeg Act and The Plan Winnipeg Act. So this is the involvement.

The various players, if you want to call it, involved would be Rural Development; naturally, we are to an extent as indicated; the Town of Selkirk would be involved with it; the City of Winnipeg, naturally; and a steering committee of elected officials. An administrative support committee has been established, and it is to identify the issues raised by the Airport Vicinity Landowners Association, formerly the CP Rail proposal, to gather and exchange information at the four levels of government: the province, the City of Winnipeg, the R.M. of Rosser and the South Interlake district planning board. They will be required to determine whether the proposed amendment should be granted. The steering committee will be submitting an interim report by October 31, 1995.

* (1330)

Ms. Barrett: The steering committee is made up of representatives from Winnipeg, Urban Affairs, Rural Development, Selkirk, the R.M. of Rosser and the South Interlake planning board? That is accurate. They are going to report to whom in October of '95, hopefully, about what?

Mr. Reimer: The report would be presented to the Provincial Land Use Committee here in the Legislature.

Ms. Barrett: Who makes up the provincial land use committee?

Mr. Reimer: To get the accurate list of the members, I will have to get staff to provide that, because I am not exactly sure of exactly how many or who they are. For example, Rural Development is involved, Agriculture is involved, Highways is involved. There may be some other ones—Natural Resources. We can get the exact list of who sits on that committee. I know it is chaired by the Minister of Environment (Mr. Cummings).

Ms. Barrett: So it is a committee of cabinet then.

Mr. Reimer: Yes.

Ms. Barrett: So I am not even going to ask for the copy of the minutes of that one.

Once the steering committee makes a report to the provincial land use committee, then the government will decide, based on that report?

Mr. Reimer: The approval has to come through the various levels of government that are going to be involved and the direction of it, as pointed out, the Selkirk district, the city of Winnipeg district and the R.M. of Rosser.

So there is a co-ordination of input from all levels so that the decision that is made is in consequence with the concerns of the municipalities that are involved and the jurisdictions involved.

Ms. Barrett: I think I understand the process. I think the end result is going to be an amendment perhaps to Plan Winnipeg dealing with the whole issue of at least the first phase of the WINNPORT proposal. Is that accurate?

Mr. Reimer: Yes.

Ms. Barrett: So the report will go to the committee of cabinet by October, hopefully, and then the decision will be made by the committee of cabinet and then whatever is decided, if it does require an amendment, that is when the legislation would come forward or what is the next step then?

Mr. Reimer: No legislation is required. What has to be emphasized is the fact that any type of decision has to be in co-operation with the other levels that are involved. The province is not in a position to impose. It is done with a consolidation of concerns for the other members who are going to be involved with that.

Ms. Barrett: I am unclear. My notes relating to the answer to my first question about WINNPORT said something about an amendment to Plan Winnipeg act. Is that not—

Mr. Reimer: Yes, it is an amendment to a plan, but it is not an amendment to the legislation. It is the Plan Winnipeg that we are talking about which is a by-law of the City of Winnipeg.

Ms. Barrett: It is a very interesting, to my way of thinking, way of proceeding. You are right. Plan Winnipeg is interesting that way.

So once the amendment—should there be one—goes through, does the province have the authority to amend Plan Winnipeg and then the city and anybody else is obliged to use that as an updated plan dealing with the issues surrounding WINNPORT, or again is this a consultative process?

Mr. Reimer: The short answer is yes.

Ms. Barrett: One other area that I would like to talk about briefly is the Winter Cities event, if I may. My understanding—and I am not sure if it is accurate or not—is that the government has given Winter Cities approximately \$900,000 to put the Winter Cities Conference on. Is that accurate or have I been given information that is not accurate?

Mr. Reimer: Mr. Chairman, maybe I will just give a little background on the seventh international Winter Cities Conference which is going to be held in 1996. The funding for the conference is estimated at \$2,990,000 and has been structured as a tripartite effort with contributions to the federal, the provincial and the municipal governments of \$900,000 each as was mentioned by the member for Wellington. The corporate sector will provide \$120,000 and other agencies about \$170,000. The conference is expected

to generate about \$6.2 million in economic activity in Winnipeg and about \$8.5 million for the province. For example, the 1994 conference hosted in Alaska cost just over \$1.5 million.

* (1340)

To date, there has been no application or formal application made to the Department of Urban Affairs for any type of sharing of funding regarding the Winter conferences.

Ms. Barrett: The city has not asked for the provincial \$900,000?

Mr. Reimer: At this particular time, there has been no formal overture of funds to this particular Department of Urban Affairs. I cannot speak for overtures that may have been made through other departments or to other departments. I really could not comment on whether they have gone to other parts of government. We could try to find out for the member in the next few days and have that information for him.

Ms. Barrett: I would appreciate that.

So the \$900,000 that is being earmarked, if that is the right word, for the Winter Cities, from the provincial level of government, is not all coming from Urban Affairs? It would be in a number of departments' budgets?

Mr. Reimer: I really could not speculate as to which department or which venue is being pursued for funding on that particular aspect. I can only indicate, as I have, through our department, which is Urban Affairs, but there has been no formal application through here. Whether it is being looked at through another department, I cannot really speculate, but we can try to find a direction for the member.

Ms. Barrett: Should the city make application to the Department of Urban Affairs for funding for Winter Cities? How much money would there be available for the city to ask for?

Mr. Reimer: I guess, like any type of application for funding, it is put into the analysis of where funding is

available and a direction and the priorities of where it is going and the departments that could or should be involved with it. I cannot really speculate as to if and when or where funding direction could come from.

Ms. Barrett: So the \$900,000 that has been agreed to by the three levels of government, the provincial component of that—yet is that money earmarked in any government department that you know of?

Mr. Reimer: As mentioned in giving a bit of a preamble on the conference itself, we are looking at a tripartite agreement between the federal, provincial and the municipal governments and their involvement and their contributions.

It would be hard to speculate as to the positioning of it and what type of endeavours the other levels have committed to. As mentioned, I cannot speculate as to which departments have had overtures yet of anything regarding the conference.

Ms. Barrett: Does the Department of Urban Affairs have any representation on what I would imagine is a steering committee dealing with the Winter Cities Conference? If not, does the minister know if any other department has representation on the steering or planning committee?

Mr. Reimer: It should be pointed out that the initiative is being spearheaded by the City of Winnipeg. The City of Winnipeg is the initiator of the conference and the parameters involved with it. This department is not one of the participants in that agreement and the structuring of the committee.

Ms. Barrett: So the Department of Urban Affairs will not have any role to play in either participating in the steering committee, or whatever it is called, Winter Cities, nor in making available any of the \$900,000 that has been earmarked from the province for the putting on of the Winter Cities Conference.

Mr. Reimer: I just wanted to point out, as I indicated, we are not part of the participants on that committee. The chairperson who was appointed by Susan Thompson in 1993, Harold Buchwald, is spearheading the committee.

Ms. Barrett: To quote one of my favourite members of the Legislative Assembly, I find it passing strange that a Winter Cities Conference that has, from the minister's first answer, \$900,000 earmarked in some form or another for potential financial support to the conference, that the Department of Urban Affairs is not represented in the planning process of this Winter Cities Conference. What other department would be?

* (1350)

Mr. Reimer: Mr. Chairperson, I would just like to point out that the funding and the direction of it—and I guess I keep repeating myself to the extent that the department or the lead department for the contribution has not been established yet and the funding and the direction that it would be going.

There are other conferences that are held within the city of Winnipeg. For example, there is the International Downtown Planning Association that is coming here that this department is not involved with in a sense of being a strong participant.

As I mentioned, this department is not involved with this particular winter conference that is coming up.

Ms. Barrett: The minister talks about I believe a downtown conference that is coming to the city, and the Department of Urban Affairs is not involved with that conference. I know the vast majority of conferences that come to the city, even if they do have some connection to urban issues, might very well not have an urban affairs component.

The minister, in his first answer, said it is a tripartite arrangement, that there is \$900,000 budgeted somewhere for the Winter Cities Conference. I find it hard to understand why, No. 1, there has not been a lead department established yet for a conference that is being held here in early February of next year; and, No. 2, why that lead department would not be the Department of Urban Affairs.

Mr. Reimer: I have to revert to what was said previously in regard to the conference that was set up by the City of Winnipeg, by the mayor at the time, who was Bill Norrie. In their presentation of the budget,

they are talking about the amount of money that they would hope the various levels of government would participate.

It is similar that, when you say tripartite, you are talking about also a federal contribution of \$900,000. They have not made any type of overtures that funding is going to be available on a federal basis that we are aware of. So there are a lot of parameters that come into play in trying to come to a direction of funding and a level of funding and a commitment on funding.

This is the budgetary process that was put forth by the mayor, as I mentioned, back in 1992. It is like anything; it is a process, and approval has not been put forth; a request for funding has not been put forth. The direction of the department has not been established.

There seems to be a perception that there is a money allocation within a budget somewhere in the department, but it is not in this Department of Urban Affairs, and there has been no formal request for funding that we are aware of, even in a commitment by the federal government or to that extent even the municipal government.

Ms. Barrett: So is the minister saying that this budget, again I revert to his first answer, says that there is a \$2.3 million budget for the Winter Cities, that there will be \$900,000 budgeted through a tripartite agreement with corporations and other groups making up the difference?

I can understand why the money has not been expended yet, but when I hear the word "tripartite agreement" it seems to me to say that there has actually been some negotiation, some discussion, some something, to come up with \$900,000.

Or is the minister just saying that the city on its own hook has said, we have a budget of \$2.3 million and we are going to assume that the three levels of government will each kick in \$900,000?

Does the minister know if the city or the steering committee of Winter Cities made any overtures of an organizational, if not financial, nature to the government of the province of Manitoba?

Mr. Reimer: I just remembered everything about this.

Point of Order

Ms. Barrett: I am sure the minister would not want to leave on the record the intimation that there was not any external assistance offered to him on this.

Mr. Chairperson: The honourable member did not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Chairperson: The honourable minister to respond.

Mr. Reimer: No, it was deep thought that brought back the question that the member for Wellington had. It was my recollection that the line regarding where that funding was allocated was through the Minister of Finance (Mr. Stefanson) in his Estimates, which was under the Urban Economic Development Fund. There was an allocation of \$800,000 that was earmarked for this Winter Cities Conference in Winnipeg for 1996.

Mr. Chairperson: The hour being 2 p.m., committee rise. Call in the Speaker.

IN SESSION

Madam Speaker: This House is adjourned and stands adjourned until 1:30 p.m. on Monday.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, June 23, 1995

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