



**Third Session - Thirty-Sixth Legislature**

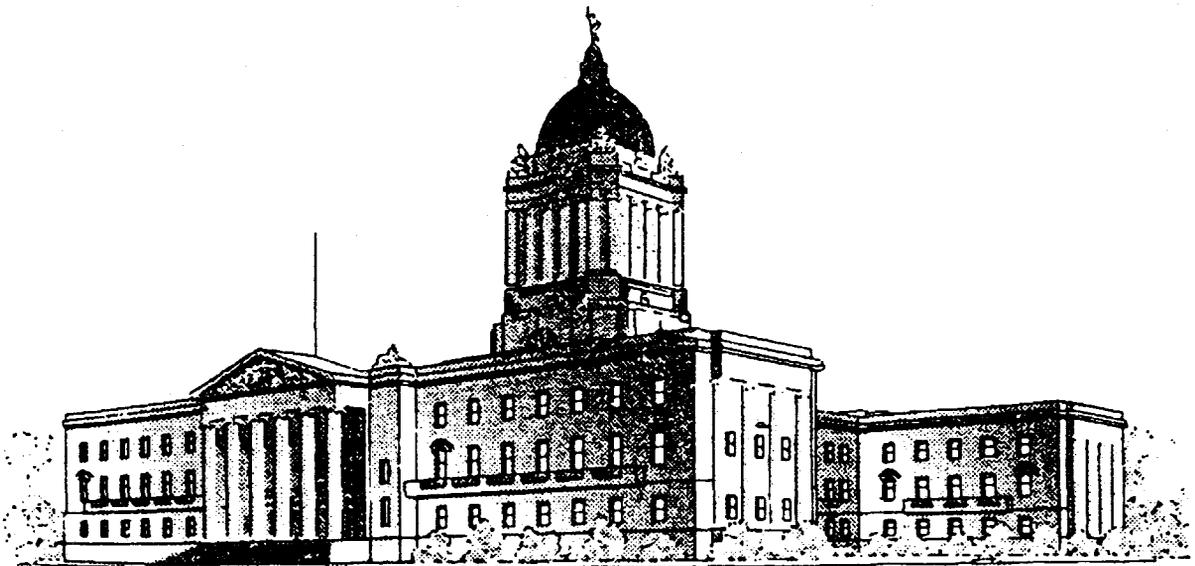
of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

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## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 14, 1997

The House met at 8 p.m.

### ORDERS OF THE DAY (Continued)

#### COMMITTEE OF SUPPLY (Concurrent Sections)

##### HOUSING

**Mr. Chairperson (Ben Sveinson):** Good evening. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Housing.

When the committee interrupted its proceedings in the afternoon, it had been considering item 1.(b)(1) on page 83. Shall the item pass?

**Mr. Doug Martindale (Burrows):** I think when the committee adjourned, I had asked the minister a question, so I will wait for the answer now.

**Hon. Jack Reimer (Minister of Housing):** The four projects that were targeted for the younger people are 470 Pacific, 817 Main Street, 185 Smith Street, 269 Dufferin. We have been also successful at implementing the program for younger people at 375 Assiniboine, 24 Carlton, 260 Nassau, 170 Hendon. The member mentioned Monash Manor. It is not on the list for underage tenants.

**Mr. Martindale:** In view of the complaints that I have passed on to the minister, and now I actually have more details with me, complaints specifically about kids running around, partying, bringing in booze. Someone had to open the door to let in Meals on Wheels and there is an allegation that there was urine and feces on the floor, and the individual who is complaining is dying of cancer and feels that she does not need a party next door. I wonder if the minister can tell us if he has had complaints or Manitoba Housing Authority has had complaints about partying in suites where there are people under 55?

**Mr. Reimer:** Mr. Chairperson, not to try to make light of the allegations, but staff have informed me that they have not received any complaints from the other tenants in these units. I can only say that if there is a problem that we would certainly, you know, pursue it so that there is not a disruption to the other members in any of these units but, by being informed by staff, we have not had any complaints to this nature yet.

**Mr. Martindale:** Well, I will talk to the people who complained to me and, in future, we will make sure that the complaints get directed either directly to Manitoba Housing Authority or to the minister.

I would like to start another line of questioning, and that is to follow up on our critics concerns about the SAFER and SAFFR. I presume that she might have been referring to both. I think I understand the minister's answer which he gave in Question Period today. That is somewhat of a miracle, although being a theologian, I would have to wonder what the miracle was. Maybe it is just that God works in strange ways. However, I think we can agree, I can even agree on the problem, and that is that if the take-up is lower, the budget is going to be lower. Now, I might get in trouble with my critic here for saying that, but I do understand what the minister was trying to say in his answer, so I think we need to focus on solutions. So I would like to know, how much advertising do you do of the SAFFR program?

**Mr. Reimer:** I can just give you some figures regarding the SAFFR program and the take-up on it.

In 1996-97 the budget for the number of people that we estimated would take up the program was 850 people. The budget expenditure based on that pickup was \$1,500,000. The actual number of people that did apply for the subsidy was 762 clients, for a budget expenditure of \$1.292 million, so there was a difference of around, as has been pointed out, just over \$200,000.

So this is why there was a bit of a discussion as to the perception that the budget was underspent. It was in the fact that, in setting up our budgetary numbers, we

based it on 1993-94. In 1993-94 there were 850 applicants; in '94-95 there were 810 applicants; and in 1995-96 there were 790 applicants. When we did our budget for '96-97, as I say, we budgeted for 850, but there were only 762 applicants. So, in looking at the slowly declining numbers when we did our '97-98 budget, we budgeted for relatively the same amount, 760 clients, for 1997-98.

So, theoretically, because the numbers have been consistently going down, this is why we did not underestimate what we took up last year. We remained at relatively the same for a budget expenditure proposal of \$1.25 million. So that gives you an idea of where our numbers come from in looking at our SAFFR program.

**Ms. Marianne Cerilli (Radisson):** I want to come back to that whole issue. I want to finish off on some of the questions we had been dealing with in terms of the public housing and finances section. We had been dealing before in the whole area of the problem of the surplus list and how the department is going about declaring property surplus. I know I have written to the minister a number of times, different ministers, in this portfolio about the government's sort of overall plans with regard to selling properties that are owned through Manitoba Housing. I am interested in getting any information about the number of properties that have been put on the surplus list over the last while. I remember that, when we had asked in Estimates last time, there was a lot of discussion about the amalgamation between the Board for MHA and the Board of the Manitoba Housing and Renewal Corporation, and how that was going to affect this whole area. I am wondering at this point if the amalgamation to bring those two boards together is complete, and if there has been any new terms drawn up for this new authority, if there has been any change in the representation on that committee.

**Mr. Reimer:** The boards were not amalgamated. There was not a physical amalgamation of the two boards. What the legislation that was brought forth last year allowed was for the minister to make appointments to this board. Before the board was mainly the MHRC Board. The board was primarily at that time a board of civil servants, and the minister sat on the board. With the new legislation that was introduced, what it did was

give the authority of the Lieutenant Governor to appoint outside people, if you want to call it, to that board. That was the main redirection of the MHRC Board. The two boards are still entities within our structure. They are not amalgamated together and serve as one board.

**Ms. Cerilli:** The other part of my question then was the new appointments that have been made then to the Manitoba Housing and Renewal Corporation Board. If I could get that information.

**Mr. Reimer:** There are currently 11 board members and their appointments. The chairman is Mr. Neil Wither from Winnipeg; the vice-chairman is Mr. Ian Restall from Winnipeg; there is a Mr. Bill Henderson from Winnipeg; Ms. Wendy Bloomfield from Winnipeg; Mr. Ken Fulford from Minitonas, Manitoba; Mr. Dick Hildebrand from Altona; Mr. Guy Hobman from Winnipeg; Charles Reis from Beausejour; Mr. Lorne Sharpe from Winnipeg; Ms. Karen Stang from Winnipeg; Ms. Pauline Williams from Brandon; and also the deputy minister sits on the board, Mr. Bill Kinnear.

**Ms. Cerilli:** How many of those individuals are also then on the Manitoba Housing Authority?

**Mr. Reimer:** That is the MHA Board. I am sorry, I said MHRC. That is MHA Board.

\* (2010)

**Ms. Cerilli:** My question was MHRC. The minister had clarified earlier I think in the Hansard that the legislation was to allow more citizen participation on the MHRC Board. So I think he needs to clarify for the record any additions in the MHRC Board, and if they are just people from this Manitoba Housing Authority list.

**Mr. Reimer:** The MHRC Board is comprised of the same people that I just read out to the member. The MHRC Board does not meet that regularly. The MHA Board meets on a regular basis, and the MHRC Board meets on an as-needed basis. So the only civil servant that sits on the board is the deputy minister, Mr. Kinnear.

**Ms. Cerilli:** I do not want to spend a lot of time on this, but was the minister correct when he said the reason for having the legislation was to allow more citizen participation on the Manitoba Housing Renewal Corporation Board? Because that is the one that is all civil servants.

**Mr. Reimer:** The member is right.

**Ms. Cerilli:** So the question I had is, then what are the new citizen representations to the Manitoba Housing Renewal Corporation Board?

**Mr. Reimer:** They would be all the same people that I just read out. These people sit on the two boards.

**Ms. Cerilli:** One person in particular that I want to ask about is Guy Hobman because he is then on the Manitoba Housing Authority and he is also the chairperson for the Winnipeg Housing Rehab Corporation. With all the events that took place around that corporation and City Hall not too long ago, I was interested in finding out his point of view with respect to Winnipeg rehab housing and if the Manitoba Housing Authority has had any involvement with the whole initiative with some members of City Hall to have that Winnipeg Housing Rehabilitation Corporation disbanded, if he had been directed through Manitoba Housing Authority in any way to have a certain position. I find it kind of interesting that this fellow was on both of these public housing corporations.

**Mr. Reimer:** I should point out to the member that the individual mentioned does sit on both boards. On this Manitoba Housing Authority Board, there have been no discussions regarding the Winnipeg Housing Authority and the direction that it has taken, and we have not pursued an uninitiated action with Winnipeg on the Winnipeg Housing Authority—

**Ms. Cerilli:** Just a point of clarification.

**Mr. Chairperson:** Order, please.

**Ms. Cerilli:** You mean Winnipeg Housing Rehab.

**Mr. Reimer:** Yes. What did I say?

**Ms. Cerilli:** Winnipeg Housing Authority.

**Mr. Reimer:** Oh, pardon me. No, the member for Radisson (Ms. Cerilli) is correct. Too many authorities and everything here; you have got to think slow. But anyway, Mr. Hobman has not been involved in any type of discussion through our board, with our board regarding the Winnipeg rehab authority, and we are not in any pursuit of any type of knowledge or direction from him on that.

**Ms. Cerilli:** I know that the Winnipeg Housing Rehab portfolio is part of the portfolio currently managed by CMHC that would be transferred to Manitoba government portfolio, and I am wondering if that is something that the provincial government, if you have done an assessment on those properties, if you have sort of done an analysis of how you would deal with those properties with the Winnipeg Housing Rehab. I think it is 15, at least 15 of the properties.

**Mr. Reimer:** Yes, there has been some preliminary investigation of the Winnipeg Housing Rehabilitation Corporation, but we have not made any type of formal decisions or close to making any type of decisions as to the acceptance or the devolution part of the application that the federal government has come forth with yet, so there has been no decision at all made to as to what direction we would do with the Winnipeg Rehab.

**Ms. Cerilli:** So have those properties gone through the process of assessment that we were talking about earlier today, that you are going through with all the properties that are proposed to be devolved from the CMHC portfolio, and could I get the information on those properties regarding their assessment?

**Mr. Reimer:** Yes, I think that it would be very preliminary on our part. We have not made any type of decision as to the assessment value or even the direction that we would be taking with the offer that the federal government has come up with. We are not in a position to make those decisions as yet.

**Ms. Cerilli:** That is not what I am asking you. I know that you are going through a process though of assessing each of the portfolios or properties, and what I am asking is: Have these ones, with Winnipeg Rehab, been assessed? When they are, I would like to get that information.

**Mr. Reimer:** No, they have not been assessed as yet, and I would think that they would be part of the overall package that we would be putting forth for consideration regarding the federal government's proposition.

\* (2020)

**Ms. Cerilli:** This is, I guess, one of the major issues that we need to discuss, this whole issue of the devolution. I wanted to do it sort of in view of the fact that it is part of the responsibility of the research division in your department, and I had mentioned earlier that I found it kind of confusing or bizarre that that division, meanwhile, it has got this major responsibility for negotiation and this whole research and assessment on all these properties, and it has seen a loss in staff, four professional/technical staff in this budget and one administrative person. So who is it that is going through this research and planning related to the devolution if there are so many staff that are reduced from that branch?

**Mr. Reimer:** One of the things that we are doing differently with our department, as I alluded to, I guess, previously when we were going through some of the other areas of discussion, was the fact that we were trying to initiate more of a team concept within our whole department as to contribution and participation in the decision making of our department and which way we are going.

It is true that Research and Planning, that would be a lot of their primary function. At the same time, we are making available contributions from other sectors and other areas of our Housing department, so that Research and Planning have a resource of multifacets within our department to rely on for information and for input. I think that this is what is making our plan of evaluation more effective, because more people that are so called in the field or are part of the field or have been exposed to other components of financing, possibly administration and information technology services have got the ability to participate with Research and Planning in coming up with directions and recommendations.

So though there is the apparent revelation in the Estimates book of the SYs going down from 12 to

seven, the fact is that we are still able to look at the whole department in a team concept, we are still able to make effective decisions. We have the people there that can make the decisions.

So I have every confidence in the department in coming up with a thorough analysis of whether there is merit or whether there is a plan of action that we should come up with in dealing with the federal government. Hopefully, we are still doing an awful lot of evaluating of it, and looking at not only what is happening and what is being proposed here in Manitoba, but we are also dealing with the other provinces in trying to find out what has been put on the table there and what we can garner from where their negotiations are going.

Only two provinces to date have signed on, Saskatchewan and New Brunswick, and this is very, very recently. In fact, I think New Brunswick was not even a week ago, or maybe 10 days ago I think it was that I got notice of it. So we are looking to them to give us a copy of their final acceptance and what their terms and references were. It gives us an idea and a basis of evaluating what we can compare for Manitoba and what has been offered by CMHC here to Manitoba. It is a mammoth undertaking, but at the same time I think that if it is done properly and if it is done in an expedient manner, whatever the decision is, we feel that we will have exhausted all the alternatives before we come to an answer that is acceptable to government.

**Ms. Cerilli:** So who is it in the department then that is responsible for taking the lead and doing the support work on the negotiations with the federal government around the devolution?

**Mr. Reimer:** I guess it will all come through and with to the deputy minister. He will be the lead contact. Then I guess from there it will come to myself and to government. But as it is right now, it is the deputy minister that is the lead character in the negotiations.

**Ms. Cerilli:** So it is Mr. Kinnear then that is actually sitting down with the federal government and going through the detail in terms of the finance and the cost.

**Mr. Reimer:** Yes. I should point out too an initiative that was undertaken by the Deputy Minister Kinnear. When this was first announced, which was almost a

year ago, one of the first requests by the deputy minister was asking of me to authorize a meeting that he took upon himself with all the deputy ministers across Canada. It was upon his perseverance in calling the other deputy ministers across Canada that a meeting was concluded and held in Ottawa, I believe it was, with the idea of trying to find out exactly what was happening across Canada. For that reason the deputy of Housing was very instrumental in setting up a format and setting up an avenue of communications through all the deputies across Canada in trying to make sure that, when the federal government is negotiating with one, the other deputies are informed of the terms of references, the conditions, the directions that that particular province is having with the federal government.

So we have been leading, if you want to call it, in trying to be up front with our federal counterparts in trying to find out exactly the terms, the references of any type of devolution of power. If anything, our knowledge of what is happening across Canada is more in tune with for accurate decisions than I would think maybe of some of the other provinces, but it is only because of the fact that we were first out of the gate through the deputy of the department in wanting to talk to the other departments in Canada to find out what was going on.

It still has not put us into a position where we are ready to make a decision because we are asking more questions than a lot of the other provinces and a lot of the provinces are coming to Manitoba to find out what is happening.

**Ms. Cerilli:** So have you reviewed the agreement with Saskatchewan and with New Brunswick? Have you had a chance to do an analysis of those agreements? I am interested particularly with Saskatchewan of seeing how their costs and the amount of money they have had allocated per unit would compare to ours. So, first of all, I am wondering if you can clarify.

**Mr. Reimer:** We have not received anything from Saskatchewan yet as to what their final agreement was, and what they finally settled on, and New Brunswick, we have not received any of that either. The only thing we have received is the news releases that the federal government puts out, and that really does not give us

too much knowledge as to what the contents of the agreements are. So we are in the process of trying to get that information from our Saskatchewan neighbour and from New Brunswick and from CMHC. Hopefully, we can get those so we can make a more valued judgment on what has been put on the table.

**Ms. Cerilli:** Well, I thought you just said that Manitoba was seen as a leader across the country.

**Mr. Reimer:** In asking questions.

**Ms. Cerilli:** Oh, the minister is clarifying: in asking questions.

**Mr. Reimer:** We are the province that is asking more questions than the other ones.

\* (2030)

**Ms. Cerilli:** But it seems that other provinces have already signed agreements, so obviously they are further ahead. I am not suggesting necessarily that is the way that the minister should be charging ahead because I have heard a lot of criticism, first of all, in Manitoba, that you were trying to sort of hastily go through this process and were not involving enough some of the people that are currently managing the nonprofit developments in question. I know that you have now had meetings with ASHM. That is the Association of Social Housing Management for the benefit of Hansard.

I have also heard that one of the concerns across the country is that the federal government is not encouraging provinces to sort of co-operate and work together on this, that they are sort of trying to deal with provinces individually, one at a time. The minister, I guess it was the previous Minister for Housing at the federal level, had at the last minute cancelled a ministers' meeting before this whole process began that was supposed to have occurred. I think it was supposed to be in Newfoundland, and I do not think that meeting has ever taken place.

Is the minister agreeing with me that the federal government is dealing individually with provinces? One of the concerns is that there is not going to be any cohesion across the country in these agreements and,

similar to what we are seeing with the devolution of apprenticeship and training, that we are seeing all sorts of different kinds of agreements and that it is sort of up to each province. It sounds like if you have not got the agreement yet, especially from Saskatchewan, that there is not a lot of communication between the different provinces.

**Mr. Reimer:** Yes, to a degree what the member is referring to is true. It is sort of like Monty Hall, you know, "Let's Make a Deal" with every province, and we are concerned about that, because some provinces may be doing a deal that we should be involved with or we should be privy to. There seems to be a lack of willingness to share information unless we keep asking questions, and as we ask questions we get answers, but it just seems that we have to be the instigator of all the questions to get some of the details. That is what makes it even more frustrating because it is like a spider web; you ask some questions and then it leads into something else and something else.

So we are working with Saskatchewan in trying to get their final agreements. We have not been able to get it. I have been told that we will be getting their final package, if you want to call it, but to date we have not got it. There has been contact made with New Brunswick, but we are not privy to their final package either. Some provinces have been very strong in their opposition to any type of devolution. In fact Ontario, as the member is aware, they are in the process of actually devolving their social housing onto the municipalities. So they have taken a totally different type of direction. They are not too worried about what the federal government is going to offload onto them because they will just keep pushing it down the line to the municipalities.

The other two provinces in the West, Alberta and British Columbia, we have been in contact with them. In fact, the deputy has been out there personally to talk to their departments to get a better understanding of where, what type of offers have been coming to them. It seems that they are of the same opinion that they just get dribs and drabs from the federal government and from the CMHC as to what they are offering. There does not seem to be a consistency of even dealings between CMHC in Alberta and CMHC dealings in British Columbia and what their dealings are here in

Manitoba. Each province has its own scenario of priorities and circumstances. In British Columbia, there is a waiting list of well over 20,000 people waiting for public housing. Here in Manitoba, we have got vacancy rates that range from 9.5 percent right up to well over 40 percent in some of our units. In Alberta, they are not too sure what they are going to do with their housing stock. So each one of the economic climates, sort of, will dictate, to a degree, how they will negotiate or not negotiate with the federal government, you know, for the devolution of the housing stock.

In Manitoba, we are looking at, I think as I mentioned to the member, almost doubling of our units of social housing, plus taking on a mortgage portfolio of approximately \$650 million which would put a total commitment in Manitoba of well over 36,000 units and a mortgage of almost a billion dollars. It is a tremendous undertaking, and it is a tremendous responsibility of decision making that the federal government has put forth for us to consider. So though it may sound that there is nothing happening, most of it—it adds more and more questions as you get into it. One of the things that we will be advocating, and what Alberta and British Columbia are suggesting, is that we do have a meeting in the next very short while to sort of compare notes again just to see which way we are headed on that.

The member is right. There was a Housing ministers' conference called last fall. It was cancelled abruptly. We are trying optimistically to try to reschedule that on a national basis, but with the possible federal election coming up nothing has been formalized or finalized. So again, we are sitting without being able to really get together to talk about this problem. It has put a lot of different scenarios on the table in regard to social housing in Manitoba, but I think the best way to do it is the way we are doing it, which is a very careful analysis of our strengths and our assets in the portfolio and concentrate on the areas that we can make changes and still be servicing the clients that we have to service.

The federal government has got a responsibility in this, too, but they are walking away from it pretty fast.

**Ms. Cerilli:** I am going to ask some very specific questions about this, and hopefully we can move

through with more specific answers. Why have you not gotten the information from Saskatchewan?

\* (2040)

**Mr. Reimer:** I have been told that they just have not forwarded it as yet. We have requested it, but they just have not forwarded it yet. We have got the verbiage but no numbers as to the actual black and white final adaptation.

**Ms. Cerilli:** Do you know from communication you have had with Saskatchewan that on the numbers, in terms of the dollars that are going to come for different kinds of housing, that it would be compatible? Are the costs in the portfolio compatible between Manitoba and Saskatchewan?

**Mr. Reimer:** Size wise, they are comparable. I guess where the difference would come, possibly, is in the numbers, the mortgage commitments, the maintenance commitments, the mix of units compared to ours, the rural and the northern component. Those would be the things that would bring into different perspectives the amount of monies that are involved.

One of the things that the federal government has indicated is they want to cap the amount of money that they would forward to the provinces at the '95-96 level which gives us a big problem, a big problem because we are dealing with an aging stock, an older stock, and yet the monies that they are saying that they are going to give us they are capping it at a lower rate, plus we do not know in what type of cycle their funding was in '95-96.

We are fairly confident in knowing the expenditures of our housing stock because we can look at the history as to how we are spending our money. We do not have that availability of history from the federal government. We do not know whether they are at the high end or the low end of their funding. If they cap it at a low end and their costs and their projections and their expenses against their various replacement components in this housing are all starting to come due in the next five to 10 years, that number at '95-96 can be significantly out of whack.

**Ms. Cerilli:** Keeping with Saskatchewan for a minute, what is the minister's understanding, and especially if

the deputy has been talking with the deputy in Saskatchewan, of the rationale for Saskatchewan moving fairly quickly on this? What types of assurances have they gotten? I mean did they accept that they got the capped funding at '95-96 level?

**Mr. Reimer:** We are not privy to the final numbers that the Saskatchewan government settled with. We do know that the federal government was trying very hard to try to get—they had put a self-imposed deadline of April 1 of trying to have everybody signed up. They had a specially formulated team. Literally, this is what it was. It was a team that went into the province with the goody bags and everything else like that, and they made the deals. I really could not speculate as to what was the final outcome with Saskatchewan as to what their cap was or whether there was a contingency allowance put into that or some other things that they may have negotiated on a side deal. They may have capped it at '95-96 and then had a bunch of add-ons somewhere else.

We are trying very hard to get hold of this type of information. I believe that we will. It is just a matter of being persistent with them in trying to get that.

**Ms. Cerilli:** I know from my correspondence with you and discussion with you that Manitoba is at the stage of a fourth draft on this. Can you confirm that or maybe now since then there is more progress than that? Maybe outline for me the format and the way that draft is laid out.

**Mr. Reimer:** The member is right. We are in the fourth draft of this exposure. What we can do is, we can get the member a copy of it if she likes and have that. Sure, we can get you that draft.

**Ms. Cerilli:** I appreciate that. I am wondering if one of the criteria or requirements for this negotiation on your part is that you are concerned about vacancies in the federal portfolio and if you can tell me what the vacancies are in the federal portfolio. I know that there is rural and native housing, urban native housing, co-op housing and then nonprofits. It has been nonprofit sponsors, so I am wondering if maybe you could break it down into those groupings and give me a sense of what the vacancies are in what you are saying now is 17,000 units, and if this is one of the concerns and one

of the things that has caused you to slow down on this, your concern about the vacancies in some of these developments.

**Mr. Reimer:** As much as it may seem ironic in stating this, we have not been able to get this information from the federal government. In all our correspondence and conversations, we have not been able to get a detailed information from them as to their vacancies of their stock and some of the other financial implications. They keep promising to get it to us, but we have not even had access to this type of information.

**Ms. Cerilli:** But you do know which developments and units, what housing projects are going to be in this offload. Have the staff not gone and met with the existing social housing managers and perhaps representatives from the boards of these, especially the nonprofits? They would also have a lot of that information.

**Mr. Reimer:** It is true we do know the location of the federal CMHC housing buildings and homes, and we have done a conditional inspection of them, but the actual numbers of occupants and the vacancy rates we do not know. It has been pointed out that through our elderly infirm act that we have with the seniors homes that we can sometimes find out through them what the occupancy rate is, but this is all sort of back-door analysis when all we should be doing is asking the federal government to give us this information on a need-to-know basis. They still have been reluctant in giving us any type of information like that, so it makes it very hard to make an effective evaluation and analysis of any type of consideration of a takeover. They have been very difficult to deal with.

\* (2050)

**Ms. Cerilli:** I was asking you about trying to get some of that information by working with the existing social housing management. I know that this has been one of the concerns of the Association of Social Housing Management is they have felt even more in the dark perhaps than you are. I know that you have met with them, and I have talked to a number of their reps as well, but would you not be able to get some of that information by going directly to them? It would be a lot more work than just having the federal government be forthcoming in giving the information that you need

to have to make this kind of decision. So there are two concerns there. There is one, that you are not getting the information, but the second one is that you are not involving the people that perhaps know best the costs and the management and the needs of this CMHC managed social housing.

**Mr. Reimer:** We have been assured that CMHC will give us this information. It is just a matter of them trying to get it to us. The member is right; I guess we could go to the individual units and ask that way, but I guess when you are dealing with such a mammoth amount of buildings and the portfolio, to try to get an accurate reading on the occupancy and the amount of people in there would take an awful long time of our staff running around when the federal government should just hand it over in a very simplified manner. With computerization and the availability of information now, it should not take that long. CMHC just seems to feel that there is—they are just reluctant in trying to get us this information that we are wanting to get.

Approximately, from what I am told, around 700 different projects are in the federal portfolio. So that would take a fair amount of running around and knocking on doors to try to get information from them.

**Ms. Cerilli:** But as I understand it, you are having to go through a process of assessing for yourself the condition and the needs and the maintenance necessary, the value of all these properties. I mean it is an onerous job, but you know, you want to know what you are getting and what you are going to be dealing with. Again, this is one of the concerns of some of the people that I have talked to is that they are concerned that this is going to be occurring in a very sort of haphazard, sort of last minute kind of fashion, that this kind of assessment of this federal portfolio.

So I am wondering if you have even gone so far as to just write a letter to the 700 properties and ask for the management there to submit it to you, and explaining to them sort of what is happening and ask for recommendations from them in terms of what they see as their priorities and their concerns.

**Mr. Reimer:** Well, I guess there is always a way to get the information. I guess in the analysis that we are

going through in a sense we have to be aware of exactly what the entitlement and the devolution involves and how many units it is and where they are located, but more importantly as the member mentioned, their occupancy and their condition. To do the ongoing inspection of the federal portfolio is in itself a very major undertaking, and at the same time it is like a set of dominos, you do not know whether you should be making a decision full right and working towards a decision of taking this portfolio. It sets in a totally different type of scenario of acceptance and finality of being the landlord for all units here in Manitoba. At the same time, as you are going into the evaluation, other questions come up as to, well, maybe we should not even be doing this. Maybe it is too big; maybe it is too cumbersome; maybe it is too onerous on our part to take over all this portfolio, along with the fact that the funding that is going to flow with this or the commitments that we are going to be faced with over the next while for the upgrading or the M and I on it is going to be too big to justify even proceeding with any type of evaluation. So you are caught, in a sense, between a rock and a hard place in trying to come to a decision: is it a go situation, is it a withdrawal situation? At the same time, you are looking at the evaluation of what the other provinces are going through in trying to come to some sort of understanding as to, well, did they get a good deal or what was the deal that they got. So you wait for their reports so that you can feed it in with yours.

As much as it sounds, it is a convoluted way of trying to come sort of decision as to whether this is viable or not. Plus the fact, as the member has mentioned, there is an awful lot of anxiety out there by a lot of individual groups and people that are affected, and they would like to get some sort of stability in their relationship. I have made the offer to MASHM that I will include them in any type of discussions. If we come down to a point where we are deciding either for or against the federal offer, I would make sure that they are informed of where the position is

It is a convoluted way to do things, but at the same time the magnitude of it is that it is a very delicate and go-slow operation. I would rather be a little bit more hesitant going into the situation now than to go into it and then find out that we cannot afford it or we are stuck with a situation that is going to cost not only the

social housing but the taxpayers of Manitoba something.

**Ms. Cerilli:** As I said, I want to ask some specific questions and, hopefully, get some specific answers. What is the federal time line on this, on the transfer of this portfolio, and have they given you now another date? You said it was April 1, '97, and are you now working towards another deadline?

**Mr. Reimer:** The date that they had given us was April 1 of this year to get it all signed. We have not even come close to even to that date. There has been no so-called extension where they have said, okay, let us make it for July 1 or anything like that. Our indications were that it was April 1. That has certainly passed, but they are still in correspondence. In what I received from Minister Marleau recently in which she announced the signing of New Brunswick, she alluded to the fact that she is still in negotiation with other provinces in hoping to conclude further arrangements. So it was left as an open type of situation where they are still encouraging negotiations to go on, even though it is passed the April 1 deadline.

\* (2100)

**Ms. Cerilli:** Your understanding, is it an option not to take this offer? Is it an option that you would not just say to CMHC and the federal government, no thank you?

**Mr. Reimer:** What I should do is, I will endeavour to give the member the original letter that was sent to me by the minister, Marleau, in which she outlined the position of the federal government and their reasoning for the devolution. There is reference in the letter stating that even though—I should not put it that way because I do not have the letter in front of me. But it was something to the effect that if agreements were not signed, they would still continue their obligation to fulfill—their housing requires it—in the interim. I can get that letter within the next day or two. You can have that on your file, so you know exactly the way the federal government is positioning themselves with us.

**Ms. Cerilli:** I appreciate that. I am wanting to go back to the whole issue then of confirming what the size of the portfolio is. Maybe I will just go through each of

the different components. So the number of units for the rural—is it rural native or rural northern housing?

**An Honourable Member:** Rural and northern.

**Ms. Cerilli:** Rural and northern.

**An Honourable Member:** Rural and native.

**Mr. Reimer:** Yes. What I can do is I can give you the breakdown. The nonprofit housing, they have 7,900 units. The private, nonprofit which was pre-1986 is 4,150 units. Their co-op housing pre-1986 is 1,350. The co-op indexed-linked mortgaged housing is 800 units. The urban native nonprofit is 400; that is pre-1986. The urban native, nonprofit after 1985 is 1,000. The rural and native housing is 1,900 for a total of 17,500 units. That represents 667 various projects.

**Ms. Cerilli:** What procedure or process is the federal government recommending to you to determine the assessed value on these units and to determine the amount of dollars for maintaining them and for the administration? What are they proposing?

**Mr. Reimer:** I alluded earlier to the member regarding the '95-96 cap that they are referring to in wanting to keep their funding at. We have a problem with that, as mentioned, because of the fact that the budgetary cycle at that time had an allocation of just over \$41 million towards the federal cost of maintaining that portfolio. If you combine that with our portion of the portfolio you are looking at almost \$80 million of expenditure between our portion and the federal government. But they would cap theirs at around, like I say, just over \$41 million. It gives us big concern in regards to trying to maintain any type of quality or any type of sustainability in those approximately 17,500.

**Ms. Cerilli:** That is all that they are telling you, it would be 41. That is all they told you so far. How do they expect you to assess what it is worth? I mean, it is sort of like, trust us. Is that what is happening?

**Mr. Reimer:** I think the member can see the response from my staff. They said yes. Like Monty Hall. It is like "Let's Make A Deal." There is even more. I have just been told that it locks in our cap too of just over \$38 million. So it really puts a tight squeeze on trying

to maintain that type of commitment to that social housing, because they are not only locking in their cap but they are locking in our cap.

**Ms. Cerilli:** This is a huge concern, because that has also happened, and I do not know if this is what you did of your own volition. But the federal government, in the last few years, since '94 was really when they stopped putting any new money in. You have also reduced the amount that you are putting in, equivalently. What they are proposing in their agreement is that the province would not be able to increase the funding beyond the existing level as well. But that would not necessarily be a '95-96 level. That would be whatever level you are at when you sign this agreement. What would be their rationale for doing that? Are they really serious about killing social housing in this country or what?

**Mr. Reimer:** Yes. I think the member is realizing why this is such a great concern to us. It is the fact that the federal government is capping and they are also capping our contribution, but, more importantly, too, is their contribution. Once the mortgage runs out, their contribution stops, and then it even becomes more paramount. We as a provincial government then have to assume more responsibility in regard to maintaining these units. The taxpayer of Manitoba is very vulnerable in this proposal that the federal government is touting around to all the provinces.

\* (2110)

**Ms. Cerilli:** Not to mention the people that live in this housing being vulnerable. I realize that that was what was going, but that is part of the proposal, that when the mortgage runs out—excuse me, when the mortgage is paid, then that is the end of their commitment. Would that also go for any kind of maintenance costs as well? I mean, that is it?

**Mr. Reimer:** Yes, everything.

**Ms. Cerilli:** Is CMHC proposing that this current staff with CMHC—or is the federal government proposing that the current staff with CMHC that are responsible for doing the administrative work on these properties currently, that review the budgets from the social housing and everything, would also be transferred, or

how would you deal with that staffing component? You would have to have more staff to deal with almost twice as many units in your portfolio. So what are the agreements in other provinces looking like on that front?

**Mr. Reimer:** What they will be doing is they will be moving their office out of Winnipeg and moving it to Calgary. They are talking about a reduction in their staff of approximately half. They have a staff there now of about 100, and what would happen is that approximately 50, theoretically, would be transferred to our part of the portfolio to take over.

They have offered us, for the 50 people that we would take over, \$550,000 as a staff component, so you can see their offer is not very generous: for 50 people, \$550,000. That is just over \$10,000 a person. The offer is not very lucrative. More importantly, it is very disheartening for the staff and the morale of CMHC and the way the federal government has been handling it all.

**Ms. Cerilli:** I can see that. Presumably, then, this \$550,000 for the staff would also be capped, and it too would run out when their obligations under the mortgage ran out. So then you would be on the hook for dealing with any staffing requirements that would still be needed once the mortgages were paid.

**Mr. Reimer:** The amount of money that I mentioned, the \$550,000, was only good for three years.

**Ms. Cerilli:** Well, this is pretty incredible then, that they are proposing this kind of thing. So I think it is a good thing that you have slowed down this process, but I am wondering if it is possible for Manitoba to also take over administering the mortgages on these properties, or will CMHC still have responsibility for dealing with the mortgages? Is that something that you have considered? Are you looking at doing that?

**Mr. Reimer:** I understand that the option of administration is within our purview, that we could do that. Yes, we could do that.

**Ms. Cerilli:** Does that change the financial fortunes at all in terms of this looking better?

**Mr. Reimer:** The merits of it are really not that conducive for us to do it. There is no big significant saving or indication that it is of a benefit for us to do it.

**Ms. Cerilli:** So that is something that you have looked at, though, and that is not necessarily part of the agreement that you are interested in pursuing.

**Mr. Reimer:** We have not made any decision on that.

**Ms. Cerilli:** Mr. Chairperson, is the government expected to honour the existing agreements? I mean, I know that there is a myriad of different kind of formulas that are used with all those different portfolios of Housing, but I understand that there are agreements now with co-ops and the federal government on cost for administration and maintenance. Will all of those agreements be transferred with the portfolio, or will you be able to go back and negotiate new agreements with the social housing managers and the boards, or would you have to honour the existing ones?

**Mr. Reimer:** What the federal government is proposing, to an extent, is a renegotiation of some of the agreements that they have between us and the federal government, which would have an indirect relation with the agreements that we have with some of our stakeholders. It is entirely possible that we may have to look at, you know, if we play out the scenario of renegotiation, if the federal government puts us into a situation where there is an abnormal imbalance, we have to start to look at our relationships with our other ones.

It is truly a domino effect as to what would transpire because of what the federal government is coming forth with. So it again sets up a lot of concerns on our part as to the relationship and the stability of the housing market that is already established. If we have to possibly go in and renegotiate and revamp our positioning because of what the federal government has come down with, it creates uncertainty and apprehension within the various components, so it is a concern.

**Ms. Cerilli:** This is one of the largest areas of concern for those in the community. It would affect then the staffing of all the existing caretakers and social housing

managers. How are they deciding the management for these, the administration costs for the management then? You told me the abysmal deal they want to give you for the CMHC staff. I mean, it would suggest that they have got the same thing in mind for the existing staff that work for the boards of the social housing developments.

\* (2120)

**Mr. Reimer:** Yes, I would think it would have that type of an effect, that if they are looking at the capping of expenditures through their '95-96 budget year that it would have to have an effect down the line with the relationship with others, exactly like the member has pointed out. The scenario is played out that way.

**Ms. Cerilli:** So all the agreements then, contracts between the social housing managers, any caretakers and other staff would all also be up for grabs and they would be open for change?

**Mr. Reimer:** I guess where there is an interpretation is in regards to the way the federal government will interpret their agreements. They have agreements that have been signed, as has been pointed out, but if they cut back their funding in their allocation, it will have an effect on the individual nonprofit organizations or anything like that. That just becomes part of the reality of what the federal government is doing there.

**Ms. Cerilli:** One of the other concerns that the nonprofit housing corporations have is what administrative procedure is going to be followed under these new agreements. I do not know if you have any information from Saskatchewan or any other provinces. Some of them actually like the CMHC procedure better and they like the relationship with CMHC—sorry to tell you; this is what I heard—rather than having to deal with Manitoba Housing. So is that a requirement that CMHC is making, or maybe that is one of the areas where you are going to have your own authority to make your decisions. But this is something that the social housing managers are concerned about. They feel like, I think, they have more autonomy with CMHC, and I have heard the words “more bureaucratic” used when it comes to dealing with your shop.

So I am wondering if this is something that you have considered or you are looking at in terms of the agreement. Maybe there could be some changes made to the procedures that are used with you in relationship to dealing with the nonprofits.

**Mr. Reimer:** We have not come to any decision on it, so it is hard to speculate.

**Ms. Cerilli:** How will you deal with inflation in these agreements? Is it going to be capped so there is no room for inflation in terms of costs in maintaining the housing, or it is up to the provinces?

**Mr. Reimer:** The federal government has given no indication that they would tie in any indexing or inflation factor to their number other than the flat number based on '95-96. and as odd and incomprehensible as that seems, that is exactly what they are proposing.

**Ms. Cerilli:** I think I remember hearing that they are proposing that the money would flow into two separate allotments or two categories. Is that the case?

**Mr. Reimer:** The cap will remain the same, the 41.6 or whatever I mentioned, '95-96. There is provision—what I believe the member is referring to is the Mortgage Insurance Fund that is involved with the properties. That fund may be adjusted because of the fact of—it is a protection for mortgage renewals when higher rates go up. There will be some adjusting in that fund, but the other fund will stay the same. So I think this is maybe where there is the allusion to the two funds that are being set up. It is a one-time fund for \$4.8 million.

**Ms. Cerilli:** How about dealing with a cap on liability costs?

**Mr. Reimer:** The federal government has indicated that they want us to take full liability and absolve them from the picture entirely. So the liability becomes a provincial responsibility.

**Ms. Cerilli:** Even though they could and likely would maintain sort of the administration of the mortgage?

**Mr. Reimer:** That is right. This is what they are saying to us.

**Ms. Cerilli:** What requirements are there, according to the federal government, in these agreements for the housing to continue to operate it as social housing? I know from talking to some people that they felt that in—and this is sort of secondhand information I am getting from talking to people in the field—but they were concerned that in some of the proposals that they were hearing that there, for example, could be a subsidy given or an agreement made. The only thing that I understand they are saying is the money that goes has to continue to go into social housing. Then, if that property is sold, the money would still go to the province under the agreement. It could then maybe be used for rent supplement programs or something like that. Could that occur?

\* (2130)

**Mr. Reimer:** What the federal government is proposing, they are saying, we are absolving ourselves of our responsibilities and giving it to you. We are going to be giving you a certain amount of money for the adjustment period. We will give you a certain amount of money for the staffing component of it. If you want to make other types of savings in your Housing portfolio, which you now have total control over regarding selling off a building or doing something like that, you are allowed to do that, but that money has to go back into the social housing component of the portfolio.

So through management efficiencies, through cutting back of expenses, maintenance and repairs, or something like that, we save a certain amount of dollars. They are saying that you are allowed to do that, but you have to reinvest it back into the housing component. They truly are devolving themselves of the portfolio, but they are still retaining a very close hands-on approach as to what we can or cannot do with our portfolio. It really is a one-way street that we are travelling with the federal government.

I should point out that, as the member has pointed out, it started back in '94 when they stopped getting involved with the shared cost of housing. The next year in 1995-96, they cut the budget totally across Canada. I think it was around \$240 million. It had an effect here in Manitoba, and now this year they are devolving the

market totally. The member is right. It looks like they are trying to position themselves entirely out of the public housing market.

**Ms. Cerilli:** What they are also doing here is they are encouraging you to sell and consolidate the portfolio, because that is the only way it seems that you are going to be able to even finance the ongoing maintenance costs and administration costs, because they are not going to give you enough to pay your staff. They are not going to give you enough to maintain the properties. So do you agree that that is basically what they are encouraging you to do?

The other part of my previous question was could you also flip that money that you are getting for the properties, if you sell them, into rent supplement programs for market housing?

**Mr. Reimer:** We have had a vivid discussion here, and I guess that money cannot be used for rent supplements, so it has to somehow be allocated into a new project or something like that, but rent supplements would be a natural for it to go into but I have been advised that that is not part of it.

**Ms. Cerilli:** Mr. Chairperson, I would ask the minister if he agreed that what is being encouraged here, then, is to consolidate the portfolio and to go through further offloading to municipalities, or whoever else will purchase them, and that is maybe where Ontario sort of saw what was coming and jumped the gun, I mean, jumped ahead of the whole mess you are involved with here. I am certainly not advocating that, but that seems to be what is being encouraged here at the federal level. It really is reprehensible if they are setting up this kind of a situation.

**Mr. Reimer:** A lot of what the member is saying can be interpreted along those lines, because it does make the management and the efficiencies of the portfolio very, very strenuous in trying to maintain a quality of housing component within our government and be restricted in our abilities to utilize the funds or to have the access to funds that the federal government has put a responsibility in providing. The efficiencies that we have to look at to maintain a quality of stock will dictate sometimes that we have to look at a divestiture of some of our stock, and that is true. It might happen.

**Ms. Cerilli:** Well, we are also dealing with federal government. Just wait a minute. It looks like the minister is getting some new information. Maybe he can supplement that answer.

**Mr. Reimer:** Yes, it has just been pointed out to me that of the 17,500 units that I mentioned to the member earlier, most of them are in the nonprofit housing component of the sector which cannot be sold, as we go down the list here, unless they get into real difficulty—

**Ms. Cerilli:** Ontario found that out quick too, right?

**Mr. Reimer:** Yes. So out of the 19,500 you take off 1,900. The rest cannot be sold, so that does put a very tight restriction on trying to maintain these units.

**Ms. Cerilli:** That is why I was worried about these Winnipeg Housing Rehab ones because they are, I think, ones that can be sold. If I am not mistaken, those are on some good real estate, some of them on riverbank property. They would be able to be transferred to the private sector, and I think that is a concern. So I am wondering if that is something that the minister would be considering or the department would be looking and advising to do.

**Mr. Reimer:** We have not really looked at those.

**Ms. Cerilli:** I was talking about, you know, this is the federal government. I remember before with the rent geared to income when there was a recommendation that increased the rent geared to income. They had said if there were any savings that were going to be made, that you could keep the savings or the additional revenue. Then they changed their mind on that, and they ended up keeping the money.

I am wondering if similarly there will be some guarantees with CMHC this time around that if there are savings that are found in administration, you know, administering this money, these agreements will be adhered to, and there will not be the ability for CMHC to continue to conduct their business in that way.

\* (2140)

**Mr. Reimer:** I guess if there is a savings to be realized, it can be utilized, but at the same time the

restriction that the federal government is putting on that it has to go back into the housing component, so the efficiencies that we do generate through management, we cannot put in a rainy-day fund, no. I do not think there would be too much realized, either.

**Ms. Cerilli:** Maybe just then to clarify what responsibilities the provincial government will have to CMHC if all that they are doing is still administering the mortgage, what will your responsibilities be in dealing with them? They will still have some staff. I mean they will still have some dealings with the portfolio.

**Mr. Reimer:** Our responsibility would be to make a report annually to CMHC as to how the money was managed and the disbursement and the utilization of the funds. That would be our only requirement is the accountability of the funds. The management of it would be under our purview then, but they would still ask for accountability of the funds.

**Ms. Cerilli:** Will the agreements include a formula to ensure that a certain number of units operated in a co-op or a seniors' block are going to continue to be social housing, subsidized, low-income rents?

**Mr. Reimer:** I have been informed that we cannot decrease the amount that had been targeted under that program. I am just trying to look at the co-op housing here. We have 1,350 pre-1986, and after it is 800 of the indexed-linked mortgages. So that is a total of 2,150 co-op units out of the 17,500.

**Ms. Cerilli:** Just to clarify then. I did not write down the numbers but about 1,200 of 1,350 are operated in the co-op sector now as low-income, subsidized units. What you are telling me is that that would have to remain at that level, that it could not be reduced under the agreement.

**Mr. Reimer:** That is right. Yes.

**Ms. Cerilli:** Again, that is one of the large concerns that I have about the way that these agreements are going to function. Similarly, there can be quite a variance. Even if you compared the seniors housing blocks that are operating as nonprofit social housing, you are going to find that there can be quite a range in

the rent. I am wondering if part of the exercise you are going through in doing this assessment is trying to compare the different seniors blocks to look at the per-unit cost, look at the dollars per year per unit, the costs that are being required in those units, and then even looking at comparing from apartment to apartment the different rent levels that are being charged. Is that making sense?

**Mr. Reimer:** Yes. When we deal with the stock that is under our portfolio, we can do a fairly accurate assessment as to the cost per unit and the utilization of the units within our portfolio, and we can come up with some fairly definitive numbers as to the viabilities and the directions that we are going and the cost per unit and the maintenance per unit and things like that.

Where we have run into a problem is trying to get this type of information back from the federal government. If and when we get that type of numbers, it will not take that long of a time to try to give it that same type of scrutiny as to the viability and the availability of fundings through the various components in looking at the federal government's portfolio. We can do that, but it is just that we do not have the basis to make those types of analyses right now. The fact is that the CMHC has not given us that type of information. But, yes, we can make those types of analyses regarding the cost per unit and the revenues and the expenditures in their end of the portfolio. Our end is that we have those figures available.

**Ms. Cerilli:** My understanding is that these social housing developments, nonprofits, really do operate independently. There is no formula now that sort of says, that sort of advises, I do not know, directs them to have a certain per-unit cost for their administration and for their maintenance and all that kind of thing. Is that something that you are considering, or is it something that maybe does exist?

**Mr. Reimer:** I think that what we have to do is we have to—because the nonprofit organizations sometimes work within budget parameters that may not have the strict guidelines that we would like them to have, because under our operation or our purview we can get a fairly accurate analysis as to what is the expenditures per unit and the cost per unit and the efficiencies that we can put in control. When we apply those types of

same parameters to the nonprofits, sometimes they do not fall into line, if you want to call it, as to what the recommended expenditures should be. So we are looking at trying to bring in some closer scrutiny into their management of their units through consultations and through bringing the budget limitations within their structures so that they would become more aware as to what is expected in relationship to what we do with some of our managed portfolios.

For some of the nonprofits, it is a learning curve that they have been put on, and we are doing that over a period of time so that they will become more efficient in their analysis of their budgetary guidelines that we would expect them to operate under. So it is a process that we are initiating, and it is something that I think they will become part of, the same type of standards that we would have and expectations from our portfolio that we manage.

**Ms. Cerilli:** You know what is happening, though, and again this is what I have heard, is that some of these social housing, nonprofit corporations are comparing themselves to Lord Selkirk Park. They look at Lord Selkirk Park and then they see themselves as much more safe and clean and well maintained, and all that kind of thing, and they are terrified, quite frankly. One of the things that they are worried about is, if they are conducting themselves where let us say they have a reserve fund, they are putting money aside because they know that down the road they are going to have to fix the roof or do whatever, they are concerned that they are going to be able to maintain and control, that those funds will stay with their properties. Is that the case?

**Mr. Reimer:** They would be able to retain their reserves that they have accumulated and they are working towards, yes.

\* (2150)

**Ms. Cerilli:** One of the other concerns that I have is that this is occurring at the same time as you are going into the health care regionalization, and there are many seniors housing developments, in the rural areas in particular, that have a unique relationship with a seniors home and a hospital board, so there may be a hospital board and there will be a personal care home and there will also be seniors housing that will have their own

ward. Will they be able to retain that even though they are sort of under the umbrella of the hospital board and the hospital board will no longer exist because they are going to be replaced by the regional health authority? Has that been something that you have looked at that these nonprofit corporations will all be able to maintain their boards and continue to function as independent nonprofits?

**Mr. Reimer:** It is an interesting time because as the member pointed out, there are changes especially in the rural areas where we are going to the regional health boards. There are incidents, as she has pointed out, where you have buildings that not only have the hospital but you have a PCH, you have a seniors complex and there is the administrative boards and the volunteer boards that sit with those. We are in the process of working with the various components in trying to come to some sort of resolve of direction and authority on that. It is something that is of a relatively new ongoing feature within our Department of Housing, because the amount of time that will be spent for the administration and things like that, or something has to be worked out, but it is an interesting scenario that is being played out. I can only give the member the assurance that we are working on those, and it is the only wrinkle that is going to be brought forth for resolve.

**Ms. Cerilli:** In a lot of the discussions we have had over the last number of hours, it seems like the way that—perhaps, in some cases, you are being forced to operate—but the way that we are operating is very reactive. We had talked initially about the program that the City of Winnipeg is proposing for this tax break on new homes, single-family dwellings, and then we are seeing all these cuts in social housing and other rent supplement programs. We have not yet talked very much about the need for seniors housing, and I am concerned that there is no housing studies being conducted, that you are not looking at what the needs are in the community.

We know we have an aging population, and there are all sorts of problems now with, you know, your government is eliminating Classes 1 and 2 of personal care homes. That is completely the opposite of what needs to be happening in terms of seniors and housing, in particular. There needs to be more of a range of

housing options, and we need to I think really look at the needs that are in the community in terms of housing. There are all sorts of special populations whether it is new Canadians, whether it is people with AIDS, whether it is second-stage housing for victims of violence, students and youth.

So I guess just to sort of wrap up for the rest of the time we have tonight to sort of more generally—what is the department doing in terms of really developing a plan for housing in this province so that we are going to deal with some of these demographic changes, that we are going to deal with the increasing demand in some of those special populations?

Another real concern is the whole area of mental health, housing for mental health outpatients, the whole government approach that you have had with deinstitutionalization in mental health, and yet there is no attention paid in the community to how to house these people. There are certain areas in the city, even just near where the Legislature is here, where I have been told that there are 300 or 400 mental health patients that are living in that one area. Their housing conditions are deplorable, and there is the whole relationship between violence and abuse and mental health and poverty and how that affects people's housing.

What is going on particularly, again, in the research division of your department to try and do some forward-looking planning to address the housing needs that are going to be coming down the road and that are existing right now, even for the seniors population particularly that we have, that there is not the range of housing that is necessary? I mean, go out and visit rural areas. What they are saying is they may have built huge personal care homes, but unfortunately they do not have enough social housing or other options so that they have people there that do not need to be in that kind of housing. I realize that there are problems especially in smaller communities where you cannot expect to have state-of-the-art facilities of all the different types in every community. Often the problem that occurs is people do not want to leave the community where they have lived for a long time. This whole area of doing housing needs assessments seems to be lacking in the department and particularly in the area of seniors. That is why one of the reasons that I

was concerned about this tax rebate program, or tax free program that the city of Winnipeg for a new homes, is it is going to build single-family dwellings.

I am not convinced that single-family dwellings are what is necessary. I think that if there were more options for seniors, a lot of them, especially even just in my constituency when I go doorknocking, they tell me they are alone now. Their spouse has passed away. They do not want to have to take care of the house and the backyard and shovel snow and all the rest of it, but they do not have any option in terms of moving into the kind of housing that they need at that stage of their life.

So how is your department addressing this? It does not seem that there is very much of that kind of analysis going on or research.

**Mr. Chairperson:** The honourable minister with about a half a minute.

**Mr. Reimer:** I guess what has been mentioned is a lot of things that are of a concern I guess not only in our department, but they transgress into the Health department, they go into the Family Services network and into some of the other components like Justice, and that is to trying to make things safer and healthier for various components of our population.

The member mentioned the seniors part of the scenario for housing, and we look at—

**Mr. Chairperson:** Order, please. The time being ten o'clock, committee rise.

## NATURAL RESOURCES

**The Acting Chairperson (Gerry McAlpine):** Good evening. Would the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with the Estimates of the Department of Natural Resources. Would the minister's staff please enter the Chamber.

We are on Resolution 12.3(f) Wildlife (2) Big Game and Fur Management (a) Salaries and Employee Benefits \$488,200. Shall the item pass?

**Mr. Stan Struthers (Dauphin):** I would like to move on to another area of questions for the minister. I

would like to ask him some questions about the special investigations unit.

I think what I need the minister to do to begin with is explain just what is the role now of this investigation unit, so we can get an idea of just what its parameters are, who it answers to, its role generally.

**Hon. Glen Cummings (Minister of Natural Resources):** I suppose there are some questions about the unit I might not want to respond to at this juncture. It is, as its title describes, a special unit with responsibilities, sometimes undercover, responds to enforcement issues and reports through the policy branch to the chief enforcement officer.

I would think it is fair to say that in many respects their direction is as directed, where special circumstances arise that might require other than a normal uniformed NRO's response.

**Mr. Struthers:** The minister indicated that the special investigation unit reports to the policy branch of the Department of Natural Resources. I understand the intricacies involved in what the minister, the answers that he has to give. I also am concerned about this investigation unit being totally free from any kind of politics, and that it does operate at some kind of arm's length from those of us in the Legislature here.

**Mr. Cummings:** I said it reports to the chief enforcement officer.

**Mr. Struthers:** It reports to the chief enforcement officer. Now that is the line going from the special investigation unit and the connection to the department. What are the parameters when you flip the coin around, when you look at the flow from the other direction? What is it that the department can ask of the special investigations unit? What direction can the department give to this unit?

**Mr. Cummings:** There is a policy framework within which they operate. They would respond to concerns in Fisheries and Wildlife, issues that perhaps could be some undercover requirement or assistance that would be necessary. They are not, in any way, free-lancing, nor are they reporting or dealing in any kind of direction that comes from the minister's office. It is

strictly an enforcement process, but it has its uniqueness and is not part of the uniformed enforcement for what I would think would be obvious reasons. Perhaps it would be useful to indicate that, while I have not been fully briefed in this area, there have been instances recently where there have been some successful apprehensions of people dealing in animal parts and other things that would be illegal, that this unit was able to function in a way that we might not otherwise have been able to accomplish the apprehension.

**Mr. Struthers:** The one example that springs to mind maybe is the recent case with the people who got caught with the bear galls. Is that the example that the minister is alluding to?

**Mr. Cummings:** No, Mr. Chairman, I was not specifically referring to that one. There are other examples. I suppose the member can press me if he chooses to. If I were to name some of the charges that have been laid, and successfully, with the aid of this unit, I might be breaking cover for some of the people who were involved. I am more than willing to indicate the area in which they work and the nature of their work. Poaching, obviously, given the responsibilities of the department, is a major area where this type of reconnaissance would be invaluable. It is kind of hard to hide a big black four by four with flashing lights and a full load of equipment and a four-wheeler in the back when officers are trying to observe those who they think are involved in illegal trapping or hunting or fishing for that matter.

Remember that there are a lot of things that would not happen if there was not value attached to it. Very often where they might intercede as well, I suspect, is where trade is involved, and I think you can extrapolate what that might mean in terms of undercover work.

**Mr. Struthers:** Who is today the chief enforcement officer?

**Mr. Cummings:** Dave Purvis.

**Mr. Struthers:** In any kind of an issue such as this one, there has obviously got to be a lot of co-ordination between not just the Department of Natural Resources but the Department of Justice, and not just within the

provincial government but I would think the federal government as well. Can the minister describe the relationship with the federal government and the special investigations unit?

\* (2010)

**Mr. Cummings:** The relationship with federal authorities is largely a liaison, unless you get into other areas where obviously this type of a unit might end up coming across criminal, illegal, even drug operations that they might stumble onto or find in association with other work that they are doing. So it is all done through the chief enforcement officer. Justice assists with any laying of charges if it gets into areas that we would not normally be involved in.

Remember that in wildlife and natural resources, the province is generally the lead responsibility. In that area we would be liaising, but when other issues come up, obviously we work with the appropriate authorities and the Department of Justice.

**Mr. Struthers:** Does that mean there is any money at all coming from the feds at all, or is it strictly a provincial funding?

**Mr. Cummings:** Strictly provincial, Mr. Chairman.

**Mr. Struthers:** A while ago in the House, we were asking some questions about a special investigations unit in regard to an issue that came up. It was more than just the issue of animal parts and the smuggling, some of the international smuggling ring kind of overtones to the case. It had to do with the process, the line of hierarchy, within the Department of Natural Resources and the fact that Mr. David Purvis at one time tendered his resignation, because in a letter he claimed that he was being pressured by the then minister to wrap up a case that involved about 300 charges under both federal and provincial wildlife acts.

What eventually happened was that the charges were reduced from somewhere over 300 down to eight. I think what the concern is, is the politicization of the special investigations unit, thinking that it is not operating in an arm's length position from the minister's office. What I would like to know is what path the directive from the Natural Resources minister would

take to the chief executive officer, any kind of an order to drop charges. Can the minister explain to me the pathway that that kind of a directive would have to follow?

**Mr. Cummings:** There is no path for me to provide direction to this officer.

**Mr. Struthers:** So any kind of directive given by the Resources minister would not be normal or would not be acceptable, or in certain cases could probably be considered illegal in telling somebody within his own department to knock off with the case or make changes to a case where somebody has been poaching animals and selling into a smuggling ring of some kind.

**Mr. Cummings:** Mr. Chairman, we do not get involved in that scenario as the member has described. I am not sure if he is implying that I should be or that I should not be, or that somebody else should or should not have been, but I want to indicate that would be a very unlikely scenario.

**Mr. Struthers:** Exactly who decides what charges are going to be laid on behalf of the Department of Natural Resources in cases involving poaching or any other breach of this provincial government's acts?

**Mr. Cummings:** Only the unit that is involved and the Ministry of Justice.

**Mr. Struthers:** Is the Minister of Natural Resources completely free of any responsibility in determining what charges are laid and who they are laid against?

**Mr. Cummings:** Well, either the member for Dauphin (Mr. Struthers) has got a lack of trust in my judgment or a lack of discretion in how he believes the political arm of government and the enforcement and the legal side of enforcement would interrelate. Surely he is not implying that the minister should be directing what charges are being laid. Only the people in the field could do that, and it is no different than when I was in the Department of Environment that if the environment officer feels there are appropriate charges that they should be brought forward, he works with Justice to deal with it. Obviously there is always an issued amount of time that is available in Justice. That is not a criticism of the department. It is a reality of the

workload that they have here and everywhere else in the country, but that is the relationship where those who are in the field and those who would go to court, that is where they interface to decide what they will do.

**Mr. Struthers:** I am afraid, though, Mr. Chairman, that it has gone past a level of what should and should not happen. I agree with the minister in what he says about how the system should operate. The fact of the matter is, though, that Mr. Purvis wrote a letter, a letter of resignation, stating that there was ministerial interference in the laying of charges. It was a letter that I believe I tabled in the House so that everybody would know that this was not just some kind of fabrication from the MLA for Dauphin. The fact of the matter is that the charges in this case were directed by the minister to be changed.

What I do not want to have happen is the same kind of thing happen over again. I trusted the last Natural Resources minister not to do something like this. I trust that this minister will not put pressure on his people in his department, particularly the chief enforcement officer. I trust him not to do that, but the fact of the matter is that it did happen. According to Mr. Purvis, he was so upset about it that he resigned over it, and then withdrew his resignation once he was assured that the charges were going to go ahead. That was outlined in the letter that he wrote.

**Mr. Cummings:** Mr. Chairman, where I come from, that is referred to as male bovine excrement. The fact is that my understanding of the situation is not the same as the member from Dauphin. I think that he might want to test the accuracy of his comments about Mr. Purvis' reasons for his actions. I am sure that if does not know, I want to tell him that Mr. Purvis withdrew the letter. As I understand it, the reasons were that it was not because he was being pressured or given direction. There was a serious misunderstanding about some issues that arose, and he eventually, when that was cleared up, withdrew his letter. I am sure that he would probably confirm that.

\* (2020)

**Mr. Struthers:** This case that prompted the letter of resignation and all the ensuing questions in the House I understand is proceeding today. The person who is

being charged has had the number of charges decreased from over 300 down to, I believe, nine. Can the minister explain to this committee why such a drastic drop in charges occurred and why the person up on the charges was not pursued with the other almost 300 charges that I presume that this special investigating unit had done a lot of work on in co-ordination with the federal government to obtain? What would be the rationale for dropping those charges?

**Mr. Cummings:** I appreciate the member indicating that this is in front of the courts as recently as today. I think that we should both probably be very careful what we say in this forum while something is proceeding through the courts. As I understand the process, and I will relate it to another department where I was until a few months ago, that in the end it would probably be the Department of Justice that would decide what would proceed to court.

It does not mean that there is not a high level of frustration on somebody's part. Certainly I will reflect it as I saw it with the work the Environment officers did in the other department. It would be a similar relationship, because it is the Department of Justice that deals with the issues in the courts. Frankly, even in something as simple as stubble burning, it is not just a simple matter of an officer deciding on his own what will proceed to court. I am quite prepared to get into debate, but I think the member might want to give some thought to how far he wants to go with specifics on this particular case, given that it has not been settled. Frankly, I was not aware that it had not been settled until he brought it to my attention.

**Mr. Struthers:** It is either the eight or the nine charges that the individual is facing before the court. The other charges that were worked on and then dropped before they ever got to court, unfortunately, are not in front of the court now. I would still like to know, and I would still like an answer, as to why those 290-whatever charges were not pursued.

**Mr. Cummings:** Mr. Chairman, the implication, and unsaid in this line of questioning, is that there was someone who interfered and said that 90 percent of those charges that were initially thought to be possible did not proceed to court. The information that I am given, it certainly did not go through the senior

administration or through the minister. So you can probably assume that the decision was made between Justice and the people in the department as to what charges were laid. Beyond that, I do not think it would be wise for either him or me to pursue those details at a time when this is being dealt with in court.

**Mr. Struthers:** I am not so sure that I agree with the minister in what he first said. It is not that I am not saying something. I said that there was interference on the part of the former Natural Resources minister, and I said there was a letter from the chief enforcement officer indicating that. I would still like an answer to why these charges have not been pursued. I would hope that the Department of Justice, in some kind of relationship with the Department of Natural Resources, was able to sit and talk about the charges—all 300 or so charges in this case—and have some rationale for not pursuing the vast majority of them.

**Mr. Cummings:** Well, Mr. Chairman, it is very serious when someone challenges me, or one of my colleagues, interfering in the laying of charges, and I would be interested if the member cares to repeat that outside of this Chamber.

**Mr. Struthers:** We are not right now outside the Chamber, and I think that the minister should answer the question that I posed.

**Mr. Cummings:** I did. There was no inference of influence by the minister's office, and I think the member should choose his words carefully, particularly if he chooses to talk about this outside of the House.

**Mr. Struthers:** Has the special investigations unit been active at all in terms of elk in this province and investigating the capture of the elk and the obtaining of elk that are not legally obtained?

**Mr. Cummings:** Mr. Chairman, I have indicated that this unit operates under the direct direction of the chief enforcement officer. I have no idea whether he has assigned anybody in this area.

**Mr. Struthers:** I think what we can do is change the angle of the questions, and I would like to talk a little bit about the elk ranching program that this department has undertaken, that this government has undertaken.

The legislation has been passed allowing the government to capture elk and eventually ranch elk. Definitions have been changed to suit the purposes of ranching wild elk. So, at least from the point of view of passing the legislation to allow this to happen, even though the capture did begin well before the legislation was ever proposed to the House last year, the legislation is now in place to retroactively make okay the elk capture that went on last year. My understanding is that the Department of Natural Resources obtained 117 elk last year and have been housing them at a farm site in Grunthal, and that this year, again, the province embarked on an elk capture program.

I would like to know from the minister, to begin with, what the total number of elk was that the Department of Natural Resources captured.

**Mr. Cummings:** Mr. Chair, 139–129, pardon me, and 109, which would be a total of 238.

**Mr. Struthers:** Would the minister indicate to me—I would like to know some more details about the 238 elk. Could you give me a breakdown of where the elk came from? [interjection] I am interested in knowing about the 238 elk that were captured. Where exactly were they captured, and were they captured in Manitoba?

\* (2030)

**Mr. Cummings:** Mr. Chairman, if the member is adding up the numbers and hoping that I will make some kind of a error in totals, I probably have already done it. I do not want to mislead him on the numbers, but I am pretty close in the total that I just gave him. If he is asking where the elk came from, the majority of them came from the Swan River Valley, and that was intended. I gave a commitment, after coming into this office, as had my predecessor, that we wanted to deal with the heavy depredation in the Swan River Valley, that also a good number came—last year's capture came from the McCreary area.

The number of elk that were captured, almost half of them, I believe, came from around McCreary last year and, well, not quite half. This year they all came from the Swan River Valley. I think there were six or seven different sites that were used, but some were taken to

Grunthal. Some were stored at Crane River as well; they have a very competent compound there. Another example of an aboriginal community that wants to get into business, and, by the way, they seem to be very progressive in approaching the province and wanting to be part of the provincial elk ranching industry, as it is now beginning to unfold.

The total number of elk captured is 235 that the province has in captivity. Remember, there will be some gain from cows that will calve shortly.

**Mr. Struthers:** Now, part of the problem that I have arising from the elk capture is trying to get some figures from the Department of Natural Resources. Last year I asked the same kind of questions, and I was told that the majority of the elk were not from the Swan Valley, but 77 or so were from the McCreary area and 40 from Swan Valley, which was the second answer I got last year, which was backwards from the first answer I got. So I appreciate the minister giving me these numbers, and I do not want him to think—I do not want him to be suspicious that I am adding up numbers over here to test whether his addition is okay. All I need to know is, basically, where the elk have come from, and he has indicated that, of the elk trapped this year, 100 percent of them came from the Swan Valley area.

The one thing I was not sure of, when you said 235 elk, is that the total that you have now? That is the total of the two years together?

**Mr. Cummings:** That is the total number of elk that we have in captivity today, including last year's calves. Again, I am not sure how relevant it is, whether there were 50 or 77 that came from the McCreary area. I do not have any figures in front of me to indicate that one way or the other. I was going by my own memory, but there were roughly 50 or 57, I thought, that came from McCreary. If the member has information it was 77, he is probably right. I can dig that out if necessary, but that one capture site at McCreary was quite successful.

**Mr. Struthers:** We had 117 that were caught last year, and I am told that at Grunthal there were 23 calves this year. Is that an accurate number?

**Mr. Cummings:** The number I have is 29 calves from last year. If the member wants to get this 100 percent

accurate, I can make sure that he receives the precise information, but there is no reason to give him anything other than the accurate information as to what is available and where they came from.

**Mr. Struthers:** So that leaves about 80 or 81 elk that have been trapped in the Swan Valley area this year. Is that close enough to say that without being inaccurate?

**Mr. Cummings:** The number from the 1997 capture is 105.

**Mr. Struthers:** The targets for capture over the five years that the province has been talking about capturing elk I believe were 200 a year. Obviously two years in a row the department has fallen way short of their target. What is the government's plan on getting back closer to the figure that you had targeted in the first place?

According to these figures, you are 70-some animals short of what you—well, no, sorry, you are farther back than that, but you are a substantial number of elk back. The minister is much quicker at those kinds of numbers than I am by the looks of it, but you are significantly short of the number of animals that you wanted to have captured at this time. I would like to know the plans that you have got to get back on track with the number of elk that you are capturing.

**Mr. Cummings:** Well, I am not sure where the member got the figure of 200 per year. I suppose, if we had got 200 this year, we would have thought we had hit nirvana. We were looking for an average catch, perhaps of 150. So, yes, we are a little short, but that is also, of course, a good result of having started a year in advance as well.

Knowing the introduction of the bill and having announced the direction that we were going, the province was able to begin the initial capture, which puts us virtually a year ahead of schedule, so we do not think we are—and the schedule in this case is not a make-or-break number. Obviously, if we caught none or if we only caught 50, I think the Minister of Agriculture (Mr. Enns) would have some concern about whether or not we were going to get to a critical mass quickly enough.

There is a very logical and practical reason why there should be a reasonable number caught annually for a given number of years and then cut off the capture, because if this is going to be a commercial agricultural operation—and the member said earlier that we changed the definitions so that it was now legal to farm. I suppose that is one way of approaching it, but what Manitoba has done—as I understand the bill that we introduced and the capability that we have in the province now of farming certain what would be called game animals or wildlife—is that we have designated them under the Department of Agriculture that they could be legally farmed, and elk has been designated under that other species, could be, if necessary. That has been seen to be a very progressive move by people operating in some other jurisdictions.

\* (2040)

It makes it pretty clear that responsibility between the Department of Agriculture and the Department of Natural Resource is those that are in the wild are still clearly within the realm of responsibility of the Department of Natural Resources. The herd health, maintenance of records, all of those things that those that are being ranched are handled under the act and regulations managed by the Department of Agriculture, because that is very similar to what they would do with what are existing domestic lines of livestock. So it is seen to be a very good approach, and interestingly enough, I believe one of the reasons that—I am told and I stand to be corrected, because I am not a pure historian in this respect—but the fact that bison ranching has proceeded as well as it has in this part of the world is that they were never designated as an endangered species; in fact, the only remaining ones were in captivity. So they were able to develop the herd from there, the ones that are being used for ranching I believe, plus, of course, I am sure that there is a trade between those who have legal ability to do so. The elk capture is the responsibility of this department, management of the herd until they are put into the hands of the domestic operators. As that transition is made, they will be DNA tested and identified and health checked by the Department of Agriculture, and then they will be entirely out of the hands of this ministry.

**Mr. Struthers:** The minister kind of got into exactly where I was headed to next with some of the questions

having to do with the elk that are in capture right now and the treatment that they get within being held. What I mean by that is who would it be that would inspect where these animals are being held, and who would monitor what is going on with the elk within the spot where they are being held? The minister also mentioned a while ago that there were some animals stored at Crane River. We have established that there are 235 elk that are in pens held for the Department of Natural Resources at various locations. Crane River is one of them. What I would like to do is go through and get kind of a ballpark figure as to how many are at these different locations and where all these locations are.

**Mr. Cummings:** Mr. Chairman, there are 170 at Grunthal, 55 at Crane River, 10 at Pine Creek. A moment ago I referenced the division of responsibilities and how the herd health identification was being managed as they moved into possession of agricultural operations. For obvious reasons, they are being jointly managed at this juncture, because we have to keep the health up and the identification appropriate so that they can, in fact, be parcelled and moved out once the calves have reached an appropriate size. So I did not mean to imply that Agriculture was not deeply involved at this juncture, but once they are into the hands of the actual elk ranches they will be managed by Agriculture.

**Mr. Struthers:** That is good. I made that connection too. Can the minister indicate when the move will take place? When will these calves and the rest of the herd be ready to be dispersed? I mean, physically be ready to be dispersed, not when will the regulations be ready. I think that is a different question. When will the animals physically be ready to be moved?

**Mr. Cummings:** That will ultimately be managed by Agriculture, but I understand that, for obvious reasons, we do not want to move the herd when they are heavily pregnant or when the calves are very young. You can do that with fully domesticated animals, but that would be unwise with this herd.

So the draw is being organized now, because those who would be able to acquire elk from this capture, will have to prepare their pens. Ultimately they will never get licensed if they do not have the appropriate facilities. People will know early on if they have been successful in the draw and then fall, maybe late fall, the

herd will be dispersed to those who have been successful in the draw.

**Mr. Struthers:** Now that is when the herd will be dispersed. How soon can we expect the draw for these elk to be made? Unless I am asking a question, that should maybe be answered by the Minister of Agriculture (Mr. Enns).

**Mr. Cummings:** Can you repeat that, please?

**Mr. Struthers:** Yes, when can we expect the draw for these elk to be made?

**Mr. Cummings:** I am looking to the Minister of Agriculture. I believe the applications are out there now. I cannot give you a precise draw date, but if you know someone who wants to be in the draw, they should be getting an application from their Department of Agriculture representative.

**Mr. Struthers:** In some of the media there have been reports—and I probably read this in a government news release—even though the minister last week did not think I read the government news releases, it may have been in one of those that I actually read, where he was talking of an additional capture. Are there plans to have another capture? Are there plans for a program later on this year to bulk up the numbers of elk that he has got so far? Maybe he can indicate if I did read that in a government news release or not.

**Mr. Cummings:** Probably more than likely the member was visiting with some friends from Swan River. I think I may have made those comments at the Elk Advisory committee. The fact is I think I should be clear that it is a poorly kept secret that there were a lot of unhappy people about the capture that occurred up there last year and this year. I clearly stated to the people who were working with us, or who were on our advisory board, that it was not a question of whether or not they supported elk ranching or not. It was more that we perceive that there are a lot of elk in the area. We would not be capturing elk at the east end of the valley and the area where we were this year. Unlikely we would ever do that again, but we would be seeking the co-operation of all parties in the valley. If there were private individuals anywhere in the valley who wanted to co-operate under supervised capture with the

Department of Natural Resources, we would be interested in talking with them. In fact, the advisory committee, a fairly broad based group that Mr. Driedger put together, I think, maybe has considered the options and, I understand, had some very useful discussions about whether or not there was even the capability of a summer capture. I have no idea if there is or not. It might not be appropriate, but I asked them to give me their best advice on what might be available.

\* (2050)

Along with the fact that there are a number of known areas where there are problem elk, they may well be on private land or very close to private land, and capture may be possible. But, if there are other areas, including McCreary, including other areas well known in that part of the country where elk are very likely available for capture, we would be more than willing to co-operate with and work with anyone who would want to participate in the capture. On that aspect there certainly is a desire on the part of a number of the aboriginal community to get involved. Several First Nations have said that they see this as a natural, and we are quite prepared to work with them. There have been some proposals made about their involvement in a capture for the future. Those are all under discussion. It is an open-ended discussion, but one which, I think, has a good possibility of success, so we could see fairly aggressive capture over the next two to three years. But, again, there will eventually have to be a deadline, a time when we will stop any further capture from the wild, and we will have then considered the herd in Manitoba to be closed and to become part of a commercial trade, if you will, or a commercial entity.

**Mr. Struthers:** I take it from that answer that the answer is no for this year, that there will not be an elk-capturing program.

**Mr. Cummings:** No, I said the opposite, Mr. Chairman, that I am anticipating there could be quite an aggressive one if we get appropriate co-operators, but the question—I do not think it is going to be a long or ongoing problem, but certainly our objective was to reduce the herd in the Swan River Valley. But, if we do not have a little bit better success there, we will take the opportunity to also capture elk in other parts of the province. That is what I was referring to.

Whether they will all come out of the Swan River Valley, I suppose I would doubt that they will all come from the Swan River Valley, that we may in fact get some other elk, but my predecessor and I both said that we wanted to deal with the problem in the Swan River Valley and went back to the depredation of crops. There is always a question over the last few years at least about the number of elk that are in the valley and some of them coming out of the park and some of them actually calving in the valley, and the associated problems that come with that.

But there will be, I think, a good number of elk taken for this program taken over the course of the next year. I am hopeful that most of them will come from the Swan River Valley. That is, in a nutshell, what I was trying to say.

**Mr. Struthers:** I would suggest that, if the objective was to deal with the crop depredation problems in the Swan River Valley, if that was the objective, then issues raised by the Elk Management Board would have been taken a lot more seriously a lot sooner than they were. Issues of compensation would have been dealt with a lot sooner than what they were and other alternatives suggested by the Elk Management Board over the years would have been taken a lot more seriously as well.

I would suggest that, if the minister or any of the ministers want to write this off as a crop depredation alleviation kind of a solution, then there should have been a lot more serious consideration of relocating elk as opposed to elk ranching, which was something that the Elk Management Board suggested. There would have been the—a lot sooner, more licences, more tags issued for the elk hunt in the Swan River Valley. I noticed this year that some additional ones have been granted, and that is a good step, but if it was the crop depredation problem that the minister was worried about, that would have happened last year as well.

This is not the first year that we have had crop depredation problems in the Swan River Valley or elsewhere. It seems to me that, if that was the reason, then this government would have moved on that a long time before. That is just a rationale that I do not accept. Quite frankly, I do not believe that is why the government got into this program. If the government

wants to make the case that it is good to begin an elk ranching industry and provide for diversification in agriculture, then they may have a better chance of making that argument, and the facts would bear them out a lot better, but I do not think that the minister can logically argue that they are doing the elk ranching program to alleviate crop depredation problems in the Swan Valley.

I think if that was the case as well, then the first year that they were doing the elk capture they would have captured a lot more elk in the Swan Valley rather than going down to McCreary and luring elk out of the federal park with their trap that they set up south of McCreary. So I would hope that the minister would not try to argue something that at least I think is illogical and, in that vein, I would wonder why he did not go back to McCreary again this year and trap some more elk out of the federal park.

**Mr. Cummings:** Well, Mr. Chairman, well, the member for Dauphin may have gleaned a lot of knowledge about the elk business in the coffee shop at Dauphin. I am not so sure that he was able to ascertain the veracity of the business of elk ranching, the \$50-million business that may well evolve in this province as a result of getting into elk ranching. To say that we could have captured more elk this year at McCreary and not bothered with Swan River Valley sort of indicates that he does not accept the rationale that there are too many elk in the Swan River Valley.

If I did not care about the situation in the Swan River Valley, we probably could have caught a couple of hundred elk this year and we would have taken them all from somewhere else. It is as simple as that. My predecessor and I both said we wanted to deal with the situation in the Swan River Valley and neither one of us are naive enough to think that we would capture enough elk and we surely did not intend to consider justifying the elk business on the fact that we wanted to reduce depredation in the Swan River Valley. What we tried to do was combine a number of things, including the capture of elk, increase of the hunt and all the other things that were associated with the '96, '97 winters.

You might recall, if he has been listening to his colleague from Swan River, a lot of the crop did not get taken off up there last year, and we even had an elk

season just prior to Christmas and after Christmas which was entirely counterproductive to the capture that we intended to run, but it also drove the elk out of the valley where they were depredating on a lot of the crop. These are not domestic cows we are dealing with that got over into the neighbour's crop. You are talking about animals that can travel several miles over the course of one night, and they are capable of congregating in large enough groups that they can wipe out 40 acres worth of swath in a couple of nights. So I think the member is poking at a sore that is not going to do a whole lot except make me angry, because the fact is, the Swan River Valley—he says we should have gone back to McCreary to capture the elk. That is exactly the attitude of a lot of people in the Swan River Valley who simply do not want elk ranching. I assume that is his position as well. He does not want elk ranching. He wants only to have a little bit of politics at the expense of those who are trying to get into an industry that is well known for its controversy. If he is truly concerned about some rural diversification and the opportunity associated with elk ranching, then he may not be so critical of the fact that we tried to combine that with an opportunity to deal aggressively with what was a problem that we felt should be corrected on behalf of the Swan River Valley.

The member should also be aware that we are now the only jurisdiction, I believe, in western Canada that provides 100 percent compensation for wildlife depredation. That is predicated primarily on some of the enormous losses that people in the valley have suffered, along with a number of his constituents and mine around the edge of Riding Mountain. I suppose that I am sure he would support me in saying that we do need to accept our responsibility in managing appropriately the numbers of animals that are moving from park to farmland and back to parks and, in some cases, causing enormous damage.

The place where we captured the elk last year at McCreary, we captured them virtually in the farmer's yard. I mean, these are situations where sometimes you cannot build a fence strong enough without spending an enormous amount of money to keep the Queen's livestock out of your feed supply. It is a very troublesome situation for some of these people who live in close proximity to where the large herds are.

\* (2100)

The capture is only part of the program—and it is not even the lead part of the program—to deal with the depredation problems in the Swan River Valley. I guess that is the message I gave to the advisory board, as well, that if they want to provide some advice and some assistance as to how we can deal with the resident herd in the Swan River Valley, then we can probably all collectively make some progress in dealing with that herd. If perchance we catch another 300 or 400 elk over the next few years to enhance the elk ranching industry, then I suggest it comes a little closer to being a win-win for everybody.

**Mr. Struthers:** For this minister to assume that the information that I get is gleaned completely from the coffee shop talk around Dauphin indicates an arrogance on the part of the minister that pervades the whole government. I want to say that it does not look good on the minister, because I have gotten more used to the more straightforward, honest talk that the minister has given me otherwise in these Estimates. If the minister wants to proceed and continue along thinking that, then I would encourage him to do so, because the information that I get is not completely—although the minister should have his ear to the ground too and hear what is going in the coffee shops—based on the restaurant talk going around not just Dauphin but the rest of rural Manitoba when it comes to elk ranching.

The other thing that I would like the minister to reconsider is putting words in the mouth of the MLA for Dauphin (Mr. Struthers). At no time did I encourage him to go to McCreary. I just as soon he not trap elk near McCreary. I would just as soon he not trap elk anywhere as, indeed, the position of the NDP was absolutely clear. When the minister and this government brought forward its legislation on elk ranching, we did not support it. So let not the minister throw innuendo out that we do not support it. I would sooner the minister just come right out and say the NDP does not support it, and that would be the truth.

**Mr. Cummings:** I want to hear it from you.

**Mr. Struthers:** The minister says he wants to hear it from me. He can check the records. It is in black and white. We are not ashamed of what we have voted on

this legislation that you have put forward, and, indeed, I would encourage the minister to tell people that we are against the way that this government has approached elk ranching in this province.

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

Do not leave any innuendo out there. Tell them exactly how we voted on this. I do not mind a bit. I also do not mind a bit the fact that it was our government that put the moratorium on in the first place, whatever year that was, back in the mid-'80s when my former school principal was the Minister of Natural Resources and sat where the minister is right now. So, if the minister is going to put words in my mouth, I want him to put honest words in my mouth, and I will stand up and I will defend those in any of the coffee shops, whether he wants to come to Dauphin or anywhere in rural Manitoba. Just make sure you have got everything straight there.

**An Honourable Member:** It is pretty clear.

**Mr. Struthers:** Good. The minister, though, failed to answer the question that I did ask, and that was, if he could not get as many elk in the Swan Valley as he would like, why did he not go to McCreary this year?

**Mr. Cummings:** Well, Mr. Chairman, I was trying as politely as I could to inform the member for Dauphin that we had committed ourselves, along with the increased wildlife crop damage compensation, along with a commitment to look at hunting numbers, to do what we could to concentrate our efforts in the Swan River Valley for the winter of '97, and I try not to go back on my word, No. 1.

Number two, by the time it became apparent that the capture was not going to be as plentiful as we had expected—and there were a number of influencing factors, but not the least of which the weather was better in the valley than anticipated and the feed was a lot more plentiful than anticipated. By the time that we had realized that we were not going to exceed 100 by a lot—and he should know that one capture alone netted 40 animals, so there was certainly reason to continue with our efforts—by then the cows were probably getting heavy enough that we would be ill advised to move.

At the same time, he should recall that we did not necessarily have a plethora of equipment to facilitate a capture either, and the very equipment that we had used a year ago at McCreary was unavailable to us this year, and that somewhat militated against our opportunities.

**Mr. Struthers:** Could the minister tell me if he received any correspondence from the federal government concerning the elk that were being captured near McCreary out of the Riding Mountain National Park? Other than what we read in the quotes in the media, was there any indication from the federal government that they opposed the capture of elk in that area?

**Mr. Cummings:** Well, no, we had no correspondence from the federal government. There may have been some local park officials who implied that these were their elk. Perhaps you should go back and look at the delegation of authority for Natural Resources. Those are Manitoba elk even if they are in the national park.

**Mr. Struthers:** Can the minister give me an indication of how many elk have been exported from Manitoba to other jurisdictions?

**Mr. Cummings:** Mr. Chairman, I do not have a compilation of the number of permits that have been issued. There have been some, but not over a period of years. As the member might recall, when he proudly pointed to the fact that his predecessor from his alma mater had—not his predecessor, but the principal of his alma mater—had authorized the shutdown of elk ranching in the province, even as part of that shutdown, I believe there was an export out of the province allowed by those people who had elk in captivity at that time. So it has been sporadically allowed off and on for a number of years. The only time it would occur legally, however, is by permit, and that would be the numbers that I have. There has also been trade within the province. Remember that the Assiniboine Park zoo has sold surplus elk from time to time. In fact, that is where some of the elk have come from that have been declared within the province.

**Mr. Struthers:** I realize that this might not be a fair request on the spot to get those kinds of numbers, but I am wondering if the minister can undertake to provide me with the numbers of licences that have been and

indicate the number of elk that have been exported outside of the province.

**Mr. Cummings:** It will take some research. We will undertake to do that. It would be permitted exports that would have occurred.

\* (2110)

**Mr. Struthers:** I would assume that the same implies for elk that we have imported to Manitoba, that there would be licences required and that there would be numbers available for that?

**Mr. Cummings:** I do not know off the top of my head whether or not there have been any imported, but we will review that as well.

**Mr. Struthers:** Whether these animals were exported or imported, I would imagine that the Department of Natural Resources has a process in place to track the movement of disease from one to the other, to provide some kind of assurance for the wild population that we have. I would want the minister to explain to me how the Department of Natural Resources actually goes about insuring that disease is not transferred back and forth from one jurisdiction to the next.

**Mr. Cummings:** That would be contained the same way it is with the domestic livestock coming from, in the case of domestic animals, foreign soils in some cases. It is through quarantines and blood samples and tracking of any of the noted diseases that we would normally test for. But there are some interesting things that occur and lest the member be too concerned whether or not there were animals that were moved, certainly we will have any records that were moved legally.

There may, however, be some interesting situations. For example, there were red deer imported into this province. They are illegal here, but we did not know that they were imported. The feds went in, sampled them, blood sampled or health inspected them, said they were fine and never informed the person that they were illegal in this jurisdiction. They are legal in other provinces but they are not legal in Manitoba. So it is a shame that two levels of authority would not be a little bit more cognizant of each other's responsibility to have

communicated appropriately at a time like that. Fortunately, the people who brought them in were very conscientious and nothing negative came of it, but they lost heavily.

**Mr. Struthers:** One of the questions that I asked last year during Estimates having to do with the storage of elk at Grunthal dealt with disease, and I asked, I made the assertion that the prevalence of brain worm was high among deer in the area in the southeast part of our province. I eventually got a letter from the department indicating that there was a very high percentage of animals in the area affected with brain worm. I was also told that the possibility existed that that could be transferred to the elk that were captured and held, stored at Grunthal. On the basis of that, I am going to assume that the department has been monitoring that since the elk had been stored in Grunthal, and I would like to know if any of that disease has been detected amongst the herd there.

**Mr. Cummings:** To the best of our knowledge, brain worm has never been documented in elk, and they have not been documented at Grunthal, that is for sure. So I guess the question the member is asking is: Is there a possibility of transmission? It would appear not, but I do not know. Just to finish that response, I do not know, but there are animal health officials, who are dealing with this herd, and when the issue was raised a year ago, it was in fact referred so that there would be appropriate examination.

**Mr. Struthers:** Kind of switching back to Swan Valley and the capture that went on there, could the minister indicate how much money was spent to Les Nelson and to Jerry Dushanek for the contracts they signed with the department to capture these elk?

**Mr. Cummings:** Mr. Chairman, the capture was done on a percentage basis and that would be roughly equivalent to agreements that we offered to other people to capture, which would be approximately at the \$500 per head ratio.

**Mr. Struthers:** At \$500 a head, Mr. Dushanek would—no, I have that wrong. Okay. Try it again. Thanks.

**Mr. Cummings:** Mr. Chairman, it was done on a percentage basis, 10 percent of the capture. You can apply a different number to it, if you wish.

**Mr. Struthers:** Can the minister indicate to me then how many elk Mr. Dushanek caught for the Department of Natural Resources?

**Mr. Cummings:** Mr. Chairman, the capture total was 92, which would amount to a share of nine.

**Mr. Struthers:** The capture total of Mr. Dushanek or the capture total between the two? [interjection] So between Mr. Nelson and Mr. Dushanek, they caught 92 elk. So each one, Mr. Nelson and Mr. Dushanek, would receive nine animals.

**Mr. Cummings:** Between them.

**Mr. Struthers:** Between them. Okay. Nine between the two of them.

What is the length of their contract?

**Mr. Cummings:** The date is eluding us at the moment, but the date was tied to our knowledge of the length of pregnancy of the elk. It was within our control whether it would be extended or not. I believe there was a definite termination date, and if it went beyond that, it was only at our discretion for capture based on how long the cows had been in calf or how close they were to calving. So the date is no secret, but we just do not have it in front of us here.

**Mr. Struthers:** Would I be correct in assuming that there was a definite beginning date though and an end date, and then the end date was flexible that it depended on the word from the minister as to what that end date would actually be and when the capture would actually end?

**Mr. Cummings:** There was a definite end to the contract, but understandably we could extend it a few days if we chose to. I do not remember whether it was extended for one or two days or a week at the most. Once we reached the termination date, it was entirely within the hands of the wildlife people whether or not it would be extended.

**Mr. Struthers:** The pens that were used to catch these elk, I hope, would be pens that are inspected by the Department of Natural Resources before the capture has taken place.

**Mr. Cummings:** The entire capture was under the supervision of the Natural Resources officers in the area, and, yes, the facilities had to be inspected and be shown to be competent, or we would not have engaged the people in the capture.

\* (2120)

**Mr. Struthers:** Was the minister ever alerted to the possibility of Mr. Nelson operating a trap that was not inspected and was not known to the Department of Natural Resources during the span of the capture, during the life of the contract?

**Mr. Cummings:** No, Mr. Chairman. There certainly might have been a rumour in the coffee shop but none that was ever brought to my attention or to senior management.

**Mr. Struthers:** If it was just a coffee shop rumour, I think the minister would probably be glad that it was not spread around by members of the opposition and that we came to the Estimates here to get his confirmation, yea or nay. I am glad that the possibility exists that it was just a rumour.

I have also been made aware of instances where orphan elk have been taken in by different farmers around rural Manitoba and kept, then have been confiscated by the Department of Natural Resources. I am wondering, why the double standard? As I came into Winnipeg one morning, caught a cab and listened to the radio station, I could not believe what I was hearing on the radio where it was announced that the government was going to be—for the low cost of \$1,000 a head, people could come and register their elk and get into elk ranching. Being a positive kind of a guy, I just assumed that it must have been a mistake in the news release or a mistake that the announcer made on the radio or a simple mistake that the minister made; but, when I got into the city, it was made painfully clear to me that it was not a mistake. It was not just a misprint; it was not the news announcer misspeaking; it actually was a policy of this government to let people register

their elk for \$1,000 and get into elk ranching no matter where they got that elk from and no matter how they went about capturing these elk, legal or otherwise.

I am wondering if the minister can indicate how many elk were actually registered at \$1,000 a head.

**Mr. Cummings:** I think that would be more appropriate asked in Agriculture Estimates. That is the area for which they are responsible. But let me clarify a couple of issues for the member for Dauphin. He seems to be implying that, if I had an elk in the back 40 and I nabbed him just before the date of registration, that would somehow allow me to register him for \$1,000, and that is simply not the case. The fact is that I think the member for Roblin-Russell (Mr. Derkach) must have been slipping questions for him on this orphan elk issue.

We have certainly no intention of being abusive or restrictive in terms of those who are trying to help orphaned calves that have been found in the wild, but let us remember that we cannot or we should not, in my view at least, put wildlife in the position where it would be profitable for somebody to make sure that an orphaned calf was indeed orphaned and then obtain an opportunity to get into the elk ranching industry via that means. I mean, that would be the downside of regulation or accommodation that could go awry and could encourage abuse.

The one or two circumstances that we have been made aware of where people had in fact saved an orphan from a sure death and that orphan is now in Grunthal or wherever under the supervision of Natural Resources, it is not our intention to be unreceptive to some of their concerns about whether or not they have not been treated fairly in terms of having the elk removed from them, but that is the situation. As the Minister of Agriculture (Mr. Enns) has often said, we have to struggle to fairly bring this industry into legal operation. That means that decisions going into the legalizing of elk ranching will have to be made with a large number of factors taken into consideration.

While I have got the floor, Mr. Chairman, I might as well put it on the record, because I am sure the next question either to me or to the Minister of Agriculture will be about what if any knowledge there was of elk in

this province prior to the date when they were to be declared. I think I have used the word "registration" a couple of times already. I should have used the word "declaration." The fact is that there were no elk that showed up to be declared that the Department of Natural Resources did not know about. Pardon the double negative.

**Mr. Struthers:** The minister has indicated that there are 235 elk right now in captivity waiting to be distributed. I do not understand why he cannot tell me how many of those were of the \$1,000 a head variety.

**Mr. Cummings:** None of those.

**Mr. Struthers:** None of those.

**Mr. Cummings:** The elk that are in captivity, the property of the government of Manitoba on behalf of the people of Manitoba, and they are all the ones that we have brought into capture. The elk that are declared are the elk that were on licensed and unlicensed ranches, but I want to put the record straight, compared to the headlines that were in the newspapers, and some fairly reputable newspapers, that somewhere out there, there were 1,000 elk being squirrelled away behind some poplar bluffs somewhere, and that simply was not the case. That did an enormous amount of damage to the reputation of the industry, and I think there was a deliberate attempt to do some damage to the reputation of some individuals, some in this House. I think it was most unfair that occurred and that is why I take every opportunity to repeat, there were no elk that were declared that the Department of Natural Resources was not aware of.

**Mr. Struthers:** When I was asking the questions about how many elk were in captivity, maybe I assumed that that 235 included those that were declared \$1,000 a head. That leads me to believe there is a lot more than 235 then that are actually up for distribution when the distribution finally occurs. No? Maybe the minister can explain that.

\* (2130)

**Mr. Cummings:** Mr. Chairman, my numbers may be out by one or two, or a dozen one way or the other, but let us talk about the principle that is involved here in

the declaration of the elk during the period that the Department of Agriculture set up to prepare for the industry to get underway. There were only 88 elk that were declared that were not on licensed premises. Those 88 elk, without, I do not think I can appropriately go into detail at this point, but the Ministry of Agriculture is determining and it would appear that those were all purchased elk. Now we know that the Keesee Band would be the exception to that, but all other elk would appear to have been purchased.

**The Acting Chairperson (Mr. Tweed):** Item 3.(f) Wildlife (2) Big Game and Fur Management (a) Salaries and Employee Benefits \$488,200—pass; (b) Other Expenditures \$214,000—pass; (c) Grant Assistance \$89,900—pass.

3.(f)(3) Habitat and Land Management (a) Salaries and Employee Benefits.

**Mr. Struthers:** On this line it has listed \$645,000 in grants for Habitat and Land Management. I am just interested in two questions here. What groups can access that money, if there are any groups? What is the process they go through to access the funds?

**Mr. Cummings:** The entirety of that line goes to the Habitat Heritage Corporation.

**The Acting Chairperson (Mr. Tweed):** Item 12.3. Resource Programs (f) Wildlife (3) Habitat and Land Management (a) Salaries and Employee Benefits \$626,200—pass; (b) Other Expenditures \$175,100—pass; (c) Canada-Manitoba Agreement on Agricultural Sustainability \$516,000—pass.

3.(4) Conservation Data and Nongame Management (a) Salaries and Employee Benefits \$447,300—pass; (b) Other Expenditures \$132,700—pass.

3.(5) Canada-Manitoba Waterfowl Damage Prevention Agreement \$331,500—pass.

3.(6) Wildlife Habitat Enhancement Initiative \$225,000.

**Mr. Struthers:** Again, I am interested in knowing the groups that can access that \$225,000, and what process they need to go through to get in on the funds.

**Mr. Cummings:** Mr. Chairman, that fund is a result of the wildlife conservation fee that we will expect to receive revenue from. What we will do is we are intending to demonstrate to the hunting fraternity that we will reinvest those dollars in the wildlife management. We have not yet designated all of the appropriate areas. It could go into areas of monitoring. Aerial surveys would be one thing that we want done under that area. We have a problem-bear dispersal issue. There could be some useful work done there, and also information systems around that. Traditional uses of wildlife, that is an area that we could usefully work in. Wildlife management, inventory, wildlife management systems areas for mapping.

The Conservation Data Centre is doing a website expansion. That is information that would be useful in the long term for support of wildlife management and work within our wildlife management areas. There are several things that could be done in conjunction with those. So those are the general areas that will be spent, but this is not exactly a granting fund. This is a fund that we want to demonstrate that we are reinvesting the money back in the wildlife resources in the province.

**The Acting Chairperson (Mr. Tweed):** Item 3.(f) Wildlife (6) Wildlife Habitat Enhancement Initiative \$225,000—pass.

3.(g) Sustainable Development Co-ordination Unit \$235,900—pass.

3.(h) Habitat Enhancement Fund \$50,000—pass.

3.(j) Special Conservation and Endangered Species Fund \$432,100—pass.

3.(k) Snowmobile Network Opportunities Fund zero—pass.

**Mr. Struthers:** Mr. Chairperson, I skipped a page here. I was intending to ask a question on the Habitat Enhancement Fund. I went over it and did not ask my question.

**The Acting Chairperson (Mr. Tweed):** That is okay. Go ahead.

**Mr. Struthers:** Thank you. Again, just like we have in the last two questions I have asked, there is \$50,000

available in the Habitat Enhancement Fund. Again, what groups could be eligible for that money, and what is the process they go through to get those funds?

**Mr. Cummings:** The monies go to the Critical Wildlife Habitat Program. It is about 13 percent of the total budget for that.

**Mr. Struthers:** I am not sure I understood that; 13 percent of the \$50,000?

**Mr. Cummings:** It is 13 percent of the total budget for Critical Habitat. Slightly over 10 percent, I guess, is another way of putting it.

**The Acting Chairperson (Mr. Tweed):** Item 3.(k) Snowmobile Network Opportunities Fund, zero—pass.

Resolution 12.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$40,819,800 for Natural Resources, Resource Programs, for the fiscal year ending the 31st of March, 1998.

4. Land Information Centre (a) Administration (1) Salaries and Employee Benefits \$625,700—pass; (2) Other Expenditures \$478,300—pass.

4.(b) Crown Lands Operations (1) Salaries and Employee Benefits \$395,500—pass; (2) Other Expenditures \$1,082,500—pass.

\* (2140)

4.(c) Crown Lands Registry (1) Salaries and Employee Benefits \$223,700—pass; (2) Other Expenditures \$137,700—pass.

4.(d) Survey Services (1) Salaries and Employee Benefits \$1,399,300—pass; (2) Other Expenditures \$477,200—pass; (3) Less: Recoverable from other appropriations (\$1,470,200)—pass.

4.(e) Remote Sensing (1) Salaries and Employee Benefits \$601,000—pass; (2) Other Expenditures \$127,200—pass; (3) Less: Recoverable from other appropriations (\$23,700)—pass.

4.(f) Distribution Centre (1) Salaries and Employee Benefits \$351,500—pass; (2) Other Expenditures

\$272,100—pass; (3) Less: Recoverable from other appropriations (\$95,000)—pass.

4.(g) Land Information Systems (1) Salaries and Employee Benefits \$469,300—pass; (2) Other Expenditures \$612,700—pass.

Resolution 12.4: Resolved that there be granted to Her Majesty a sum not exceeding \$5,664,800 for Natural Resources, Land Information Centre, for the fiscal year ending the 31st day of March, 1998.

5. Expenditures Related to Capital (a) Equipment and Infrastructure \$535,600—pass; (b) Water Projects \$3,790,400—pass; (c) Park Facilities \$3,527,300—pass.

Resolution 12.5: Resolved that there be granted to Her Majesty a sum not exceeding \$7,853,300 for Natural Resources, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1998.

We will now revert to item 1.(a) Minister's Salary. I would ask that the staff please leave.

**Mr. Cummings:** Mr. Chairman, I am asking the critic of the opposition: Did the House leaders agree that we would deal with the Sustainable Development Fund as well? We have dealt with the Co-ordination Unit. I could attempt to answer some questions on the Sustainable Development Fund if that would be deemed appropriate.

**Mr. Struthers:** I was operating under the arrangement that we made last week, where we would go to the end of Minister's Salary, and then we would go back to the Sustainable Development Innovations Fund and pass that after the Minister's Salary.

**The Acting Chairperson (Mr. Tweed):** Agreement on that? [agreed]

**Mr. Struthers:** Does that mean your staff has to come back in again or can they—whatever is easiest for them.

**The Acting Chairperson (Mr. Tweed):** If we could just ask the staff to wait outside. Thank you.

Item 1(a) Minister's Salary \$25,700—pass.

Resolution 12.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,630,700 for Natural Resources, Administration and Finance.

If I could bring to the attention, it has been pointed out to me that the Sustainable Development Innovations Fund is further down the list, and this will create a bumping. I would like to ask the House leader to make a suggestion. I guess if we could proceed with this and with agreement, could we finish tonight? Are we that close? There is some suggestion that we could get through this tonight, therefore not causing any bump in the system.

**Hon. James McCrae (Government House Leader):** Mr. Chairman, I have had preliminary discussions about this with opposition House leadership, if I can put it that way. The one thing I am trying to—and it has not necessarily been concluded, but I am sure the honourable member for Dauphin (Mr. Struthers), this being part of his portfolio as critic, will have something to say about this, but the point that I would like to get clear is, and I maybe seek direction from the table on this point, the list of Estimates filed by myself as agreed upon between myself and the opposition House leader has the Sustainable Development appropriation in a different place than the Minister of Natural Resources' Estimates.

The direction I need is as to whether we would require agreement in the House or whether agreement could be obtained in the Committee of the Whole in order for that to happen. I would not want to do something indirectly which I am not supposed to do directly, so that my understanding may be that we would require agreement of the House. It may be that could be obtained, but, if that were obtained, perhaps the honourable member and the minister could wrap these matters up shortly after that depending on the way the discussion goes. My understanding, Mr. Chairman, subject to advice you might give from the table, is that we may need leave from the House in order to move directly to that particular appropriation.

**The Acting Chairperson (Mr. Tweed):** Leave from the House is granted to pass the resolution, but there is nothing to say that we could not have the discussion and the questions take place without leave with the idea

that we could ask for the House to give leave to pass the resolution at the end.

**Mr. McCrae:** From my standpoint, I understand of the minister responsible, that would be a reasonable way to proceed, simply to discuss it for a few minutes this evening and perhaps pass it at another time, pursuant to agreement in the House.

**Mr. Struthers:** My understanding is that if we had agreement of the House tomorrow, we could deal with this and pass it tomorrow afternoon. If not, we would have to wait until it comes up in its regular rotation on the list of departments.

**The Acting Chairperson (Mr. Tweed):** Right. If you were to ask the questions now and basically get that out of the way, we can ask for a passage through the House at another date. It would just be to pass the resolution at that time.

**Mr. Struthers:** And all the discussion then next time would have taken place.

**The Acting Chairperson (Mr. Tweed):** Right. We would just be passing the resolution at that time. Is that agreed upon? [agreed]

\* (2150)

### SUSTAINABLE DEVELOPMENT INNOVATIONS FUND

**The Acting Chairperson (Mr. Tweed):** We are now discussing the Sustainable Development Innovations Fund.

**Hon. Glen Cummings (Minister of Natural Resources):** Just one line of introduction, Mr. Chairman. The Sustainable Development Innovations Fund, while it was used as a vehicle on a couple of occasions for which dollars could flow through to the Tire Fund and to the multimaterial recycling program. Primarily any monies that are granted out of here, however, are funded by the exemption of the PST, or the removal of the exemption on the PST on disposable diapers. A notional amount approximately equivalent to that is returned to this fund for the betterment of the environment.

**The Acting Chairperson (Mr. Tweed):** Just for the records to show, we are discussing 26.2. 2. Sustainable Development Innovations Fund. It is on page 128.

**Mr. Stan Struthers (Dauphin):** Just as some opening remarks having to do with the Sustainable Development Innovations Fund, and then questions later. The first concern that I would like to put on the record is something that my colleague from Selkirk has brought up in the House.

We have been able to read in the media the fact that 90 percent of these Sustainable Development Innovations Fund grants seem to somehow end up in the ridings of the government members. Our concern with that is that politics becomes part of the criteria for handing out Sustainable Development Innovations Fund money. Now anybody who is concerned at all about sustainability and the environment will tell you that you have to be putting funds into worthy projects. Anybody will tell you as well that those projects have to be based on certain criteria. They have to be based on the premise that the project decisions on where the monies are going to go in the projects are not going to be based on which riding the project happens to be in. It is not going to be based on political considerations but is going to be based on scientific data, the principle of sustainability, or any of the other criteria that the government may use to justify putting money into certain projects.

It is my contention that the people of Manitoba do not want their tax dollars going into projects based even in part, or even the impression, that they are going to Tory ridings. Yet the facts of the matter are that 90 percent of the funds that are going into sustainable development projects from this fund are going to ridings represented by Conservative MLAs. We do not think that is right. We think the government ought to change the way it hands out its Sustainable Development Innovations Fund money.

We were pleased to hear that the Provincial Auditor is taking a look at this whole situation and that, hopefully, in that way we can get this government to stick to the scientific criteria that should be used in handing out money, the taxpayers' money, for sustainable development projects. I am hopeful that the Auditor can introduce some kind of impartiality, some

kind of objectivity, into the process by which this government hands out funds from this fund. The minister may care to put some words on the record as far as the comments that I have put down up to this point.

**Mr. Cummings:** Yes, I can understand the anguish on the part of the members of the opposition when they realize that when the Sustainable Development Innovations Fund and its predecessor, the Environmental Innovations Fund, were put in place, there was a debate going on at that time when the members, certainly of the NDP opposition, could barely bring themselves to say the words "sustainable development." They were pretty much unalterably opposed to sustainable development and felt that it was a poorly disguised way of doing an end run on environmental matters and they said so on numerous occasions.

Much to their chagrin, of course, what has happened is because they would not want to be seen to be part of the sustainable development thrust that was beginning to gain momentum in '89 and '90, '92, '93 and start getting more and more momentum in the last few years, they did not take advantage of the opportunity to encourage, within their own constituencies, people who had innovative and sustainable development projects that could have been brought forward for approval, and this fund is largely driven by the applications that appear before it. So there are, no doubt, some distortions that have arisen from the fact that some members of the opposition did not seize on the opportunity to encourage people from within their own areas.

The fund was advertised widely, actually. There is a brochure and there are entrances into this fund from almost every department that is represented in rural Manitoba—except I suppose the social services department—but the very fact that this was raised by the member for Selkirk I think I would like to put on the record that there was a \$25,000 grant for a prototype hay compactor that went into his area. A scentless camomile elimination program for \$3,500 went to the Selkirk Weed Control District. Partners in Sustainable Development, the St. Andrews School for \$19,130; a reusing recycling paper, Lord Selkirk High School, a

small grant for \$1,000; first annual Manitoba Environmental Industry Trade Show and Business Conference in Selkirk sponsored by Triple-S received \$10,000 and, I believe, are going to be receiving another grant shortly for repeat of that project this year. The recycling facility in St. Andrews in the town of Selkirk received \$12,500.

There were only two applications within his area that did not receive approval, so 80 percent of the applications in that member's district received approval, but there were not a large number of applications. As well, John Perry, a teacher at Lord Selkirk, was a recipient last year of a Sustainable Development Award of Excellence under the Education category.

So I am pretty confident that what the Auditor is going to find is that the fund is fairly distributed, that there are a large number of projects that appear there. Some of them, however, are not of a high level. There are a large number of rejections. The committee invariably rejects more than it accepts in terms of applications. That has got nothing to do with the location of the applications in many respects.

This being the only fund that is still available with a somewhat discretionary nature to it, schools, Department of Agriculture, agricultural entrepreneurs, natural resource enthusiasts, environmental enthusiasts—all manner of endeavours approach this fund for support. Even in the early days of this fund I remember that two out of the first three Earth Days were receiving significant funding out of this area to support them in some small administrative fashion. \$225,000 in the first year or two and reducing to smaller amounts to encourage them.

Remember that this fund in the long run is intended in the main not to be repeated. There are some projects that we fund for two or three years, but the vast majority are one time only, and the exception would be to repeat them more often.

Without wanting to be too provocative about it, I believe that the fund is fairly distributed. In fact, we certainly would encourage the Auditor's review.

\* (2200)

**The Acting Chairperson (Mr. Tweed):** The hour being 10 p.m. what is the will of the committee?

**Mr. Cummings:** Continue for 10 minutes.

**The Acting Chairperson (Mr. Tweed):** We can if it is agreement if you want to get this done tonight.

**Mr. Struthers:** We are not going to pass it, though—

**Mr. Cummings:** We can finish the debate.

**Mr. Struthers:** —finish the debate.

**The Acting Chairperson (Mr. Tweed):** Yes, we are not at liberty to pass it because we have to have leave of the House to do that, but we can continue the discussion—

**Some Honourable Members:** Leave.

**The Acting Chairperson (Mr. Tweed):** Pardon me. [interjection] No, we need leave of the House to do this. Excuse me, if the member for Dauphin wants to continue and finish the debate tonight, then we can pass it at another time.

**Mr. Struthers:** I am ready to move on and pass it whenever the House gives us leave to do that.

**The Acting Chairperson (Mr. Tweed):** Okay, then the committee will rise. Is that the agreement? Okay. Call in the Speaker.

#### IN SESSION

**Mr. Deputy Speaker (Marcel Laurendeau):** The hour being after 10 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday). Thank you. Good night.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 14, 1997

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