



Second Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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40 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

LIB - Liberal; ND - New Democrat; PC - Progressive Conservative

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CARR, James	Crescentwood	LIB
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CERILLI, Marianne	Radisson	ND
CHEEMA, Gulzar	The Maples	LIB
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 27, 1991

The House met at 8 p.m.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY—URBAN AFFAIRS

**Mr. Deputy Chairman (Marcel Laurendeau):** Will the Committee of Supply please come to order. This evening this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates for the Department of Urban Affairs.

When the committee last sat it had been considering item 3. Urban Policy Agreement Management, 3.(a) Salaries \$430,000, on page 153 of the Estimates book and on pages 27 and 28 of the Supplementary Information book. We were also dealing with a number of other items.

**Ms. Jean Friesen (Wolseley):** Mr. Deputy Chairman, I think at the end of the last session we were looking at the difference between definitions of public and private sector. I was a little puzzled by the minister's definition of private sector, that somebody whose salary is paid and who is appointed by the government, indirectly paid but certainly directly appointed, is private sector. I wonder if we could perhaps clear up those definitions. We seem to be operating on different assumptions.

**Hon. Jim Ernst (Minister of Urban Affairs):** Mr. Deputy Chairman, I think what the member for Wolseley is referring to is a suggestion that—in fact, I am not even certain exactly what she is referring to. The boards of those two corporations are appointed by the government. They are, save for the exception of one member from each level of government on The Forks Renewal board, private citizens who are appointed as custodians of the board from time to time to deal with the issues related to the mandates of those two corporations. If her concern is that the civil servant that is appointed there by each level of government is not in the same sense a private citizen as the other members are, she is correct. Those civil servants are appointed there to represent directly the interests of each level of government on The Forks

Renewal Corporation board, as far as I understand it at least anyway.

**Ms. Friesen:** No, that was not what I meant, Mr. Deputy Chairman, but I thank the minister for the answer, because it does help me understand his approach to the issue. I wonder if he could describe for me, as the minister appoints members to those boards, what does he assume their responsibilities are?

**Mr. Ernst:** I would assume that the responsibilities of those board members relate firstly to carry out the mandate of the corporation as set out initially; where issues arise, from time to time, consult with the parties who appointed them, that is, the municipal people would consult with the Winnipeg City Council, the provincial people with us and the federal people with their respective levels of government when it reaches points of major deviation from policy; and a general ongoing consultation process.

\* (2005)

**Ms. Friesen:** That is what I wanted to make sure of. When he said they were private citizens, they are private citizens who have a twofold responsibility then, one to the people who appointed them and the other to the board to which they are appointed. Are we agreed on that? Okay.

Could I pursue then a little bit the North Portage Corporation? One of the questions that I have raised from time to time, and I believe the minister has had correspondence on that this year as I have, is the issue of private policing of North Portage. This is a question that we will be asking the North Portage people themselves. Since the minister does have appointed members on that board, I wonder if he has discussed this issue with them and raised with them the concerns that have been brought to his attention.

**Mr. Ernst:** I am assuming now that you are talking about the security guards in the shopping centre?

**Ms. Friesen:** Yes.

**Mr. Ernst:** The short answer to the member for Wolseley is no. I have not spoken with regard to security guards in Portage Place, but I can also say

that the North Portage Development Corporation leased the land to Cadillac Fairview Corporation for 75 years or so, a long-term lease of the land, upon which the agreement or the concurrence of Cadillac Fairview was to build a shopping centre and to operate it in the manner, I guess, in which they operate shopping centres right across the country.

I am peripherally aware, shall we say, I have not delved into it to any great extent, of some concerns that have occurred from time to time with regard to the private security guards there, but I have not discussed the matter with the North Portage board. I am not certain, Mr. Deputy Chairman, as to what potential exists for North Portage to have any control over what security arrangements Cadillac Fairview have in their own shopping centre.

**Ms. Friesen:** Mr. Deputy Chairman, I notice the minister assumes that Cadillac Fairview can, and I assume should be, in his view, operating this shopping centre in ways in which they operate across the country, but I wonder if the minister would agree that this particular operation of Cadillac Fairview is essentially covering public space, the former Portage Avenue, and that it was done with a considerable amount of public money, so that on two issues, it seems to me, that it is different from other shopping centres and that there ought to be a public interest in the public space, the street, of that particular shopping centre.

**Mr. Ernst:** Again, I am not as intimately familiar perhaps with the development of that space. I am assuming the member is referring to the Kennedy and Edmonton Streets that would have been closed. If they are closed, I am assuming—again, we can all delve into this a little bit more. It might more appropriately be asked of the North Portage board, but if the streets are closed, then they are no longer public rights-of-way. They are, in fact, property owned and ceded by the city to the North Portage Development Corporation as part of the original agreement. Again, I do not know.

There are a number of things that I have yet to look into as the minister responsible for these things and will be doing that in the course of my duties. In the sense that, yes, it is public land, but the public sold its rights to the land by virtue of a long-term lease in exchange for compensation and in exchange for the construction of the shopping centre that occurred. So in a sense, while it is public land, it is no longer public in the sense that the rights to the public use of the land, the rights to public

ownership of the land have, in fact, transferred for a period of time, the term of the lease, to the North Portage board.

For the public amenity areas though, I am advised, within the shopping centre there is a joint committee between Cadillac Fairview and North Portage to plan the public use of that space, but I gather not related directly to the security arrangements for the entire premises.

**Ms. Friesen:** Mr. Deputy Chairman, what I wanted to raise with the minister is the issue of principle that is involved when public money is transferred essentially to a private corporation for land which was in the public domain. It seems to me that with a publicly appointed board there ought to be some continuing public interest, particularly in the security and policing aspects of that. I have raised it with the North Portage Development Corporation, but it was subsequent to the last Estimates procedures, so I did not have the opportunity to come back to the department with this.

\* (2010)

**Mr. Ernst:** If the member for Wolseley likes, I can look into the question with the North Portage board and see what arrangements or what potential there is for—I am sure there is ongoing discussion on a regular basis, but whether there is any direct potential for involvement I am not sure. I will have to investigate.

**Ms. Friesen:** I am raising this also because, subsequent to the appearance of the North Portage people here, a number of people have raised this issue, and I believe the minister or perhaps his predecessor received correspondence from a number of people at the University of Manitoba on this, particularly people in the Department of Native Studies.

**Mr. Ernst:** I could be mistaken, I do not recollect receiving any direct correspondence with regard to that issue. It may have happened prior to my coming. I do not recollect anything specific, but we will investigate the situation and see what, firstly, the department has on file and then, secondly, what North Portage has to say about it.

**Ms. Friesen:** Thank you. Could I continue then, Mr. Deputy Chairman, and look at some of the more recent activities of North Portage, and that is the development of the south side, which I believe has always been part of the mandate of North Portage, but has not always been addressed perhaps with

the attention which they are giving it now? I wonder if the minister could give us an update from his perspective, the perspective of urban policy, the development of downtown Winnipeg, and perhaps some comments on the policies that are being pursued by North Portage.

**Mr. Ernst:** Interestingly enough, when the original proposal for redevelopment of the north side of Portage Avenue occurred back in 1978 maybe or '79, somewhere around that area—no, I guess it would have been after that, maybe early '80s. In any event there was a proposal to utilize the existing right-of-way of Portage Avenue as the mall space, and to incorporate the south side of Portage Avenue as one side of the shopping centre and to incorporate new construction as the other side of the centre mall shopping centre and in fact reroute Portage Avenue around the north side of the proposed new shopping centre.

There were a number of innovative initiatives related to the heating and cooling of that particular structure, and so on. I happened to support that position when I was on council and thought it was a very innovative idea, anticipating at the time that problems might occur with the south side of Portage Avenue, as they ultimately did. -(interjection)-

That is right, and we had a number of opportunities, we thought, to incorporate that. Unfortunately, it was a little ahead of its time perhaps, in the sense that the fear of the public for the relocation of Portage Avenue would have been—you know, it is a major change. There was an awful lot of controversy over that issue and ultimately the decision was taken out of the hands of those who supported it and went in a different direction, the current direction. That is a little bit of historical perspective on where, I happen to think, it should have gone.

In any event, with regard to the current situation, North Portage and South Side merchants are dealing. They have an improvement program; they have ongoing meetings, and so on. There have been some improvements, as a matter of fact. It started, I guess, about a year ago, and we have seen some improvements in terms of new commercial being located on the south side of Portage Avenue. There is one landholder who owns a significant portion of the land on the south side now, has acquired that over a period of time, and hopes to do a redevelopment of it.

\* (2015)

That is about as much as I can tell you at the moment. I do not have a current status report on every issue or every specific related to that particular initiative. I think, by and large, that they are working co-operatively together. They see the value of ensuring that the commercial development on both sides of Portage Avenue is as healthy as it can be. I will be again meeting with North Portage to discuss a number of issues, that being one of them, to get a current status report. I have not yet had the opportunity to do that.

**Ms. Friesen:** I was not asking for detail material at this point because we will have the opportunity to talk to North Portage. What I was looking for was some indication of the minister's support or level of support for the strategy that the corporation seems to be developing in terms of—I am looking for the right term—cut-price retailing. There must be a regular term for that. Discount, that is it, discount retailing for the south side of Portage. Does the minister have any comment on that approach?

**Mr. Ernst:** Apparently, the concept of—again I am advised by staff on this point—discount retailing, if you like, was an initiative that came forward from the South Side merchants themselves as a potential for utilization of existing vacant space and along that line.

I am sorry. It was originated by the businesses and a consultant that was involved at the time. From what I gather, it did not come from North Portage. It came from their perspective as they thought that this was something that would be viable. Of course, I guess, ultimately the viability of commercial along the south side of Portage Avenue is something that we are all interested in to ensure that we have a healthy, vibrant principal street.

**Ms. Friesen:** I think the consultant was paid for by North Portage.

**Mr. Ernst:** The consultant, yes—I am advised by staff the consultant was paid by North Portage, but the consultant to work with the business people on the south side of Portage Avenue—ultimately, it was the interaction between the private businesses on the south side of Portage Avenue and the consultant that developed that strategy.

**Ms. Friesen:** I understand that it is acceptable to the South Side merchants at this stage, given absence of any other options in Winnipeg, but what I am asking for, since North Portage paid for this and

initiated it and it is part of North Portage's mandate, what is the position of the government on this type of strategy for Winnipeg's main street?

**Mr. Ernst:** I do not know that we have a specific position one way or the other with respect to the methodology to be used by commercial merchants. Interestingly enough, the development bylaws, the zoning bylaws, and so on, do not discriminate over one form of retailer or another. They simply permit retail or commercial development or activity. Even if, I suppose, we might all like to have Rodeo Drive down Portage Avenue, or we might not, but I think what is most important is that you have a healthy, economically viable commercial activity zone that provides jobs and provides commercial activity to make sure that the space is viable.

I am advised that this position, this particular recommendation, I gather was not accepted either by North Portage or by the commercial operators. In fact, they have gone off in a different direction with a proposed incentive program funded by North Portage for storefront improvements and things of that nature.

\* (2020)

**Ms. Frlesen:** I thank the minister for that information. The last time we had North Portage here it did seem as though that report was acceptable to both sides, so it is interesting that they have not eventually come to that agreement.

I wonder, are the two strategies mutually exclusive? It does not seem to me that they would be.

**Mr. Ernst:** I suppose ultimately if somebody wants to run a commercial discount store in a space that is properly zoned in a building that is vacant and available for lease that they can do that. I think what we are talking about is in terms of incentives and assistance that North Portage might be able to provide.

It was, I gather, North Portage's position and the ultimate position of the merchants association that they would not provide incentives or assistance toward that kind of activity. It can happen if it happens, it can happen anywhere, but they are not going to assist it financially, or at least I gather that is the position that they ultimately took.

**Ms. Frlesen:** In the discussions that the minister has had with the City of Winnipeg delegation or perhaps with the research and review that this particular section of the department has done on

Plan Winnipeg, the Plan Winnipeg review, has there been any consideration of a long-term business development plan for the city of Winnipeg downtown business area, and where does this fit with the kind of strategies that are being developed by what the minister would call the private sector, that is, North Portage.

**Mr. Ernst:** It has been identified, Mr. Deputy Chairman, as a shortcoming of the current Plan Winnipeg. We have asked the city to address that issue in terms of its review of Plan Winnipeg over the next year or so and, of course, Winnipeg 2000 itself is going to be interested in that as well, so they will be providing some input, I am assuming, along the way as well.

**Ms. Frlesen:** I have no further questions on this area.

**Mr. James Carr (Crescentwood):** The minister was in cabinet but not the Minister of Urban Affairs during the Place Promenade episode, to find a neutral term to describe that chapter in Winnipeg history.

Can the minister tell us what the vacancy rate is at Place Promenade currently? Oh, she is ready.

**Mr. Ernst:** I am advised it is approximately 8 percent.

**Mr. Carr:** Eight percent. Can the minister tell us if the corporation had to engage in some discounting in order to fill the vacancies at Place Promenade? Were prices dropped, given the fact that the market is depressed at the moment, or is that the full retail?

**Mr. Ernst:** I think that is referring to residential, not commercial.

**Mr. Carr:** Did the corporation discount or lower the rents in order to attract customers in a tough market?

**Mr. Ernst:** The answer is, basically, I am not sure. I guess there is always a balance between what you can do on commercial terms to try and maintain the viability of your project and what you might have to do to gain a share of the market. So the specifics of which, you know, I have not done any analysis nor have I seen any analysis that indicates that Place Promenade's rents are significantly different than other rents in the downtown in similar type of accommodation. At the present time it is something, I am assuming, you could ask North Portage when they come here, and in the interim it is something that we will have to look into.

\* (2025)

**Mr. Carr:** Mr. Deputy Chairman, is the North Portage Development Corporation making its payments on Place Promenade? How do the revenues compare to the expenses for that project now, or are they still accumulating monthly deficits?

**Mr. Ernst:** Mr. Deputy Chairman, I do not have that detailed information from North Portage, but it seems to me that the arrangements were intended—at least the workout arrangements that were finally ultimately made were intended to make the project at least break even if not able to make a small surplus. That, of course, I think in terms of the workout arrangement, and again I do not have all the details associated with it, but I suspect at least that it involved some arrangements with CMHC that saw a postponement of some portion of the payment or liabilities that had accumulated against it into the future so that the current status could at least maintain it at a break-even situation.

**Mr. Carr:** Would the minister be so kind as to determine that information and share it with members of the committee?

**Mr. Ernst:** Mr. Deputy Chairman, I am quite prepared to look into it. Ultimately the questions can be posed directly to the board when they next appear, but I will certainly investigate the situation.

**Mr. Carr:** I would like to thank the minister for that co-operation.

Now, I am wondering how business is inside the mall. We have been reading over the last number of weeks that there have been some failures. Can the minister report how many failures, what the vacancy rate is inside the mall now and whether this is a cause for concern to the directors of the corporation?

**Mr. Ernst:** Mr. Deputy Chairman, the building is owned by Cadillac Fairview. The leasing arrangements are conducted by Cadillac Fairview, and while I do not have any specifics—I mean, the board, obviously, of North Portage are concerned for the viability of their lease predominantly and the fact that the shopping centre provides a focus for activity in downtown Winnipeg which is one of the original purposes for having it developed in the first place, but North Portage is not directly related to the leasing arrangements within the mall space, but I saw—and I do not remember exactly when, but in the last six or eight months—a statement by an official of Cadillac Fairview—I am sure that is who

had made the statement—that their view of Portage Place was not dissimilar to other shopping centres that they manage in Winnipeg, given the times and given certain business failures that occur within the kind of tenant that those kinds of places attract. I have no recent information with respect to the current status of bankruptcies or concerns with respect to the—

**Mr. Carr:** Mr. Deputy Chairman, though, it seems to me that the mortgage, the loan, that was given to Cadillac Fairview by the North Portage Development Corporation, which is representative of the three levels of government—it was a 5 percent loan, as the minister may recall—was tied to profits and profit sharing in the long term, so that the loan would only be fully paid back to the North Portage Development Corporation when profits were at a sufficient level to justify Cadillac Fairview paying back the principle and the interest. That being the case, the public has a direct interest in the number of business failures or bankruptcies in Portage Place.

Can the minister confirm that my memory is serving me correctly here? That was the nature of the arrangement between the North Portage Development Corporation and Cadillac Fairview?

\* (2030)

**Mr. Ernst:** Mr. Deputy Chairman, we are trying to gather the collective memories of everyone associated. It seems to me that the participation was not a loan but a capital contribution for the public amenity space associated with the mall, and terms of repayment were to come from the profitability of the whole shopping centre, of the whole project. So we have a stake, certainly, in terms of the future, in terms of profits and so on, but let us have an opportunity to investigate further.

**Mr. Carr:** Mr. Deputy Chairman, we ought not to expect the minister to have all the details at his fingertips, but perhaps he will take it upon himself to acquaint himself with some of the more salient points of the corporation's profitability and current cash flow.

I am interested in the \$1.2 million that was earmarked for the south side and south side development by the corporation that was sitting for a number of years unspent. Can the minister tell us how much of the \$1.2 million has been spent, and on what?

**Mr. Ernst:** The specifics of the total number I am not sure I can answer totally, although I gather there are some \$700,000 that have been set aside for owners to upgrade their premises, tenants' leasehold improvements. It has been ongoing, I gather, for about the past year. What the current status exactly of the expenditure rate and the take-up of that fund I would have to take as notice and investigate further.

**Mr. Carr:** Yes, we would be interested in knowing if the program is working and how many of the south side merchants are taking advantage of it. We would also be very interested in knowing the status of square footage of vacant space on Portage Avenue. We know that about a year ago it was very high. I understand some tenants have moved in. If there is a current update, I would be delighted to hear it. I see notes are being passed.

**Mr. Ernst:** Well, I will have to investigate. We do not have the specifics related to vacancy rates. I am assuming it is between Eaton's and The Bay that you want that information for, and not beyond those parameters. Portage Avenue is a very long street.

I can also indicate, I think, that there has been some agreement to put in a port-a-park on the south side of Portage Avenue to kind of dress up that space a little bit and to provide some amenity space for shoppers in the area and people who work in the area. I gather that is supposed to be starting in a couple of weeks' time.

**Mr. Carr:** I believe there are consultations going on, Mr. Deputy Chairman. I will just wait.

**Mr. Ernst:** I am also advised that there are a number of discussions going on with prospective tenants for the south side of Portage Avenue, but until such time as contracts are signed and agreements reached with respect to both the space and involvement of North Portage, it is a little difficult for North Portage to make any announcements or to publicly announce any kind of activity. If a number of those are imminent, we might hold off for a bit to see whether those come to fruition or not. We will have to take some advice from North Portage in that regard. We will provide information as we can and as it seems appropriate.

**Mr. Carr:** Mr. Deputy Chairman, I hope the news is good, because that is the principal commercial street in Winnipeg and has, of course, great historic value and importance to our city. So much so, as a matter of fact, that we were led to make the

suggestion to government, oh, a year and a half ago, that it ought to look at Portage Avenue as a place to relocate government employees if the opportunity would arise. As a matter of fact, there was the particular example of the Manitoba Telephone System moving employees from Portage Avenue down into the basement underneath the concourse, because that is where the pedestrian traffic was, according to corporation executives. Well, the reason that the traffic is down there is because we have got barricades up on the corner of Portage and Main, and because, through various actions of government and the private sector, the street has been in decline.

You do not just throw up your hands and say: Isn't that too bad? There is an opportunity to take some action in order to get the street more viable. So I am not expecting that the minister has an answer. I would be delighted if he did, but I am offering this in the form of a suggestion that if there is consolidation of government space or relocation required for government employees, would the minister make a point around the cabinet table of making a pitch for Portage Avenue? There is a lot of vacant space; the minister could probably get a pretty reasonable deal right now on behalf of the government of Manitoba. The Minister of Government Services (Mr. Ducharme) could have a hand to play in this and all kinds of parties would be better served. Maybe I should ask the minister if he does have any good news to report and if not, would he take this positive suggestion to heart and consider searching for ways in which government employees could be consolidated or relocated on Portage Avenue?

**Mr. Ernst:** I can say firstly, Mr. Deputy Chairman, that the Department of Urban Affairs, at least, is located on Portage Avenue—the entire department with the exception of the deputy minister.

In terms of commitment to downtown, certainly the government and governments of other political stripes as well have had a commitment, I think, to downtown Winnipeg for some time. Now specifically in terms of downtown, whether it is Portage Avenue or otherwise related, the fact of the matter is the government pays a premium to be downtown in many cases.

It was a conscious decision, I think, made by prior governments to ours and continued by ours that we want to support, where at least reasonable, the position of locating government offices and

employees within the downtown area because of the obvious impact it has on downtown as a whole in terms of providing additional shoppers, additional support for commercial activities in the downtown, and by and large to make downtown a viable place to be.

I, personally throughout my private sector business career, have had a commitment to downtown, always have. I could have probably made more money ultimately by being in a suburban location for at least one aspect of my business but chose to be in the downtown because I have a commitment to downtown. I think that is where businesses should be—apart from the service oriented, directly related to the suburban area type of commercial activity—that the major commercial, the major activity, the major impact should be in the downtown area. That has been a personal commitment, and I put my money where my mouth was, quite frankly, in terms of contributing to it. I personally think that we have a significant stake and have been a large supporter of downtown and downtown redevelopment for some time.

In terms of the specifics for Portage Avenue, I do not have an answer ultimately, nor do I know what the vacancies are or what current space has been allocated with respect to Portage Avenue, but we will certainly take your comments with the intent I am sure in which they were made and as another potential for assist to Portage Avenue as a principal street.

**Mr. Carr:** It is always nice to know that when the opposition makes positive suggestions the government is listening. We are often accused of being too negative, always criticizing, and never trying to offer positive alternatives and I am glad the minister recognizes that here, at least, is one that is being offered sincerely.

I am interested in knowing how often the minister meets with his directors of the North Portage Development Corporation. The minister has now been in office several months. How many meetings has he had with his directors of the North Portage Development Corporation?

\* (2040)

**Mr. Ernst:** I think we have had, if I am not mistaken, with me and the individual directors, the appointees to the board—I do not think, if I remember correctly, that I have had any specific meeting with those employees. We have had a couple of meetings with

various members of the board, the chairman of North Portage, dealing with some very—firstly a briefing initially when I first became minister and then, subsequently, with the board chairman and a couple of other people associated with the board. The specifics of that I do not—I have not yet sat down with the individual members of the board appointed by—other than that I have had discussions with individuals who are members, but I have not had a formal meeting of the three appointees to the board.

**Mr. Carr:** Mr. Deputy Chairman, does that mean that the minister has not had an occasion to discuss the potential amalgamation of North Portage and The Forks with directors of either corporation?

**Mr. Ernst:** That is correct.

**Mr. Carr:** Does the minister intend to?

**Mr. Ernst:** When we get to a point where there is agreement in principle, shall we say, amongst the three levels of government, at that point I think it would be an appropriate time to have discussions with the board, but it is really not their decision; they are appointed by governments, the governments the principal shareholders of both corporations, and it will ultimately be the government who decides that they are going to be merged. So once we have had an opportunity to at least get some agreement in principle in terms of that direction, then I have not broached the subject with the board from either corporation.

**Mr. Carr:** Mr. Deputy Chairman, I understand that it is the government's decision, but one would assume that since the provincial government, to quote the minister, is the driving force behind amalgamation, it would just be common sense to see what economies could be effected through consultation with those two boards, who after all would be affected. But I will leave it at that. If the minister has not yet consulted them, perhaps he will, although it could be that his case that he is making with varying degrees of success to his partners, might be enhanced and given more persuasion if directors from The Forks and North Portage were brought into the discussion who could perhaps reinforce some of the arguments that the minister is making, or even provide him with new ones. Again, that is just a suggestion that may work down the road.

**Mr. Ernst:** Mr. Deputy Chairman, the member for Crescentwood (Mr. Carr) has indicated one tack that

we could take. I accept his recommendation, and we may well do that over the next period of time. Although, in fact we have had discussions at the staff level, from the CEOs of the two corporations along with the deputy and staff, and a report has been generated by Urban Affairs and circulated amongst the other shareholders to form a basis for discussion which provided a number of details associated with the potential for smoother operations, some cost savings and a variety of things. But again, he makes the offer and suggestion in good faith, and I will accept that, and we will consider that as matters progress.

**Ms. Friesen:** Mr. Deputy Chairman, I have a few questions on The Forks corporation, and again I recognize that we are going to—The Forks corporation will be here appearing before us, so I am looking for some general principles from the minister and some general comments upon the overall policy of The Forks.

As the minister knows, I am sure there were five principles enunciated in The Forks annual report—sorry, the first phase of the five-year plan. I wonder if the minister could give us an update on each of those aspects, that is, on The Forks Market, planning for a leisure centre, a multicultural centre, the housing component and an aboriginal centre?

**Mr. Ernst:** You want an update, Mr. Deputy Chairman, as I gather, the member for Wolseley (Ms. Friesen), on each of those components?

I think the Market is relatively obvious. It seems to be doing reasonably well. I do not have any specific information related to it.

The question of the leisure centre is still not definitively—they are not at any point yet close to a decision. I think the housing is on hold for the present time, given the state of current downtown housing.

The aboriginal—now again, this happened before I became the minister. I do not have specific information, but it is my understanding that there was trying to be an arrangement made with regard to the south point for an aboriginal development of some form or other, and I am afraid I do not have direct information.

I think those are all the ones you had mentioned. The Forks Renewal Corporation is holding its public meeting on June 27, I believe, at which time I am sure there will be a formal update of activities.

I think the Children's Museum was another issue that they had raised. I think they are trying to work out arrangements for funding that development for The Forks, but seeing that the general direction of The Forks is starting to head toward more of an open public amenity space type of arrangement as opposed to intensive commercial development but that again—things are in a bit of a state of flux at the moment.

We have just recently had a short meeting following the opening of the river walk and the boat basin. Discussions centering around that kind of a future activity was something that we wanted to discuss in more depth, and we will be meeting again to continue those kinds of discussions.

**Ms. Friesen:** That is, at least the last part is, one of the areas I did want to follow up on. I do not think there ever was an intention for intensive commercial development at The Forks, but there was a requirement by the three levels of government that The Forks pay its own way and that, first of all, it pay for the taxation that the City of Winnipeg requires.

If the minister is assured and if he welcomes the opportunity to move to public amenities, whether it is open space or whether it is different forms of public amenities such as the Children's Museum, has he entered into discussions with his other partners on the alteration of that mandate for self-support?

**Mr. Ernst:** Not just specifically related to that mandate. That mandate still exists; however, we had some preliminary discussions just recently with regard to The Forks, when we did have their brief meeting, and some of the discussion centered around that. We will have to continue with that discussion before we ever reach—ultimately, I think anybody would like to see that it is not a constant drain on the public purse. That is a laudable objective, if it is achievable. We do not know that it is. At least, I do not know that it is achievable at this point.

In the current economy, it is probably very difficult, in the short term certainly, to be achievable; but if you can mould a major public amenity open space gathering place activity area with some revenue production, that will allow it to continue.

It is not good enough just to simply build it and walk away from it. I mean it has to be maintained; it has to be programmed; it has to be carried on for the future, because it is a significant investment and

will deteriorate over time just simply from age if nothing else. Those are issues that are under discussion at the present time, and we will be pursuing them as time goes along.

\* (2050)

**Ms. Frlesen:** Could the minister give us an update on the state of the multicultural centre? Particularly, I am wondering what is happening to the German Cultural Centre, one element of a multicultural program, about which there was considerable debate in the public area.

**Mr. Ernst:** With regard to the multicultural centres, my understanding that The Forks has asked for proposals for consultants, which is I guess in the middle of that process at the moment to conduct a study about what should be there, why it should be there, how it should be there, who should be there, and so on. That activity is, I guess, just either in the final stages of allocation or somewhere in that process at least anyway.

In terms of the German Cultural Centre, the issue is dead. They have purchased the Marlborough hotel and have carried on in a tack and gone in a different direction in terms of what they wanted to do, so that is a fait accompli. I think, in terms of The Forks at least, that the proposal for it to attach the German Cultural Centre to the Johnson Terminal building is not an issue anymore.

**Ms. Frlesen:** What is the state then of the Johnson Terminal building? Is this tied in to the multicultural contract? Is it for that particular site, or are we looking at two separate items here?

**Mr. Ernst:** From my understanding of it, the proposals for a multicultural centre may encompass the Johnson Terminal, it may not. There is a Letter of Intent, I think. How serious at the moment it is, given the current state of the economy, I guess is anybody's guess in terms of a hotel arrangement for that site. I do not think it is tied specifically to that building. Although it is highly desirable to do something with that building, given the extent of development that has taken place around it, what was originally kind of a concept of a grand old building that could be converted into something of use is now becoming a bit of an eyesore in terms of the existing development that has occurred around it. At this point, I do not think it is tied directly.

**Mr. Carr:** On the same subject, Mr. Deputy Chairman. I am interested in knowing the status of

the Letter of Intent with Penn-Co, and the construction of a character hotel on The Forks site.

**Mr. Ernst:** That is the one for the Johnson Terminal building.

**Mr. Carr:** Yes, I know. What is the status of it?

**Mr. Ernst:** Mr. Deputy Chairman, we will have to investigate. Specifically, I cannot tell you what the current status of that is. The only discussion I heard was briefly in a recent meeting, and I think what was kind of under discussion was the question of the commercial viability of this particular market. Now, whether that means that it is over and expired, or whether it is on hold or whether they are not pursuing it, at this point, I would have to check and see.

**Mr. Carr:** Mr. Deputy Chairman, what is the financial status of The Forks Renewal Corporation now? What are its sources of revenues? Is the market making money, or at least breaking even? I understand that there is no further money expected from levels of government, no infusions of cash, so where does that leave the corporation on its balance sheet?

**Mr. Ernst:** Mr. Deputy Chairman, I am advised that the market is more or less breaking even, that they have had a cash injection in recent time from the sale. The acquisition by the City of Winnipeg of the land triggered an equivalency payment and some other payments to North Portage of about \$5.6 million. So they have had a cash infusion of recent date, I think a March 1 date.

There is a question of the equivalency payment required by both Manitoba and by City of Winnipeg. City of Winnipeg has made a commitment to pay it out over 10 years, including interest. We have not yet made our commitment, in the hopes of encouraging the merger of the two corporations.

That is really not directly related, but we are having discussions on both fronts, shall we say.

**Mr. Carr:** I am interested in the minister achieving his objectives, so maybe I should not go into this question in too much detail. It is true that the province owes The Forks Corporation money. How much?

**Mr. Ernst:** I saw the "agreement" signed by the former Minister of Urban Affairs in the Pawley government, the current Leader of the New Democratic Party, which said, best efforts for an equivalency to be payable 31 days, assuming best

efforts again, after the completion of the York-St. Mary extension or October '92. Technically, I suppose, or legally, we do not owe them anything. Nonetheless, I think we are all interested in the corporation and seeing it function and continue to carry on its mandates, whatever they may turn out to be in the future as time goes along. I think ultimately we will reach an arrangement whereby we can arrange to have our equivalency flow to the corporation.

**Mr. Carr:** Mr. Deputy Chairman, I am interested in the walkway between the legislative grounds and The Forks. I am told by Winnipeggers who were at The Forks two weekends ago that there were so many people on the walkway that you could not find room to walk. It was that crowded, that popular, that much of an attraction in the heart of our city, but you cannot get from the legislative grounds to The Forks, because there are four property owners who refuse to give easement of their property.

Mr. Deputy Chairman, this is in the public interest. This is a major attraction not only for Winnipeggers, but for tourists who come to our city. If you should happen to step off of the crushed gravel walkway onto one of the pieces of private property, you may fall into the river. It is unsafe. It is an eyesore. It is a piece of unfinished public business. We are looking for a strong statement from the minister that is going to take us down the road to a completed pathway and soon. Can you give us an update?

**Mr. Ernst:** The member for Crescentwood is correct, that there are four private property owners of the 26, I believe, property owners that were originally involved in the process, all but four have given of their free will easement for the benefit of the community. We have still four property owners to go. Discussions, the city is the implementing jurisdiction in this case. The mayor has undertaken himself to approach the property owners to illicit their community spirit, and I think we are well along with at least two of them. Nothing can occur, pretty much, until winter in any event in terms of construction completion. So that we do have a little bit of time to discuss with those owners the potential for easement space along the river.

We are a little reluctant to expropriate, for the reason that everybody else gave it of their own free will and gave their free easement to the community, and so for us to go and expropriate the last four, and it is an embarrassment for everybody. There is no question about that. So we are pursuing that hot

and heavy, you might say, and we are attempting to resolve the issue before the fall so that we can make appropriate arrangements to complete the walkway during the winter.

\* (2100)

**Mr. Carr:** We would not want to leave the hot pursuit in the hands of the single pursuer. Surely, the Minister of Urban Affairs has a stake in this. Why does the minister not offer to go with the mayor and put together a little delegation. If he wants to make it an all-party delegation I volunteer to put some well-focused public attention on the four hold-outs so that we can complete this piece of unfinished business at the earliest possible moment so that Winnipeggers can take the proper pride in an unfinished walkway that ought to be completed and soon.

**Mr. Ernst:** Mr. Deputy Chairman, we have an initial go at it through the mayor. At the same time while you want to put pressure on the owners, you do not want to put particularly undue pressure and cause them to simply throw up their hands and walk away and say, to heck with it. So that, it is a fine line when you are asking for something for nothing, when you want people to give it—notwithstanding the benefit for the community as a whole and all of those other good things that are associated with it.

The fact of the matter is, that we are not buying it. We are asking for an easement along the riverbank to accommodate the public amenity space. So, we are having ongoing discussions. Those of us who happen to know individuals perhaps associated with those properties are attempting to influence—we are not simply turning it over to the mayor and saying, you do it. We are all involved in, both the federal minister and myself and the mayor, involved in attempting to secure these last few properties. We are close in a number of them, hopefully in all of them. We are heading in that direction.

We want to try and reach an agreement with respect to these properties as quickly as we can because, for all the good and valid reasons you point out that we need to complete the walkway. Again, we are not going to be able to physically complete the walkway until the winter in any event so that we do have a little bit of time to try and use as much moral suasion as we can without ultimately coming out and publicly embarrassing somebody. I do not think that is necessarily the way to go either when you could try and reach an amicable solution that

will be for the benefit of the people of Winnipeg for a long time to come. I quite concur. I mean, the walkway space along the riverbank is well utilized and a real amenity for Winnipeg.

I first, I think, realized that when I participated in the Riverborne Winter Festival opening when we walked from St. Boniface, historic St. Boniface dock, the torch parade down the river. It is an entirely different feeling and an entirely different perspective on Winnipeg from the surface of the river. What you are getting in terms of the walkways is the ability to use it in the summertime, which is a real advantage from a variety of perspectives, not the least of which is tourism, my old former pursuits. Nonetheless, it is an excellent space; we dearly want to see it completed as soon as we possibly can,

**Mr. Carr:** The minister goes with all of our encouragement. We support him and we wish him luck.

**Mr. Deputy Chairman:** Item 3.(a) Salaries \$430,000—pass; (b) Other Expenditures \$118,200—pass; (c) zero—pass -(interjection)- 3.(c), that is North Portage Development; there is no dollar tied to it.

Item 3.(d)—

**Ms. Frlesen:** Oh, no wait a minute. This is IMAX, right?

**Mr. Deputy Chairman:** I thought we had already gone through that. I am sorry.

**Ms. Frlesen:** I want to ask specifically on IMAX. I understand the part, I asked this last time, and I do not think the minister had the response at the time, that IMAX, in its agreement with North Portage and with the government, was to have produced films in and about Manitoba and by Manitobans, I believe. I wonder what the fulfillment of that obligation has been and what the details of it were.

**Mr. Ernst:** Mr. Deputy Chairman, this line refers to a loan that was made to see the IMAX Theatre constructed and certain activities related to the making of films and so on with it. The specifics of that we are trying to dig out here. What this relates to, this was the interest payment on that \$1.8 million loan. Rather than continue budgeting and making interest payments, the government has written off the loan so that we do not require them to budget for the amount of interest of what it cost. That is quite apart from the terms of an agreement which are necessary to carry out certain activities. I am

just trying to find out if we do have that information or not. Just hang on a sec.

I gather that one film out of the agreement has been produced. The fund that is available for the production of additional films is accumulating as time goes along. The problem is that they are extremely expensive to make. In excess of a million dollars, I think the first one cost. So we are in the process of accumulating that. I can get you some further information, if you like, on what the current status of that is. There is a separate arrangement and a separate management company and a separate fund associated with that. I can dig up that information if you like.

**Ms. Frlesen:** That is what I am interested in. Certainly you could provide that at a later time. It just seems to me that this is the only line under which I can ask it. What I am interested in is, what did IMAX undertake? What is their obligation? How are they fulfilling it?

**Mr. Ernst:** The obligation from IMAX Theatre, which operates the facility, is out of profits to contribute a percentage toward the accumulation of a fund for future production of additional films. They have not said the amount is not a, I think it is one-third of net theatre revenue and one-third of film rental revenue is appropriated yearly towards the film fund. The specifics of that I will have to get for you.

**Ms. Frlesen:** I am interested in also knowing the deadline, not the deadline but at least the time frame, for that accumulation and production. I wonder if the minister would have any comments or any interest in an IMAX film as an aspect of tourism for Manitoba. It seems to be they are expensive films to produce. We did set up an agreement, whereby a portion of these revenues would be used to produce another film. There is a circuit of IMAX-type theatres around the world, in fact -(interjection)- potential for the government and for Manitobans overall in this development.

\* (2110)

**Mr. Ernst:** I think, if ever there was an excellent film that was made to measure for tourism, it was "Heartland." I think it very accurately described the potential amenities, the activities, what Manitoba has to offer. It certainly inspired me originally when we were talking when I was in the tourism department about a potential high-tech tourism centre for The Forks, for instance, as an example,

certainly that film inspired me to see—If you remember the scene in "Heartland," where the thunderstorm occurs—well, my wife would not let me watch that portion of the film. I think it is at the beach in Gimli where the thunderstorm struck and where the rain came pelting down. I mean, it was almost like you were feeling you were getting wet.

I think that kind of experience on a shorter term basis, as a promotion for tourism, for people to be able to say that the experience of Manitoba, so to speak, in a closed environment, is something that dearly, I think ultimately, I would certainly like to see happen. Other events and times and things intervene, but I think my original instructions to the staff when we started out on that was, I said, what do you really feel, minister, what do you want to do with regard to that? I said, I want to be able to do or see somebody catching a fish in a northern pristine Manitoba lake, flipping the fish into the boat and getting wet.

So I had that sort of total experience and ultimately not necessarily doable, but at the same time, that concept of—and that is what I really got out of "Heartland." So in terms of a tourism film, it is an excellent vehicle as far as that is concerned, and I would like to see another, or more than that, but it is a limited market. There are IMAX-type theatres around, but it is a commercial type of activity as opposed to one where you can concentrate more on tourism aspects of it. Not to suggest for a minute that it is not an excellent vehicle, because it is, but I think we need to look at other options, as well, in terms of tourism-type film to attract people to our province and to tell them visually and audio-wise as to the kind of experience they can expect when they come here.

**Ms. Friesen:** I do not know whether this particular kind of technology is expanding, and I know that it does have competition from similar types of technology, but it does have an international presence. I mean, the Museum of Civilization, for example, in Ottawa, which is one of the places all tourists do go, or non-Canadian tourists would go, you have the opportunity there for a national and an international presence.

On the way back from Australia last time, we stayed in Singapore. Singapore has an IMAX theatre, and one of the things they were showing was in fact, and it was packed five or six sessions a day, a film on Canada about beaver, and it was mostly filmed in the Rockies, in fact, but there it was.

It was one of the tourist attractions of Singapore for that particular season.

It does have a potential and it seems to me a relatively easy way for the government to make some impact on a broader scale.

**Mr. Deputy Chairman:** Item 3.(c) North Portage Redevelopment—pass.

Item 3.(d) Canada-Manitoba Winnipeg Core Area Renewed Agreement: (1) Payments to Other Implementing Jurisdictions \$474,400.

**Mr. Carr:** I gather we can take these three lines together.

**Mr. Ernst:** If you want to take these three lines, it is okay.

(Mr. Bob Rose, Acting Chairman, in the Chair)

**Mr. Carr:** I am just interested in the payouts as the Core Area Agreement is wound down. How much is owing from the Province of Manitoba? I am particularly interested in the Payments to Other Provincial Departments. I see there is over a million and a half dollars paid to other provincial departments. Can the minister tell us how that works and just what the outstanding obligations are from the province?

**Mr. Ernst:** If I am reading this correctly, out of \$33.3 million of provincial expenditures under Core II, we have paid out \$27,462,000 as of March 31, 1991. That is not necessarily indicative—we are responsible for a third, but then an overall total of \$100 million. At some point they were a little more, at some point we were a little less, as are the other partners in the agreement as it goes along. It does not always sort of—everybody does not contribute their 33 cents on the dollar for every expenditure. Some implementing jurisdictions, there are transfers back and forth and so on.

So we have roughly about \$6 million to pay. The question of the transfer between other provincial departments, without going into a great litany of all of the individual expenditures, it is things like, for instance, the Housing department carried out the CAIGHO program so the funding from the various partners to the Core Area Initiative agreement has to be transferred to Housing to pick up the cost that Housing incurred carrying out the program. Similarly, Education and Training may be carrying out another program elsewhere, and Education and Training gets the recovery in their budget from the partnership arrangements under the Core Area

Initiative, things of that nature. So there are interdepartmental transfers, depending upon who is carrying out the programs.

**Mr. Carr:** So presumably the last payment will be made on or about May of 1992?

**Mr. Ernst:** The last expenditure in the agreement occurs on or before September 30, 1992. That is the last date for interdepartmental transfers, I think, and so on like that, intergovernmental transfers. The last date for expenditures under the agreement, direct expenditures under the agreement, I think is September.

**Mr. Carr:** Before dinner, the minister told us that the Core staff would be wound down by May of 1992. That means that there is a period of five months or so where there will be expenditures both intergovernmentally and through programs, without staff to deliver them?

**Mr. Ernst:** The majority of the expenditures related to the agreement will—and the last person in the Core, obviously, to go will be the finance person related to the activities, but the implement, what little will be left by that point, and things like land expropriation is one of them that may well be left at that point—be carried out by the implementing jurisdictions and will make appropriate transfers between governments to—assuming that they are not going to be settled by the end of September 1992, which is the last date for intergovernmental transfers and so on, there will have to be an allocation made prior to that point, and it will be set aside for a future and, yes, if we win, we win. If we do not, we do not.

At some point, somebody is going to have to make a judgment as to what it might cost if things are not settled by then. By and large, most of the function will be completed and the implementing jurisdictions will pick up any slack and that is the best estimate of the Core Area office themselves in terms of need for staff and need for administrative support through, beyond May of 1992 is anticipated to be able to handle by implementing jurisdictions.

\* (2120)

**Mr. Carr:** How much of the \$100 million of Core II is unallocated as of this date?

**Mr. Ernst:** By and large, I do not think very much is unallocated, one way or another at this point. It is pretty much all either notionally allocated or committed. I think, by and large, you can say that it is pretty much all, in one way or another, allocated

at this point. So there is not a pot of money around, I do not think. You know, there are a couple of hundred thousand dollars in program 6.3 that has some people waiting for it. If it is levered free, then it will be allocated to those people who have been in line waiting for it, so to speak. So it is pretty much all allocated at this point. There may be some following, again, after further review, there may be some reallocation of money internally from a variety of different sources to meet some priorities. It will depend on what the Core policy committee ultimately decides to do at that point.

**The Acting Chairman (Mr. Rose):** Item 3.(d).

**Ms. Frlesen:** I wanted to ask about the education provisions and to ask the minister how much of this was directed towards ESL programs?

**Mr. Ernst:** I am sorry, I did not catch—

**Ms. Frlesen:** How much of the education allotment here was directed to ESL programs?

**Mr. Ernst:** While we are waiting for that response, I should indicate that we had a little confusion with regard to the dates with respect to the Core. September 1992 is the last date for direct program expenditure, so all funds have to be expended by September 1992. March 1993 is the last date for intergovernmental transfers. Dollars have to be spent by September 1992, but the recoveries and balancing off and so on have to take place by March of 1993. So I am sorry about that. I just wanted to make sure that appropriate corrections are on the record.

There is ESL funding, I am advised, within the training component, the specifics of which I do not have, nor do the staff at this point, but there was no change. Whatever it was is continued on. There was no alteration of that. Anyway, I will undertake to get the information for you.

**Ms. Frlesen:** What is the status then of the ESL programs under Core Area? Do they still continue to be taught? How long will they be taught? How many students are they accommodating?

**Mr. Ernst:** It is my understanding it is continuing on at the present time in the way it was originally intended to carry on. There has been no change or reduction or anything to the program. It is carrying on as it was intended to carry on.

The specifics of how many students, and so on, we will have to find out. I do not know offhand.

**Mr. Daryl Reid (Transcona):** I would like to get a bit more specific, if I might, about the programs under this section here. In particular, the Transcona area is, I believe, part of that, and they had some monies that were allotted to revitalize the downtown area of the community of Transcona. Am I correct in that assumption?

**Mr. Ernst:** Firstly, Mr. Acting Chairman, to advise the member for Transcona (Mr. Reid), that is not a Core Area Initiative program. Transcona is not in the core.

There is, I think, a Community Revitalization Program that is going to be carried out or is being carried out, and that comes in the next appropriation, in Expenditures Related to Capital, but that is the specifics of where I think that is located, and we can deal with it then when we get there.

**Mr. Reid:** Then if it comes under Capital, I will raise my questions under Capital. That would be the more appropriate time, then. That is fine. Thank you.

**The Acting Chairman (Mr. Rose):** Item 3.(d)(1) Payments to Other Implementing Jurisdictions \$474,400—pass; (2) Payments to Other Provincial Departments \$1,519,400—pass; (3) Departmental Expenditures, \$591,200—pass.

Item 3.(e) Riverbank Development.

**Ms. Friesen:** Could the minister indicate in what way the heritage resources of the riverbank are being developed or interpreted?

**Mr. Ernst:** In general terms, the Core Area Initiative has allocated some \$5 million of resources toward riverbank in general terms. Interpretation of the heritage resources, the specifics of the question, the city has been talking about doing some things and so on, the specifics of that, or beyond that, I think that is primarily the focus up to this point.

**Ms. Friesen:** Mr. Acting Chairman, it seems to me that, as a result of the policies of earlier governments, we certainly do have a large number of people now using the rivers, the riverbanks and the river walkways and part of the background of that policy was to develop an understanding of the history of Winnipeg, and I see this in terms of citizen access and citizen understanding of the whole process of urban development. So I am concerned, not just in esthetic terms of the development of heritage resources, but from an educational and indeed a political perspective as well.

So I would like to pursue it a little future. It is indicated here as an objective of this department to work with other governments to develop the heritage resources of this area. This is the ending, if we use the minister's term, of the Core Area Agreement. There was money in there. We know that The Forks has done some interpretation; certainly the National Park has, but what about the rest of it?

**Mr. Ernst:** Mr. Acting Chairman, prior to my coming to the department, there was a proposal made by the former minister to the City of Winnipeg to form a riverfront corporation. That corporation was going to involve the City of Winnipeg, going to involve the province, going to involve municipalities that fronted along the rivers outside but adjacent to Winnipeg, recognizing the fact that those municipalities also played a role in terms of the rivers, and so on, and that public boundaries were sometimes artificial and did not necessarily relate to the whole aspects of it. The public was to be involved in a variety of ways.

\* (2130)

That proposal was put to the City of Winnipeg and they turned it down, unfortunately. They turned it down, suggesting—and this was not in any regulatory authority at all. The regulatory authority was to remain either under whatever acts were in place at the time and/or under the proposed changes as identified in Bill 35. Notwithstanding the fact, the City of Winnipeg turned down that vehicle, which is unfortunate, because I think that, without the major player involved, it is difficult for us to go it on our own and difficult to co-ordinate the other municipalities.

We are sort of back to the drawing boards, as it were. The city was given until the end of, I think, 1990 to reconsider its position and has not. As I say, it is an unfortunate situation. For the moment, we are nowhere, if you like, not to say we do not have an interest, not to say we are not looking for a vehicle to carry out what we think is a valuable role and a valuable asset that we have to enhance and to make more accessible to the public. We are going to go back to the drawing board and see if we cannot come up with some other mechanism to suit that arrangement.

(Mr. Deputy Chairman in the Chair)

**Ms. Friesen:** Could the minister indicate then what his procedures will be from now on, having been rebuffed by the City of Winnipeg? What is Plan B?

What kind of framework are you looking at for that kind of planning procedure?

**Mr. Ernst:** I suppose that the first and foremost and largest need will be patience, but recognizing that there is concern, recognizing that the city, as a result of turning it down, felt somehow that the province was trying to impose its jurisdiction over them, which I do not think was the case. I think it is much like the Winnipeg Region Committee in the sense that we are trying to build a consensus among all those that have a direct involvement in our river system.

I do not have any magic answers in terms of being able to snap my fingers and say, here is a new and better way to do it. I think we are going to have to try and build a trust and a consensus amongst the partners involved in this process and try and come up with a mechanism that will alternately reach the kind of target or goal or objective that we all have. I do not have a magic answer for it. We are going to go back and try again.

**Ms. Friesen:** I recognize the minister does not have magic answers, but does he have a planning process for this? Does he for example have his staff developing some policy options? Is there a series of meetings that are going to be developed with the City of Winnipeg? Will there be public hearings? Has he looked at other examples in other jurisdictions?

**Mr. Ernst:** Mr. Deputy Chairman, it is a difficult situation. The former minister released the riverfront proposal for City of Winnipeg in the summer of 1989 and attached some money to it. Half a million dollars was attached initially and, you know, quite frankly, the City of Winnipeg did not enter into a serious discussion with regard to that issue. It is unfortunate. I think it behooves all of us to speak to any of the people on City Council whom you know and say, look, we need to get on with this process. A few members of the committee need to—we all need to look at—I think we all see it as a laudable objective. I do not know how you influence people there. I mean, you can offer them—we offered them funding; they did not seem to be particularly interested in that and, in fact, the motion stated that the proposal to establish a riverfront corporation not be implemented nor have any jurisdiction within the boundaries of the city of Winnipeg.

Now maybe there was a misunderstanding. Who knows? We will have some additional discussions

as time goes along and hopefully we will ultimately reach a goal of some form of mechanism or vehicle to ensure that the riverbanks are developed in the future for the benefit of the citizens of Winnipeg.

**Ms. Friesen:** So until then the interpretive aspects of the rivers policy is on hold?

**Mr. Ernst:** I do not know what is happening in terms of what Culture, Heritage and Citizenship might be doing. I do not know specifically what Winnipeg may be carrying out in terms of an adjunct to immigration programming or things of that nature, but as far as this vehicle is concerned it is on hold.

**Ms. Friesen:** It did occur to me, Mr. Minister, too, to connect this with the Department of Culture, Heritage and Citizenship, but they, of course, have cut by a third their cultural heritage officers. So I would think that there will be great difficulty in finding support there for developing this kind of policy, so that is why I was looking for it from this department which has had a mandate to develop it.

**Mr. Ernst:** We tried, we are still trying.

**Mr. Deputy Chairman:** Item 3.(e) Riverbank Development, zero—pass.

Item 3.(f) Winnipeg Wards Review Committee:  
(1) Salaries \$34,000.

**Mr. Carr:** Mr. Deputy Chairman, I am interested in some of these numbers. I believe the minister reported to us a figure for the salaries of the chairperson of the boundaries commission and the two other individuals. The pay-outs, I think, were larger in the last fiscal year than show up on this printed page. This has a salary figure of \$4,000; the number the minister reported to us earlier on in the day was something more than that.

**Mr. Ernst:** Mr. Deputy Chairman, staff advises these were the Voted Authority in the last Estimates process, not specific actual expenditures. Actual expenditures depend upon when the committee is hired and appointed, and so on. The committee was appointed about the 2nd or 3rd of February or thereabouts and commenced its work at that point. So obviously it is more money than what is shown in the vote.

**Mr. Carr:** Also the \$34,000 salary figure is much more than the O/Cs have indicated for the commissioners of the Wards Review Committee, so where is the rest of the money going?

**Mr. Ernst:** It goes to the secretary of the committee, who is a term staffperson with the Department of

Urban Affairs, and that is his salary. He will continue on to the end of the year and assist the commission as they see fit, but his salary is charged to this line.

**Mr. Carr:** I see. So that is how it does not appear anywhere else in the Estimates of the Urban Affairs department.

**Mr. Ernst:** No.

**Mr. Carr:** The Other Expenditures of \$56,000, I presume that is for advertisements, public hearings, incidental expenses associated with the commission's work?

**Mr. Ernst:** Mr. Deputy Chairman, if you refer to the Supplementary Estimates, page 36, the budgetary expenditures are indicated there.

\* (2140)

**Mr. Carr:** What are Professional Services for \$33,000?

**Mr. Ernst:** Mr. Deputy Chairman, if the member likes, we can let the staff do a little bit of homework on that, and we will get back to you in a minute or two, and maybe go on to another question and return to that issue. I do not have the breakdown just at the moment. I am trying to pull it out.

**Mr. Carr:** Sure. I am interested in that line because, as the minister knows, the commissioners themselves, the president of the University of Winnipeg, the Chief Electoral Officer of the city and the Chief Justice of the Court of Queen's Bench are not paid.

**An Honourable Member:** They get pens.

**Mr. Carr:** The former minister says, they get pens.

There is a seconded staffperson from the department, so what is the \$33,000 for?

**Mr. Ernst:** I do not have every single detail but, for instance, it was anticipated when the budget was prepared that the Winnipeg Wards Review Committee, not the commission, would be carrying out the balance of the mandate. That committee would have utilized about \$18,000 of this money simply for their per diems or for their contributions toward—it is about \$2,000 a month times 9 months, which would have taken us through to the end of the year. So \$18,000 of that \$33,000 would have been utilized for that purpose.

The earlier \$34,000 relates to the staffperson; 18 of the 33 would have been utilized for the committee per diems. There are some other incidental services in there. The translation of documents was

hired out. Translation of the committee report was actually translated outside of government, so that cost would be attached to that as well. It is an outside professional service. I do not have specifics here with us just at the moment for all that made up every dollar of that line.

**Mr. Carr:** I do not want to be picky, but the minister said that the per diems were for a 10-month period, and they began February 1. So that would mean that there would be eight, not nine, months in this fiscal year. So that would be \$16,000, not \$18,000, but that is being a little picky.

**Mr. Ernst:** It is a new fiscal year, so it starts April 1.

**Mr. Carr:** Right, and they began February 1. So they had two months in the old fiscal year and, therefore, eight months in the new fiscal year to make a total of 10. Grant me my small point.

**Mr. Ernst:** Okay.

**Mr. Carr:** Thank you. When the minister has clarification of the other professional expenditures, we would appreciate it.

**Mr. Deputy Chairman:** Item 3.(f) Winnipeg Wards Review Committee: (1) Salaries \$34,000—pass; (2) Other Expenditures \$56,000—pass.

Resolution 135: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,223,200 for Urban Affairs for the fiscal year ending the 31st day of March 1992—pass.

We will now move on to 4. Expenditures Related to Capital (a) Financial Assistance to the City of Winnipeg, \$14,900,000.

**Ms. Frlesen:** Mr. Deputy Chairman, I wonder if the minister could give us a brief indication of the way in which this money is spent.

**Mr. Ernst:** This money, of course, is the cash flow as opposed to the commitment made to the city on an annual basis related to their capital budget. Some projects are cost-shared, some are not. It depends on individual—but by and large city capital works is where the money is spent, roads, sewers, a variety of different kinds of projects that are contained in the city's capital budget.

**Ms. Frlesen:** I wonder if the minister would like to comment on the City of Winnipeg's plans in this regard. I know he has on an earlier occasion mentioned that the City of Winnipeg debt, which is one of the financial obligations that the city suffers under, is due to suburban expansion or at least the capital projects, and I wonder if the minister would

like to comment in the context of the grants from the province.

**Mr. Ernst:** What I can do is I can indicate to the member what our commitments were for this year. It should be stressed, this is not necessarily a policy arrangement for every year. For this year, \$7.5 million was allocated. There was a total commitment of \$16.1 million; \$7.5 million was unconditional; \$1.6 million was for regional streets; \$137,000 was the Arlington overpass for engineering and structural design; \$500,000 for the Norwood and Main Street bridges; \$2.9 million for transit buses; \$180,000 for existing bus refurbishing; \$134,000 for minor capital purchase in the transit system; \$500,000 for Manitoba Winnipeg Community Revitalization Program; \$300,000 for the Assiniboine Park Zoo; \$220,000 for urban reforestation; and \$2.1 million for flood relief in the existing areas where there are combined sewer systems. That is where the province is putting its dollars of capital contribution to the City of Winnipeg.

**Ms. Friesen:** Would the minister then like to comment on the overall capital expenditures of the City of Winnipeg and the percentage that this is fulfilling or assisting with?

**Mr. Ernst:** The City of Winnipeg recognized I think that it was outstripping its ability to manage its debt and self-imposed a borrowing limit of about \$75 million on itself last year. This current capital budget, I think, is in the area of \$66 million, so they are living well within their means.

The question of whether it is enough—it is probably never enough. In terms of the life cycles, that is always the favourite, and I used it myself when I was there. It was always a favourite of saying you are going, based on this level of expenditure, to replace the sidewalks every 280 years and you can replace your sewer system every 110 years and things of that nature, well beyond, of course, the normal life cycle for those kinds of facilities.

In general terms we are in the process at the moment of negotiating a new urban projects capital allocation for the City of Winnipeg. We are getting close to having a provincial position available to begin negotiations with the city on that.

\* (2150)

In times of limited financial resources it is difficult to be able to simply say, sure we would like to give you more money, we would like to provide additional

capital projects. I think what we would like to do is maybe focus it a little bit more in terms of too many specific projects and so on. We would like to focus it in two or three general areas, urban infrastructure being one area, for example, and simply say that maybe a portion of the capital would be devoted to the city's priorities, a portion of the capital would be devoted to joint provincial-city priorities and then a portion allocated directly to urban infrastructure renewal as an example.

Those are some of the kinds of things we would like to explore with the city to see if that is maybe a more acceptable form of delivery than the current process of trying to allocate individual amounts. I think everybody has—certainly we do and I think the city obviously has the needs of the citizens of Winnipeg at heart and trying best to deliver services to them and capital expenditures to them, trying to recognize there are needs all over the city and trying to at least accommodate some of those needs as time goes along.

**Ms. Friesen:** Mr. Deputy Chairman, I think one of the difficulties is that there are needs all over the city of Winnipeg. One of the things we see from our perspective is that the inner city is being made to pay, in terms of reduced services, for the increasing demand in what we see as urban sprawl.

I wonder if the minister would like to comment on the overall financial support to the City of Winnipeg. I know this line deals with capital programs, but I am looking at the—from the City of Winnipeg's perspective what we have is obviously a difficulty in coping with urban sprawl, a difficulty in coping with a debt, which from our perspective was left by a City Council which was composed of many members of the present government. Now we see that present government from our perspective offloading costs onto the City of Winnipeg.

I wonder if the minister has looked at the proposals that have been offered by CUPE, for example, for the reconsideration of the portioning element of city government—of city allotments rather, which have shifted in the last year to decrease the amount of money available from businesses. CUPE, I think, has also suggested that the government reconsider some of the tax credits to homeowners. I wonder if this minister has had the opportunity to look at those proposals and if he will be able to share his opinion on that.

**Mr. Ernst:** Mr. Deputy Chairman, not yet.

**Ms. Frlesen:** Would the minister undertake to examine those proposals made by one of the city's largest union to the Minister of Urban Affairs and to give his response to those?

**Mr. Ernst:** Mr. Deputy Chairman, I will certainly undertake over the next few months to have a look at those proposals. For 1991 the budgets are set in any event on all cases, both city and provincial, so it is unlikely there would be much change there. I will certainly have a look at what those proposals were.

**Ms. Frlesen:** Mr. Deputy Chairman, as a former city councillor, the minister must be aware of the difficulties that the city is facing. I wonder if he could give us his reflections on the offloading of costs onto the City of Winnipeg, from the perspective of this government.

**Mr. Ernst:** Mr. Deputy Chairman, it is a moot point, I suppose. You might want to term certain activities one way or another as offloading or not offloading.

The City of Winnipeg recognizes grants in 1990 of \$100 million, and in 1991, there is \$100 million, give or take a hundred thousand or so. While we are not providing them as much as they would like and we are not perhaps providing everything that they would ask for and so on, the fact of the matter is that we are not reducing them either.

We have gone through the individual grant processes and so on, but ultimately—and some of that stuff is a function of volume as opposed to anything else. It relates to payments related to volume and so on, but by and large, it is about the same as last year, so if anything, it is certainly not offloading.

The question of individual contribution line by line throughout the city processes, we are not obviously in a position to give them a whole lot more money. We have indicated that. We have gone through that discussion earlier in the Estimates process.

**Ms. Frlesen:** Mr. Deputy Chairman, I think, with a city that is faced with a declining economic base and the GST, certainly the maintenance of the same dollars to the City of Winnipeg is, by any stretch of the definition, a form of offloading.

I am particularly concerned about the increasing welfare rolls that the City of Winnipeg has to face, many of these, in my view, brought on by the policies of this government, so that it is offloading in a double sense. Create the unemployment, charge the city with the unemployment costs that eventually come

to them through the welfare rolls, and then refuse to assist them with any greater grants.

**Mr. Ernst:** Well, Mr. Deputy Chairman, I do not know that I need to go through chapter and verse what the member has heard on a number of occasions previously. The fact of the matter is, we have limited resources available. Notwithstanding the fact that every government in this country is faced with a significant problem, they spend too much money, and notwithstanding the fact that we all have good and valuable programs to carry out, we do not have, collectively, the money to carry them out.

Now, in the case of a municipality, they have to tax for it because they cannot deficit finance. Provincial and federal governments can deficit finance. Notwithstanding all of the things that have gone on, we are still facing a significant deficit in our provincial budget, so that basically it is like anybody else. We are spending more than we take in, and short of increasing taxes, which is quite frankly not an alternative from what I am hearing, that the public out there is fed up—they do not want any more taxes. They have had enough. They say the taxes that they are paying are too high, so if that is the case, then you have two other options, I guess, and that is to cut your expenditures or to mortgage your future through higher deficits. We chose the former.

**Ms. Frlesen:** The consequences of that choice, Mr. Deputy Chairman, are increasing unemployment and eventually people on the welfare rolls. The consequences of that are that the City of Winnipeg welfare rolls are expanding daily. How are you going to pay for it when you are offloading it onto a city which has a very limited taxation base, one in fact that is diminishing and one which is, in my view, very unfairly placed on a homeowner who is frequently on a restricted income or a fixed income?

**Mr. Ernst:** Mr. Deputy Chairman, I disagree with the member in her preamble associated with the question. I vehemently disagree with her that it is the policies of this government that created an international recession, a recession that is affecting countries all over the world, some to a greater degree than others, certainly, but nonetheless that is not significantly put into place by the policies of this government. I am sure we are not internationally recognized, and I am sure the member would also agree with that.

With respect to the welfare rolls per se, there is the Canada Assistance Plan that does fund, both through the province and through the federal government, a significant portion, just the exact amount I do not have at my finger tips, but a significant portion of the welfare costs that the City of Winnipeg has to provide. Certainly, all of these additional costs are not borne solely by the municipality. In fact, by far, the largest amount is borne by the province and the federal government.

\* (2200)

**Mr. Deputy Chairman:** The hour now being 10 p.m., what is the will of the committee?

**An Honourable Member:** Sit.

**Mr. Deputy Chairman:** Sit? Okay, we will continue.

**Mr. Carr:** Mr. Deputy Chairman, I want to ask the minister a question related to capital transfers to the City of Winnipeg. Current estimates are that the bill for municipal infrastructure facing Canada over the next number of years will be something in the neighbourhood of \$15 billion. Who is going to pay?

**Mr. Ernst:** The taxpayer.

**Mr. Carr:** Is it the minister's position and the position of his government that that ought to be municipal taxpayers, provincial taxpayers, federal taxpayers or some combination of the three?

**Mr. Ernst:** I do not know that this government has taken a specific position on that. There were a number of discussions ongoing with the Federation of Canadian Municipalities and the federal government in past years. Support of those positions were, I think, most if not all of the provinces at the time. I am not sure where the proposition is at, at the moment. I think the estimate, by and large, is perhaps a little high but nonetheless is a significant amount of money needed to replace infrastructure across the country.

**Mr. Carr:** What is the position that this minister is going to take to discussions with the City of Winnipeg over the next year or so as the requirements for municipal infrastructure replacement become more and more burdensome? Is it the view of this minister and the government that the province has an important role to play, perhaps even as an equal partner, or is this yet another area where the province believes it is exclusively a municipal responsibility?

**Mr. Ernst:** Mr. Deputy Chairman, certainly, we are of the view that we need to assist municipalities in terms of capital works, and Winnipeg in particular, as it relates to this department. We have done that consistently. However, again, it will be in large part based on our ability to pay, the same as everybody else. The question of national approval on a national program, with everybody sort of buying in across the country, has been on the books for a long, long time. The federal governments have consistently refused to participate, saying it is a provincial-municipal responsibility.

I would think that there is no quick or magic answer to this matter. It is going to cost a lot of money, and we do not have a lot of money to pay for it, but I think maybe what has to happen is that everybody is going to have to start reprioritizing their capital dollars in terms of what municipalities should be doing.

Municipalities, in fact, have a traditional role. The traditional role is to provide the basic infrastructure upon which a community is based, and they have varied from that role considerably over time. It may be that the return to that role will be necessary ultimately to meet the demands and needs of people associated with our urban centres. I do not have—

**Some Honourable Members:** Oh, oh.

**Mr. Deputy Chairman:** Order, please. Could I please have a little bit of quiet. Those members wishing to carry on a conversation, do it in the hall, and we will carry on our meeting here.

**Mr. Ernst:** Mr. Deputy Chairman, it is something that I think everybody is going to have to look, particularly in these times of limited financial resources, to take a second look, a third look and a fourth look perhaps on what they are spending their money on and to better prioritize how that is going to happen.

**Mr. Carr:** Well, Mr. Deputy Chairman, I am interested in the minister's choice of words because, in terms of the provincial role, he says, as funds are available or the ability to pay, the ability to raise funds. At least the minister is admitting, maybe implicitly, that the province has a role to play. Is that what he means to say, that in his view, in the way he views the relationship between the municipality and the province, the province has a responsibility to help fund the replacement of municipal infrastructure? Is that the position of the minister and his government?

**Mr. Ernst:** Mr. Deputy Chairman, we have historically, all provincial governments have historically, made capital contributions, capital grants, to the City of Winnipeg to meet a variety of needs. Some have had strings attached, some have not. As I indicated earlier, we are in the process of putting together urban projects capital allocation for the City of Winnipeg, a component of which would be urban infrastructure replacement. We see that as a significant focus within our mandate of capital contributions to the city.

**Mr. Deputy Chairman:** Item 4.(a) Financial Assistance to the City of Winnipeg, \$14,900,000. Shall the item pass? The item is accordingly passed.

**An Honourable Member:** Hold on, the member for Transcona had asked a question with regard to—

**Mr. Deputy Chairman:** I am sorry. I had not seen it.

**Mr. Reid:** Mr. Deputy Chairperson, the Community Revitalization Program, the Transcona project, I believe, is part of that process. Could the minister give me an update on that program for the community, as well as the amount of funds expended for that program to date?

**Mr. Ernst:** Mr. Deputy Chairman, these primarily are driven by a resident's committee from the community and city staff with assistance. They are in the process, at the moment, of developing a community revitalization strategy, which is anticipated in the very near future for review and adoption. Our contribution to the end of December was \$91,000 approximately, but we have committed future—I think it is a total provincial contribution of \$1 million. The total budget for the whole project is \$2 million, so the city would contribute \$1 million, and we would contribute \$1 million overall.

**Mr. Reid:** Would the minister tell me, please, what type of checks and balances there are in the system to ensure that the monies are expended according to whatever agreements are in place? What kinds of safeguards are built in that the province would oversee in that process?

**Mr. Ernst:** In terms of the plan, that is developed by the resident committee in conjunction with city staff, then it is approved by the City of Winnipeg Planning Committee, and then it is approved by the Department of Urban Affairs. In terms of program expenditure and so on, it has those approval processes in place, in terms of it, I guess, as an

ongoing monitoring activity as well between both the city and the province over these activities as they proceed.

This is a model that has been in place for a long time and has worked reasonably well. I do not think there is any major fear of things going astray. Anything can happen, but it has been a model in place for a long time.

**Mr. Reid:** The reason I ask these questions is approximately a month ago the CRP Committee in Transcona voted to expend some, I believe it was \$340,000, of the monies to revitalize the downtown section of the community. I have not seen any progress on that expenditure of funds to date, and I am just wondering the steps of progression they would have to go through to determine when we can expect some development to start taking place and what role the province plays in that process.

**Mr. Ernst:** They may have determined, not voted to spend, but may have determined that they wanted to allocate \$340,000 of the money toward that end. As part of the plan for the community improvement area, that was the way they felt best to allocate the resources. That has got to go through the process. Once they finalize their strategy, then they have got to go to the City Planning Committee and have it approved there, and then it has got to come to the provincial Department of Urban Affairs for approval. There is a ways yet to come. That is why you are not going to see things happen, sort of immediately.

**Mr. Reid:** Could the minister give me some kind of an indication of what time frame we would expect on the province's part for approval of those funds? Is it more or less a rubber stamp process after the City of Winnipeg has approved the expenditure of those funds?

**Mr. Ernst:** Historically, what has happened is that once the community has developed a plan and it has been approved by the city, the province does not particularly interfere unless there is some blatant kind of thing that is happening. By and large, historically, it takes four to six weeks and we approve it. It is on its way.

**Mr. Reid:** The concern I have is that if the approval is not received within, say, the next 30 days, then that project may not get off the ground for this season as far as development is concerned. That is why I raise these questions at this time.

**Mr. Deputy Chairman:** Item 4.(a) Financial Assistance to the City of Winnipeg \$14,900,000—pass.

Item 4.(b) Riverbank Development \$20,000—pass.

Item 4.(c) Acquisition/Construction of Physical Assets - Canada-Manitoba Winnipeg Core Area Renewed Agreement: (1) Payments to Other Implementing Jurisdictions \$2,361,600—pass; (2) Payments to Other Provincial Departments \$775,200—pass; (3) Departmental Expenditures \$573,600—pass.

Resolution 136: RESOLVED that there be granted to Her Majesty a sum not exceeding \$18,630,400 for Urban Affairs for the fiscal year ending the 31st day of March 1992—pass.

\* (2210)

The last item to be considered for the Estimates for the Department of Urban Affairs is item 1.(a) Minister's Salary \$10,300. At this point we request that the minister's staff leave the table for the consideration of this item.

Item 1.(a).

**Mr. Doug Martindale (Burrows):** I have a number of questions for the minister, Mr. Deputy Chairperson. I noticed in the Annual Report for Urban Affairs, 1989-90, that the Advisory Committee for the Protection of the Winnipeg International Airport is under the jurisdiction, that the minister is part of this advisory committee. The first item that is mentioned in the brief summary in the annual report is that residential developments have been approved that are within the high aircraft noise exposure areas adjacent to the Winnipeg International Airport. One of those that was approved prior to the writing of this annual report, I presume, was none other than Rotary Pines.

I have some very interesting documents in addition to what is printed in the report that I think shed more light on the situation and on which I would like to ask some questions. First of all, I have a letter written by the president of the Winnipeg Chamber of Commerce, copies of which were sent to the federal Minister of Transport, the provincial Minister of Highways and Transportation, the mayor of Winnipeg and the former Minister of Housing. This is dated July 20, 1989.

First of all, the letter expresses concern that the Pines development would introduce approximately

220 residents into the 35 NEF aircraft noise exposure area to the south—

**Mr. Deputy Chairman:** Order, please. Could I ask the honourable member to deal with Urban Affairs? I believe he is dealing with Housing here, the Minister's Salary under Housing, which will be another line in another department.

**Mr. Martindale:** I am dealing with Urban Affairs in that this minister is part of the Advisory Committee for the Protection of the Winnipeg International Airport. I wanted to ask questions about the report of the advisory committee and the questions that were raised by the Chamber of Commerce and others about housing that infringes on the airport. I would hope that the Chairperson would find that in order.

**Mr. Deputy Chairman:** I would ask the minister, is that report under Urban Affairs or Housing?

**Mr. Ernst:** Mr. Deputy Chairman, the report, I think, was commissioned, the Winnipeg area, the airport advisory committee report was commissioned by the former Minister of Urban Affairs. It is difficult at this point when the staff have left and we are discussing the minister's salary. The member, who has sat here through every single, virtually, minute of our Estimates process, when he could have asked those questions when we had an opportunity to refer to staff, in fact did not utter a word throughout the whole process.

I appreciate that he has some political games of what is going on with respect to the Rotary Pines project, and he will have every opportunity to discuss that when we get into the Department of Housing Estimates, which will follow shortly these Estimates considerations.

**Mr. Deputy Chairman:** I am going to ask the honourable member to please deal with that subject under Housing.

**Mr. Martindale:** Well, I agree that I have a bit of a predicament in that the questions that I would have asked would have required detailed answers and therefore probably it would have been advantageous for the minister to have his staff present. I understood that I could ask any question at all under the Minister's Salary, but I will accept the ruling of the Chair in this instance and defer all these questions to the minister's Housing—

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

**Mr. Martindale:** I will defer all these questions to the minister's Housing Estimates.

**Mr. Deputy Chairman:** Thank you. Item 1.(a) Minister's Salary \$10,300—pass.

Resolution 133: RESOLVED that there be granted to Her Majesty a sum not exceeding \$471,700 for Urban Affairs for the fiscal year ending the 31st day of March 1992—pass.

This completes the Estimates for the Department of Urban Affairs. The next set of Estimates that will be considered by this section will be the Committee of Supply, or the Estimates for the Seniors Directorate, which will be tomorrow. Committee rise.

### SUPPLY—NORTHERN AFFAIRS

**Madam Chairman (Louise Dacquay):** Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Department of Northern Affairs. We are on page 142, item 3. Agreements Management and Co-ordination. Excuse me, we have not passed the resolution, right, dealing with the resolution, Local Government Development?

Would the minister's staff please enter the Chamber.

Item 3. Agreements Management and Co-ordination (a) Northern Development Co-ordination (1) Salaries—page 142.

**Mr. Oscar Lathlin (The Pas):** Madam Chair, we are at (XIX) 3.(a), right?

**Madam Chairman:** Item 3.(a) Northern Development Co-ordination (1) Salaries, yes—page 142.

**Mr. Lathlin:** Thank you for that clarification.

Madam Chair, before we broke off this afternoon, I was still trying to get some clarification from the Minister of Northern Affairs in terms of where the discussions and consultations are with the Indian bands, the federal government, as well as other parties that will be affected by the treaty land entitlement.

The reason that I want to come back to that area, Madam Chair, is because the minister spoke with a lot of authority on the way the consultations were going with the aboriginal people, the federal government and other parties who are affected by the treaty land entitlement process.

My question to the minister was going to be, because he seems to have, as he told this committee before it broke off this afternoon, a lot of authority on all these discussions that have been going on between the various parties that are involved in the treaty land entitlement process—I asked him where his department was or where his government was in terms of the consultation process between his department, his officials, and, in fact, which officials are leading the discussions with Indian bands and perhaps maybe give us a better picture of where he is at in terms of that consultation process and negotiation process.

**Hon. James Downey (Minister of Northern Affairs):** Madam Chairman, I indicated earlier it is a priority with the government, treaty land entitlement settlement, and we are currently in discussions with the Island Lake Bands as well as the War Lake Band and the area of Ilford, Manitoba. We are very open and encouraging through the Assembly of Chiefs and also through any individual bands, Swan Lake being another band.

We are discussing very aggressively what the specific claims are that they have. They have asked for or are reviewing the 1986 proposal which was basically the Saskatchewan formula. We will move aggressively to discuss with any band the full proposal. On an ongoing basis, we have bands that come forward showing interest, and as soon as they do, we sit down to aggressively discuss the whole issue with them.

As I say, as soon as the proposals are firmed up, I am prepared to advance them to the federal government and to resolve them.

**Mr. Lathlin:** I am still not sure where the minister is at in terms of the consultation, the negotiation, the discussions that he says he has so far extensively carried out with all affected parties.

Now, on the one hand, he tells us that he has had a lot of meetings with the parties affected by the treaty land entitlement process, but he is not able to tell us whether he is halfway there, three-quarters of the way there, or whether he has any target points, target areas, even target dates.

**Mr. Downey:** Madam Chairman, I guess if I am not specific enough for the member, it is because when you are in discussions and negotiations dealing with three parties, you can assume that you are further down the path than you maybe are.

We have clearly indicated to the bands through the Assembly of Chiefs—and I am expecting a proposal back from them—clearly let them know how we are wanting to resolve the issue. We have communicated with the Island Lake Bands. We have been invited to a conference with Treaty 5. We have discussions going on with Swan Lake. We have discussions going on with the War Lake people in Ilford.

Madam Chairman, I can only say that the process is moving a lot faster now, and there is more chance of resolve in the near future, a lot better chance now after the Prime Minister's comments and directive to his staff. There is a lot more chance now than what took place following the failure of the 1986 proposal. What happened after 1986, for two years I heard nothing from the previous administration as it related to the treaty land entitlement. Then for some time after we got into office, there were some other activities that were developed between the bands and the government, and now I am pleased to report that I would say progress is being made.

I am not going to put on the record here tonight a specific time. I could say that I would like to have it happen within a period of one year. If negotiations and discussions could be successful in that period of time, then I would be very encouraged. The key thing is that all parties are working to an objective goal and that is to settle the treaty land entitlements. I cannot do any better than that at this particular time, but just to say that it is the will of the government. I know it is the will of the bands, and I know it is now the will of the federal government to resolve the long-term outstanding issue.

I cannot disclose anything more at this particular time other than the department which I am responsible for is aggressively working on it.

\* (2010)

**Mr. Lathlin:** Madam Chair, again, the reason that I keep asking for clarification on that issue is because this afternoon the minister attempted to minimize my seriousness and sincerity on the issue by trying to lecture me on whether I was serious enough, on whether I was committed enough to the North in terms of settling the treaty land entitlement.

When I questioned his sincerity and his seriousness, he got very sensitive, of course, and he projected himself as having great authority in the way that he spoke about the consultation process that he keeps referring to, as well as the meetings

that have supposedly been going on between his department and the federal officials.

May I ask the minister then, if he is not able to pinpoint where he is at exactly in terms of consultation, negotiations and discussions with the Indian bands affected, can he tell us then where he is at in terms of discussions with the federal government?

**Mr. Downey:** Madam Chairman, following the announcement by the Prime Minister, I communicated directly with the federal minister responsible for the treaty land entitlements, the Honourable Tom Siddon, directly after that announcement made by the federal government, indicating clearly to him how we were supportive of his statement and anxious to get on with the treaty land entitlement settlement.

Up to this point, I am not aware of a response from the federal government, but we are clearly on the record as a province as wanting to advance the discussions and negotiations and the final resolve to it.

**Mr. Lathlin:** Madam Chair, I thank the minister for the response. I would like to ask him another question regarding treaty land entitlement negotiations. I believe this afternoon he said something to the effect that there would be no problems; the bands are now into the selection process; they are looking at potential areas where land entitlement would come about.

Could I ask the minister then, once more this evening, whether he anticipates any problems or opposition from other competing interests, particularly Hydro, Repap, mining companies, Highways and so on, or even private industry, municipalities, LGDs, those other competing interests that would be in the North which could conceivably get in the way of treaty land entitlement, if the minister is so optimistic?

**Mr. Downey:** If I understand the context or the direction of which the question was asked, Madam Chairman—are there other individuals who are interested or groups who are showing concern as to the selection process—my direct answer is yes.

Communities have put forward their interest as to the selection process. I am sure Hydro probably has, because we are talking about affecting other peoples in the different communities where selections are taking place. The direct answer is

yes, there have been people who brought their concerns forward.

I think it would be important to ask for the input and the support of members opposite—the member for The Pas (Mr. Lathlin), the member for Churchill in trying to resolve some of these issues. Their input I think would be most helpful to try and work our way through the whole treaty land entitlement process. I think it could be a major contribution that could be made by the members opposite.

**Mr. Lathlin:** Madam Chair, the minister keeps questioning my sincerity in a process that will hopefully lead towards treaty land entitlement. I believe this afternoon I reminded him that I come from one of the bands which could potentially end up with some form of treaty land entitlement somewhere down the road.

How he could question my sincerity in this process I have no idea because, as I told him this afternoon, I am a treaty Indian. I am a member of The Pas Indian Band. If The Pas Band could get some kind of treaty land entitlement tomorrow, I would be the happiest person probably in this Chamber right now, besides the Minister of Northern Affairs.

The reason I asked that question about other competing interests is because he seems to be so optimistic that things are going well. He keeps telling us about his commitment to finally settle these long-standing issues, and yet now he says there might be problems down the road because there are other competing interests out there.

My question to him is—the reason I keep asking him if he has any idea what kind of time frame we are looking at and now, just a couple of minutes ago, he told us that there may be problems, and that is the reason why I wanted to get some clarification as to what kind of time frames we are looking at. Are there going to be serious problems that could potentially impede or get in the way or hinder his progress in settling the treaty land entitlement?

**Mr. Downey:** Madam Chairman, I want to clear something up on the record with the member for The Pas. I want him to understand clearly that my only reference to his sincerity was following an attack on me as to how serious I was about the whole issue.

I responded by clearly indicating—and I think the record will show it—that I was really responding to his attack on my sincerity in saying that the way in which it appeared he was approaching it was less

than probably sincere, when he was attempting to probably get a little overly involved politically.

I do not think—and I apologize to the member for maybe overdoing it at the particular time because I do believe truly that working together as members of the Legislature, we can resolve a lot of these outstanding issues. The fact that the treaty land entitlement -(interjection)- the member for Thompson (Mr. Ashton) can quite freely stand and put something on the record if he has a comment to make.

The area of which we are dealing, the treaty land entitlement issue has been outstanding for how many years—not tens of years, not small numbers, but probably 100 years or close to it. The treaty land entitlement has been close to that, has been outstanding.

I am not taking lightly the resolve of the issue. I am sure there will be obstacles that will arise, but the determination of the government, the willingness of the opposition, the willingness of the federal government and the willingness of the bands to bring a resolve to this I think is crucial.

What I see in our community today, what I see in our province today, what I hear from the federal government today, what I hear from the bands today are that all these elements are coming together. I see this as a time in which I think we can accomplish, maybe not in the grand scheme of things, but we can start with some of the bands and get on with the job of resolving it.

\* (2020)

I can tell you, sincerity is here from me and the government. I believe there is definitely sincerity here from the member for The Pas (Mr. Lathlin) from his comments. I know he is a member of The Pas Band and anxious to see a resolve to any outstanding claims they may have. I think rather than fight politically, rather than to try and do anything that is non-supportive, it would not do the overall cause any good.

I am one who, in political life, in political reality, when you start setting timetables and you do not accomplish that timetable and a time frame, what you end up with is that partners or groups involved in trying to reach an objective—the time frame by which you have attempted to reach it in becomes the issue rather than getting on with trying to resolve it.

As I say, I would like to have some of them resolved within a year's time, but I cannot stand here today and say that I can guarantee that to the member for The Pas (Mr. Lathlin). I can tell you, I know in political life that four years or five years as a mandate of a government is a short period of time. It is a really short period of time because the workload, the agenda, that you have to face in whatever department is so great and the time goes by so quickly that you, in fact, have time going by without accomplishing the things you want.

What I am saying to the member and the House is, it is an uppermost issue in my mind. It is something that I want to show some resolve in as the Minister responsible for Northern and Native Affairs and I think we can do it. Now, if we cannot in a reasonable period of time, I stand to be criticized, but it is not going to be that I have not given it my best attempts as a minister.

**Mr. Lathlin:** Even though the minister on May 21 told this committee: treaty land entitlement remains a priority of our government. I have written to both the Assembly of Manitoba Chiefs and the Minister of Indian and Northern Affairs stating my willingness to meet and establish an effective process for negotiating outstanding treaty land entitlement.

Even after he has said that, he is still—am I to understand that he is still—perhaps he foresees very serious problems in the negotiations, the discussions and consultations, particularly from other competing interests? Am I to understand that what he said in his speech on May 21 and what he is saying today are two different things, and that he is not at all sure what the Expected Results will be, even though in his Supplementary Information for Legislative Review on Northern Affairs, he has Objectives, he has Activity Identification, he has Expected Results? Am I to conclude from his comments that, contrary to what he said on May 21, he still has some serious concerns as to whether, in fact, those objectives of treaty land entitlement could be met?

**Mr. Downey:** Madam Chairman, let me make it clear again to the member. As I stated before, it has been a historical issue that we are dealing with, the treaty land entitlement. I am not saying that it is an easy road. I am not saying that there are not competing interests, because there are. I am saying that I think collectively working together with a political will to resolve the issue, I think, is extremely helpful. What is as well extremely helpful

has been the statement made by the Prime Minister who clearly indicated their willingness, as a federal government, to get on with the job of resolving the treaty land entitlement issue. I have to take him at his word.

I have immediately, following that, communicated with the federal minister telling of our willingness to proceed. There will be, let us face it, there will be competing interests in some of the properties, but I can assure him that as this country is developed and as we have seen things happen, that if you take a defeatist attitude at this point without even attempting to accomplish a resolve to it, then I do not think the member for The Pas or any other member in this House would see that as an appropriate thing to do—to throw up your hands and say there are too many obstacles, too many competing forces so we do not even try to resolve the issue. That is not what I want to do. I do not think that is what the member wants to do.

I think in realistic terms we have to appreciate there are some obstacles out there, but I do not think the obstacles are so great that we cannot, in fact, deal with them and get on with concluding some long-term outstanding commitments that were made to the Indian people of this province under treaty land entitlement.

**Mr. Lathlin:** Madam Chair, perhaps I could ask the minister then to table or share with us, with this committee, those letters that he has written to the Assembly of Manitoba Chiefs as well as to the Minister of Indian and Northern Affairs of Canada.

I would also like to advise him that if I had such a defeatist attitude, as he suggests, I probably would not be here this evening.

**Mr. Downey:** Madam Chairperson, I did not say that he had a defeatist attitude, and I am prepared to table the documents. Pass?

**Madam Chairman:** Item 3.(a) Northern Development Co-ordination: (1) Salaries \$157,900—pass; 3.(a)(2) Other Expenditures \$23,200—pass.

Item 3.(b) Agreements Management: (1) Salaries \$292,700—pass.

**Mr. Lathlin:** Madam Chair, perhaps I could get some clarification. This part of the document has to do with the co-ordination, government negotiations for agreements, programs and services under the Northern Flood Agreement, northern development and co-ordination of economic development

branches. That is the Northern Flood Agreement. Could I get that clarification? Is that the Northern Flood Agreement?

**Mr. Downey:** Yes, Madam Chairperson.

**Mr. Lathlin:** Madam Chair, thank you very much for that clarification. I appreciate it very much.

I want to ask the minister, the last time I was visiting Norway House and Cross Lake I had received several inquiries as they relate to the Northern Flood Agreement. Regularly in the House he tells us about the compensation funds that have been forwarded to the Northern Flood bands so far, my question to him is, how much compensation money has been given to the Northern Flood bands and on what conditions? Are they advance payments? Are they partial payments? Are they payments in conjunction with other federal-provincial programs? Maybe he could elaborate on that for us.

**Mr. Downey:** Madam Chairman, as the member knows, there are four parties to the Northern Flood Agreement. There were five bands, there was the federal government, Manitoba Hydro and the Province of Manitoba. I cannot speak for the federal government, although that information, I am sure, is available, but I can only speak for the province at this particular time. As I understand it, since the signing of the agreement 13 years ago, in the first 13 years there was approximately \$11 million that was paid by the Province of Manitoba for identified claims that was paid out of provincial government funds to cover off those identified individual claims.

\* (2030)

On entering government in 1988, there was a commitment made by our Leader, the now Premier (Mr. Filmon) of the Province of Manitoba, that there would be an effort put forward to advance under the Northern Flood Agreement a lump sum of money to show that we were committed to payment in a greater way than which had taken place in the past and to also proceed to enter into what we called "global negotiations" to conclude the commitment by the Province of Manitoba, Manitoba Hydro and the federal government to conclude the overall payments of monies and also to conclude the settlement of land to those bands.

The member should be aware that we are currently under the initial Flood Agreement working with four bands. One band decided, at the end of a period of time during our global negotiations, that

they would want to continue to discuss and negotiate with the province a global settlement, that being the community of Split Lake.

Our senior negotiators are currently working with Split Lake to bring a global settlement to their portion of the Northern Flood Agreement. We have four bands that are currently being dealt with under the original Flood Agreement, one band that has decided to continue on the global discussions to continue on a global settlement.

To be specific about the numbers, over 13 years of the previous administration and the former Lyon administration, there were some \$11 million. On becoming minister in our government, we advanced some \$10 million to the bands. I believe it was 1989 or 1988. That is the amount of money, basically, the province has contributed for their share of the Flood Agreement.

**Mr. Lathlin:** Perhaps I could ask the minister—first of all, I should thank him for the information he has given us, \$11 million dollars previously, and then he says that he subsequently awarded \$10 million.

Could I ask him, then, what he means by global negotiations? Could I also ask him why only one band has agreed to go by way of global negotiations, and why the other bands have refused to go by way of global negotiations?

**Mr. Downey:** Just to make it clear, Madam Chairman, the bands came to government requesting a process to enter into and do global negotiations.

Why just one band has decided to continue to proceed on global, I can only speculate at this particular time, that being that the band which is continuing to negotiate was, I guess, satisfied with what was on the table and the process that was taking place.

Apparently, the other four bands decided that they would be in a better position to continue on under the previous Northern Flood arrangements and contract. That, I would guess would be—and, as I say, I cannot speak for the bands—but that is what I am assuming. I understand the position of the other four bands was that they felt they would do better for their communities by continuing under the traditional Northern Flood Agreement that was signed.

**Mr. Lathlin:** Madam Chairperson, I am puzzled as to why the minister would not have an idea as to why the other bands did not want to go by way of global

negotiations. After all, he has told us so many times this afternoon and this evening that he has met with them; his officials have met with them; his senior people have met with them, time and time again is the information he gives us. Yet he cannot explain to us why the other four bands are not willing to go by way of global negotiations. Can he explain that to us?

**Mr. Downey:** Yes, Madam Chairman. I guess the member is referring to meetings. I am referring to meetings that were held to do with the treaty land entitlement, more specifically, that we referred to earlier in our Estimates. I guess the bottom line is that the four bands were not satisfied with the direction or what they considered the final conclusion global negotiations would provide for their communities. That is clearly what I would understand and what they have communicated to me, that they were not happy with what appeared to be in the final proposal, whereas Split Lake, as a portion of the final proposal, were prepared and are negotiating to conclude global settlement.

It is a decision of the bands which they have every right to decide. I guess if they have made the decision or taken the decision they would be better off under the traditional long-term settlement agreement than they are under the global, then that is their choice and that is the choice that they made, that they would be better off to seek to use the original Northern Flood Agreement.

**Mr. Lathlin:** Madam Chair, I would like to ask the minister, am I correct in saying that the reason the four bands are refusing to go by way of global negotiations is that they have looked at the terms of the compensation and their concern is that once they get compensation it will be a one-time compensation? Is it not, in fact, what they are looking for is on-going compensation because not only was a community destroyed but a whole way of life was destroyed? Is that not why the minister is having so much difficulty in convincing the other four bands to go by way of global negotiations?

**Mr. Downey:** Madam Chairman, let me make it clear. It was the bands that came to the province and requested a global settlement. That is how I understand it, that the bands came to the province and asked for a global settlement. Why did they come? Because they were not satisfied with the flow of monies or the land settlement under the Northern Flood Agreement that was being accomplished.

Regardless of who was in government, they were not satisfied with what was being accomplished under the original Northern Flood Agreement. They came forward and said they would like some funds and they would like to negotiate a global settlement, that they would, in fact, be able to get their lands—they have a fair amount of land coming to them because of the hydro usage of their traditional lands—that they would have monies they would be in control of, that they would not have to continually go to an arbitrator or continue to drag out through the process of provincial government, federal government and discussions, that they wanted to get that money in their control.

\* (2040)

It was their request, No. 1, to come forward for global settlement and No. 2, the reason they came forward, as I understood, is that they were not satisfied with the speed at which they were getting payments from the province. So we have attempted, and I say with some success, to have the working relationship, and I am still open to the four bands if they at some point say they are prepared to discuss further the global issue. The door is not closed.

What we have to do is be fair to the people who are impacted, and I can tell you after having visited communities like Cross Lake, a community that was—their whole lifestyle was impacted by the activities of the building of Jenpeg which has been under question for some time in this province. Again, a decision that was made by government, by friends of the member for Thompson (Mr. Ashton), his party that were in government building a dam which clearly reversed the cycle in the communities. In the summertime they have a large amount of mud flats without water so they cannot fish, the water being held to come out of the dam in the wintertime. What happens when you let fresh water out of a dam in the wintertime? You get slush ice; you get all the kinds of impacts of a river building up with ice, water. It impacts on trapping; it impacts on transportation. So it basically reversed the lifestyle of that community and took away what their traditional harvesting and gathering activities were.

**An Honourable Member:** Who done it?

**Mr. Downey:** It was clearly a decision made by government. The comments that were made—and when I first was elected and appointed Minister of Northern and Native Affairs, a good friend, and I

know most people here know, Walter Monias. Walter Monias was working very hard. He was the chief at the time who had made the decision and was pushing for a global settlement.

The Chief of Nelson House, Rodney Spence at that particular time, certainly a friend of mine, and I know politically has been involved before, but again interested in getting some resolve and long-term settlement to the northern flood arrangement and was supportive of global settlements.

Alan Ross, who is the Chief of Norway House, again was working aggressively to try and resolve the issue and has now made the decision that he would not be satisfied with the global settlement that was being offered, every right that he has to change his mind and to go to continue on with the traditional flood agreement which was completed and signed in 1977.

I do not think all is lost, Madam Chairperson. I believe that we still have an opportunity, both with the traditional agreement to resolve some of the outstanding claims which we are continuing to work on—but I think with the work that is being done with Split Lake and the negotiators who are working aggressively, hopefully within a very short period of time we are able to see that come to a conclusion.

The community people, I believe, are quite tired of seeing lawyers, consultants and all those individuals who are getting revenue from governments and Hydro, are tired of the monies that are being paid to those people in our society and the community still going wanting for the benefits of what they should get under the Northern Flood Agreement.

That is a big criticism that has come forward again and again and again. The communities have been impacted; they see very little benefits paid to them. They are waiting for, I think, a justifiable land settlement that is going to again enhance the base from which they are working, and that is part of the whole package and I think a very attractive part of it.

I am very committed, Madam Chairman, to try to get a resolve to this, and I just say that I hope that the conclusion of the Split Lake Band settlement is one which progresses to a conclusion which is satisfactory to the band, to the federal government, to the province, and to Hydro, because I think it is the right thing to do and I want to see it done.

**Mr. Lathlin:** Madam Chair, I just have about three more questions in this area. The first one is, if the Split Lake Band were to come to a settlement with the federal government, Manitoba Hydro, province, provincial government, this global settlement that the minister refers to, how much would that be in terms of the federal contribution, the Hydro and provincial government contribution? I am sure the minister knows. After all, he keeps saying that there are four parties involved in these negotiations.

**Mr. Downey:** One of the rules in this House should be that you should not answer hypothetical questions, and so I am not going to.

Secondly, because we are in negotiations, and I am sure that the band and the other partners to the agreement are anxious to get a resolve to it, I am really not at liberty at this point to disclose the amount of money that is being talked about.

There have been some public expressions of what the total global discussions were, negotiations, that have been public information. I do not believe there has been public notification of what the Split Lake settlement would be. I think in fairness to the Split Lake Band and to the partners that it would be unfair for me to discuss the amount at this particular time.

**Mr. Lathlin:** Madam Chair, I must agree with the minister on that statement then. However, I just wanted to have an idea, the amount of settlement we are talking about, because as I said before, quite regularly the minister says, I have given so and so so many millions of dollars. I thought I would ask him what the total amount of settlement would be, but I respect the confidentiality of negotiations, so I am not going to press that.

However, I know we are talking about the Northern Flood Agreement. We are also going through Northern Affairs Estimates and Northern Affairs includes communities like Chemawawin, Moose Lake, The Pas Indian Band, Grand Rapids. When I say communities, I mean both Indian bands and the Metis communities. In his statement on May 21, he said that the Chemawawin First Nations, the Easterville community, Moose Lake Indian Band and the Moose Lake community council received settlements as a result of the Grand Rapids generating station.

My question to the minister is this: Are there any plans on the part of the minister and on the part of Manitoba Hydro as to whether the same

considerations would be given to the communities of The Pas and Grand Rapids?

**Mr. Downey:** Madam Chairman, as I understand the process that took place for 20-some years, government has indicated that they did not have any further obligation to any of the bands as were related to settlement of any Hydro-related claims.

The Premier of the province, the Honourable Gary Filmon, Leader of the government, after a request from those communities and discussions, requested Hydro to take a look at the obligations that Hydro may have, maybe not legally but morally, to those communities. As I understand it, Hydro hired a consultant to report back to them as to the justification, as to any reasoning as to why Hydro should settle.

As I understand it, that report from the consultants indicated that The Pas actually did not have any claim to the impact or the problems that were created with Hydro and the Grand Rapids forebay. However, they did indicate that Chemawawin at Easterville, the Moose Lake Band and community, and that possibly Grand Rapids and Cormorant could in fact have been impacted by it.

That came from a consultant's report that was requested by Manitoba Hydro. As the member knows, to this date we have seen the settlements with the Moose Lake community, Chemawawin at Easterville, and open to discussions at Grand Rapids and Cormorant. Again, that is basically as I understand the situation as it is to date.

\* (2050)

**Mr. Lathlin:** Madam Chair, I would just like to make it perfectly clear in my mind so that I can advise my constituents.

The minister is telling this committee that only Chemawawin and Moose Lake were entitled to, not legal but moral, some kind of moral compensation—whatever that means. All I know is four communities were devastated by the Grand Rapids Hydro installation. Now whether that translates into legal responsibilities or moral responsibilities, I guess, it is up to the minister to interpret that.

I just wanted to have it clear in my head. Only Chemawawin and Moose Lake are being compensated; maybe Grand Rapids and maybe Cormorant, but for sure not The Pas. Is that what the minister is saying?

**Mr. Downey:** I indicated, Madam Chairman, both Chemawawin Band and the Easterville community qualified; Moose Lake Band and Moose Lake community qualified; Grand Rapids Band and Cormorant, also, could go forward for some settlement with Manitoba Hydro. This came not from Manitoba Hydro. This did not come from the government. It came from a consulting group that was hired by Manitoba Hydro that recommended this to the Manitoba Hydro. That basically is it.

**Madam Chairman:** Item 3 (b) Agreements Management: (1) Salaries \$292,700—pass; (2) Other Expenditures \$94,600—pass; (3) Northern Flood Agreement.

**Mr. Nell Gaudry (St. Boniface):** Madam Chairperson, for the Northern Flood Agreement, I know when he said he was going to give some details, he said, yes, and he sat down. Could I have some details exactly from the Northern Flood Agreement and the reduction of the expense from \$855,000 to \$604,000?

**Mr. Downey:** The reduction is due to administrative costs within the whole area of Northern Flood Agreement and the negotiating process related to costs of senior negotiators, legal, that type of thing—the actual administrative costs of the process.

**Mr. Gaudry:** Therefore, this amount of monies is strictly administration, and it is not part of the settlements that are done with the northern communities?

**Mr. Downey:** It is made up partially of both, some administrative and some claim-by-claim settlement.

**Mr. Gaudry:** Can we have a breakdown of the amount of settlement and to what communities?

**Mr. Downey:** Madam Chairman, it is somewhat complicated because we are dealing in certain communities with certain activities, and I do not have a specific breakdown. Within the 600 and some thousand dollars that is being referred to, 604, some of it is administrative costs. Some of it is ongoing claim costs as it relates to the administration of those particular claims, but it is basically administrative.

For example, and I will give some examples, it is support to Norway House, community trap line compensation; fishing in Cross Lake, fishing compensation, trap line; again Nelson House, commercial fishing compensation and recreation. So there is a variation of settlements that are

involved in these dollars and, as the claims come forward, whether it be for trapping, whether it be for fishing losses or whatever; if an agreement cannot be reached between the province and the bands, then it goes to the arbitrator for decision.

If the member would want to, I think it would do him well to take a look at the Northern Flood Agreement that was signed in 1977 and see how comprehensive it is. What is included in there will be parts of what we are spending money now to help the resolve of some of the losses the communities incurred.

**Mr. Gaudry:** This evening we have been hearing that he is contemplating on further settlements in the Northern Flood Agreement. Why would we see a decrease then in this year's budget compared to last year, if there is contemplation of further expenses for the settlements?

**Mr. Downey:** Madam Chairman, at this point we cannot determine what some of the settlements will be. I guess, given the fact that if we were to obtain a global settlement, with Split Lake for example, we would have to come back to the Legislature for the amounts of money that are required and/or other accommodations made for that money. This is to look after the ongoing negotiating, and it is to also look after some of the smaller settlements, some of the claims, that will be coming forward.

At this point, it is pretty hard to determine what some of them will be. I know that there have been requests for greater amounts of money, but again, we have a process which we have to go through. I am still hopeful that we can conclude a global negotiated settlement, particularly with Split, and maybe when it is scrutinized by the other bands, they may be prepared to further discuss in some way the global settlement. Again, that will be at their call though, Madam Chairman.

**Mr. Gaudry:** Madam Chairperson, the minister earlier mentioned that there was a consultant's report made by Manitoba Hydro. Would it be possible that we get a copy of the report to have a look at it?

**Mr. Downey:** The consultant's report was to deal with the Grand Rapids forebay impact. I believe it has been made public, and if it has been, I have no difficulty in my colleague the minister -(interjection)- pardon. -(interjection)- Again, the proper request would be to Manitoba Hydro. It would be up to them to determine whether it would be made public. If it

has already been made public, I am sure there would not be any difficulty, but again, that would be up to Manitoba Hydro, through the minister, to release that report.

**Madam Chairman:** Item 3.(b)(3) Northern Flood Agreement \$604,900—pass.

Item 3.(c) Economic Development: (1) Salaries \$416,500—pass. 3.(c)(2) Other Expenditures.

**Mr. Gaudry:** Yes, under Other Expenditures, Supplies & Services has gone from \$23,100 to \$4,900. Why the huge drop?

**Mr. Downey:** The Special ARDA agreement expired and there was no need to have those additional funds to carry on some of the work that was done previously under Special ARDA, for example Supplies & Services.

**Mr. Gaudry:** Madam Chairperson, what provisions are there to replace the Agriculture and Rural Development agreement, ARDA?

\*(2100)

**Mr. Downey:** At this particular time, Madam Chairman, there are discussions, and have been for some time, to see what form of an agreement that might be reached between the province and the federal government. I can only report at this time that discussions are taking place, but there is not any formal agreement between the province and the federal government.

**Mr. Gaudry:** The expected results state that there is to be the establishment of a business venture in each remote and northern community. Is this the establishment of a new business venture every year or merely the assurance that each northern community has at least one business venture? Could the minister explain?

**Mr. Downey:** That is our target for this year.

**Mr. Lathlin:** I would like to ask the minister—in the Expected Results it says, "The transfer of Moose Lake Loggers Ltd. and Channel Area Loggers Ltd. to local entrepreneurs." Could he explain what that all entails? Has anything been done officially, or can he share any other information with this committee as to what the transfer of Moose Lake Loggers Ltd. and Channel Loggers Ltd. to local entrepreneurs means?

**Mr. Downey:** Madam Chairman, I guess just to give a quick summation, the initial development of the Moose Lake and Channel Area Loggers, as I understand the history and the information that I

have received, is that it was the objective initially to have those corporations, those logging companies, established for eventual takeover and operation of them by the communities.

What we have been able to accomplish with Channel Area Loggers is we have recently been able to complete a negotiated agreement with the community supported by the board of directors to do that, to now have the wood suppliers make direct contacts with Abitibi at Pine Falls. That is, I think from the information I have, supported by the community. As well, any tree planting activity will, in fact, be carried on by individuals within the communities.

So what it is doing is it is allowing and assisting them to more closely operate the organization without the direct involvement of government, I think from what I am hearing, supported by not only the board, but by the community.

Moose Lake, as I understand it, the initial objective was to do the same thing, to have the community people get involved in the harvesting and the supplying of product for what was Manfor and now Repap, and it is supported by the community, the move for the community to take over the responsibility of it. When communities want to move in that direction and take more direct control, I think it is incumbent upon governments to co-operate, and that is basically what we are doing.

I would hope that there are many successful wood operators and many successful tree planting and related activities carried out as possible. Again, communities are indicating their support for going in that direction, and we want to co-operate as a government.

**Ms. Rosann Wowchuk (Swan River):** I would just like to ask a couple of questions on the wild rice enterprises. Can the minister tell us where those testings are taking place and whether that material is made available to other communities to share in?

**Mr. Downey:** Wild rice production is an extremely important resource activity in our northern communities. The wild rice activities were traditionally housed within the Department of Natural Resources and have currently been moved to the Department of Northern Affairs because of some of the related work. I say, particularly as it relates to information from one community to another, yes, it is extremely important that experiences in one community are transferred to

other communities, and that is what the job of the Economic Development officers and employees of government are to do.

One of the first opportunities that the government had when I first came in was to give support to the wild rice industry by loan to The Pas wild rice co-op. My staff worked closely with them, and there was a short-term financing needed of some \$200,000 which was made and, within a very few months, that bridge financing was paid back. I see the wild rice industry has tremendous potential and, hopefully, see an expansion of it through all those areas and communities in the North that are capable of producing it and handling and marketing the product profitably upon the production of the wild rice.

**Ms. Wowchuk:** The community of little Indian Birch, the reserve there, I know, has expressed an interest and has written to the minister about wild rice production and wants to establish an operation there. Can the minister let us know what the status of that is—I understand at one time there was some testing done in that area—and whether that community is going to get any assistance to establish an operation?

**Mr. Downey:** Unless the information, Madam Chairman, came to me and has either not been brought to my attention or else misplaced, I am not aware of any; but I can assure her that I will take a look as to what correspondence I have on it. If there has been a study done on it, then I am prepared to provide that information and do whatever I can, the department can, to assist the community in the production of wild rice. I will have to take the question more as notice at this particular time and discuss it further with her as it relates to that specific community.

**Ms. Wowchuk:** I would be quite willing to share with the minister a copy of a letter that I have copied to me. So I would like to talk to him about that, perhaps, at a later time and see if we can get some development there.

The other community that I have concern with is the Shoal River Indian Band, and they have expressed some concern about the cutting rights in that area with the expansion of Repap. They are now concerned that they do not have the ability to get quota or to do any work in that area. Can the minister tell me whether there has been any consultation with the Shoal River Indian Band as far as operations in their area for cutting?

**Mr. Downey:** Madam Chairman, with respect to my honourable friend, the member who just asked the question, that probably would be more appropriately asked of the Department of Natural Resources who have control of the cutting rights and the forestry of this province, and it would be more appropriate to direct the question either directly to the Minister of Natural Resources (Mr. Enns), or I can have a contact made to get that information for her.

**Ms. Wowchuk:** Madam Chair, what I was asking the minister was, has any of his staff been working with the Shoal River Indian Band to deal with this matter of cutting rights that they feel they have lost because of the Repap deal?

**Mr. Downey:** Not to my knowledge, Madam Chairman, but I will check with staff to see if there have been some individuals involved.

**Mr. Lathlin:** Madam Chair, the minister advises this committee that the Moose Lake Loggers Ltd. and the Channel Area Loggers Ltd., the transference of those Crown corporations to local entrepreneurs is being supported by those two communities.

I wonder if the minister would be prepared to share with this committee any kind of documentation that might support the statement that Moose Lake Loggers Ltd. and Channel Area Loggers Ltd. indeed supported the transferring of those two companies, Crown corporations, to local entrepreneurs and whether it was indeed supported by the board. So I am looking for two pieces of information.

**Mr. Downey:** Madam Chairman, I am prepared to share any resolutions that the boards of directors have provided to me as it relates to that particular subject.

**Mr. Lathlin:** Could I also ask the minister to share with us if he has any information regarding the International Woodworkers' concerns for the possible transfer of Moose Lake Loggers into private entrepreneurs?

\* (2110)

**Mr. Downey:** Madam Chairman, all I can indicate is we are aware of the requirements and the issue which the member refers to.

**Mr. Lathlin:** Madam Chair, yes I am aware of those requirements as well. That is why I am asking the minister to see if he could share with us any information that he may have regarding those

concerns that have been expressed by IWA in regard to the transfer.

**Mr. Downey:** I would have to check, Madam Chairman. I am not sure if I have any direct communications in writing from them. I know that through staff discussions there have been concerns brought forward as I indicated, but I would have to check as to any specific written concerns. Maybe the member himself may have some written concerns which he would like to provide for me to make sure that I have a copy of the concerns that he is referring to.

**Mr. Lathlin:** Madam Chair, I do have some documentation, not with me, but I will be more than willing to share it with the minister and his staff.

**Madam Chairman:** Item 3.(c) Economic Development: (2) Other Expenditures \$109,900—pass; (c)(3) Corporate Projects \$250,000—pass.

Item 3.(d) Management Services—sorry.

**Mr. Gaudry:** Yes, Madam Chairman, on Management Services, branch functions have been distributed to alternate responsibility centres. Could the minister tell us where the functions of Management Services have been distributed?

**Mr. Downey:** It has been a reduction within the department, Madam Chairman. That is basically the reason for the reductions. It has just been a reduction, and the work activity is now carried out by other internal staff within the department.

**Mr. Gaudry:** Madam Chairperson, these two staff were they laid off or transferred to other departments in the Civil Service?

**Mr. Downey:** They were part of the list of civil servants that were in a layoff position.

**Madam Chairman:** Resolution 118: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,949,700 for Northern Affairs, Agreements Management and Co-ordination, for the fiscal year ending the 31st day of March, 1992—pass.

Item 4. Native Affairs Secretariat.

**Mr. Gaudry:** Madam Chairperson, the secretariat is the liaison between departments and Natives, and it is accountable for these areas. My question is, what discussion took place between the Native Affairs Secretariat and the Department of Education and Training before Native education program development was cut by almost \$50,000?

**Mr. Downey:** Madam Chairman, the appropriate place to ask that would have been under the Department of Education and Training. There are certain situations that the Native Affairs Secretariat does enter into discussions with the different departments, but basically those decisions are finally made by the department that is responsible for them. I can tell you that we are responsible for maintaining and getting our Estimates approved. Discussions take place with other departments; however, the final decision does rest with that department.

**Mr. Gaudry:** Madam Chairperson, it states clearly that the secretariat is still the liaison between departments and Natives.

My second question, did these discussions take place before the budget cuts affecting Keewatin Community College?

**Mr. Downey:** Madam Chairman, the answer would be yes.

**Mr. Gaudry:** Madam Chairperson, I also wonder if the Native Affairs Secretariat provided a liaison with aboriginal groups when the government decided to implement a \$50 user fee for the transport of northern patients.

**Mr. Downey:** Again, Madam Chairman, I do not have to particularly get into the issue. I can tell you that the Department of Health is responsible for the particular decision that was made.

I think it is clear to note that we are dealing with the Native Affairs Secretariat. Regardless of whether you live in a remote or isolated community, whether you are Native or non-Native, if you are to come to Winnipeg or to get medical services on an emergency basis, then there is no charge of anything to anybody.

An emergency trip is paid totally for by the province. If there is an elective trip coming from Swan River, the full cost of that trip to Winnipeg and all related costs are the responsibility of the individual. If you are coming from a remote, isolated and northern community, the maximum that you would have to pay would be \$50.

Now I ask members of the opposition if that is not fair, but what I do not particularly think is fair is the manner in which they are trying to paint this particular policy matter. -(interjection)- I guess the member for Thompson (Mr. Ashton) would be well advised that if he wants to see the maintenance of a medical centre and a specialist centre and all the

activities in Thompson, that he would want to encourage this kind of a policy to encourage the people of the North to use Thompson as a major medical centre which would in fact provide---

**Mr. Steve Ashton (Thompson):** Which they do. The only reason they access northern transportation a lot of times is to get those services. You do not understand the programs.

**Mr. Downey:** Well, the member for Thompson is getting excited. I cannot understand it.

**Mr. Ashton:** No, I am not getting excited. I am getting upset with your complete ignorance of the North.

**Mr. Downey:** Well, I guess he is excited and upset, two things.

Specifically, Madam Chairman, the question would be better put to the Department of Health, but I say specifically, on emergency trips regardless of your race or origin or where—the same policy applies.

**Mr. Gaudry:** Yes, Madam Chairperson, since the minister is supposed to liaison again between those two departments and the Natives, maybe he could articulate some specific examples of what the Native Affairs Secretariat has done.

**Mr. Downey:** Madam Chairman, in the interests of time, I will try and keep it brief, but I could go on for quite some time to clearly indicate the productive work that has been done by the Native Affairs Secretariat as it relates to working with different communities, with different departments, negotiating whether it is again the whole agreement section, which it traditionally has done business with the Native communities.

I think our record speaks very clearly, Madam Chairman. I am very, very proud of it, whether it is dealing with the funding for the indigenous women of this province, which was the first time that they have ever received funding was under our government, with the development and work that is being done, and the co-ordination that is being done under north central Hydro. We have had I think a lot of successes in many areas. As I say, it would take a long time to explain them to the member, and I will resist the temptation of doing so.

\* (2120)

**Mr. Gaudry:** Yes, Madam Chairperson, I will give him leave to give us the details.

The minister has also overseen a funding cut to transportation, communication, supply and services and other operating expenditures. In all, over \$40,000 has been taken from the budget of the secretariat.

What are the immediate impacts of these cuts?

**Mr. Downey:** Basically, minor reductions in a few areas, Madam Chairman, but nothing of any major amount to any one organization. It was just a general overall reduction of small amounts in the operating costs of the department.

**Mr. Gaudry:** Madam Chairperson, one final question: Aboriginal Development Programs, what programs are these, and why has there been a funding drop by \$50,000?

**Mr. Downey:** Basically the grant funding to all the organizations has been maintained the same, and the reason for the \$55,000 was unallocated resources.

**Madam Chairman:** Item 4.(a).

**Mr. Lathlin:** Madam Chair, we are dealing with the Native Affairs Secretariat line. I wanted to ask the minister, he has been talking about a strategy called Urban Native Strategy. I am just wondering where that initiative would be included, in the Native Affairs Secretariat or in another branch.

**Mr. Downey:** Yes, Madam Chairman, it is in this section.

**Mr. Lathlin:** I am sorry, Madam Chair, I could not hear the answer.

**Mr. Downey:** Yes, Madam Chair, I do not mind repeating it. It is in this section.

**Mr. Lathlin:** Madam Chair, could I ask the minister—when we went through the annual report before Christmas, I believe it was, and then when we were going through Estimates last time around, I asked the minister whether he had any documents or papers that he could share with us in terms of where this Urban Native Strategy has progressed to. It has been a while now since the initiative was announced, and so far we have not seen too much in terms of concrete results or concrete actions. All we seem to be getting is, yes, we are doing something. However, nothing has been put on paper yet.

I am just wondering if the minister could maybe give us an update as to exactly where the Urban Native Strategy is. What has been done so far in terms of whether any reports, any consultants have

been hired and so forth? More importantly, does he have a strategy paper or reports that he can share with us?

**Mr. Downey:** Madam Chairman, let me first of all say that the only area in which we are talking of Urban Native Strategy does not evolve particularly from the Native Affairs Secretariat. I can make reference to support for the aboriginal women's shelter of the city of Winnipeg. I can make reference to, specifically, the overall educational program for the Abinochi program which was supportive. I can refer to many, many meetings of community leaders that have taken place with staff, with the people who have been responsible for the work in urban Native activities.

I guess the best and most productive solutions, I believe, would lie with the Native leadership themselves, and I know that the enhancement of job opportunities and encouragement for those job opportunities outside of the city of Winnipeg or outside of our urban centres, to give a meaningful, productive opportunity in life, would be the most successful urban Native strategy that we could develop. Specifically, we are trying to work and have seen reasonable success in bringing together the different communities that are involved, whether it be through working with the city, working with the federal government.

There are three major participants as it relates to government and, of course, the most important component of any urban Native strategy is the input from the people from the aboriginal community themselves to try to resolve some of the difficulties that people face when they come to the city of Winnipeg. Not to say that there are not already some important organizations that are in our communities with the Metis friendship centres, with the different organizations that have developed of their own initiative with government support that have seen the need for development of support systems for people within our urban setting.

What the request currently is, is to find a centre for a lot of Native activities within the city of Winnipeg, particularly. I can say that there have been discussions related to that, take place between the province, the City of Winnipeg and the federal government and supported by the province. We will continue to work on it. I can tell you that it is an area that is not always clear. It is not always clear-cut to say that you will develop a policy which

will specifically deal with this particular problem or this particular situation. So it is a moving target.

The need continues to go on and expand. The numbers of Native people who come to the city of Winnipeg to find the employment opportunity or a service or a better way of life than what they have traditionally enjoyed, one has to appreciate why they are proceeding to migrate to our city. It is for opportunity. It is for education. It is for many reasons. It is because of their personal desires.

What we have to do, and I believe very strongly, is to encourage the business community, to encourage the educational community, to encourage the city fathers, to encourage the Native leadership to form an organization that can deal with some of the difficulties and the activities that these people face.

What concerns me a little bit, Madam Chairman, would be to fully utilize the resources of government and/or those available from the city to overly develop an overly structured mechanism which, in fact, could deprive some of the needs of those individual people from getting the kinds of programming that would be supportive of the individuals themselves, so I am not saying that there has been as much progress as I would have liked, but I think there has been progress made.

\* (2130)

The member for Thompson (Mr. Ashton) hopefully would be supportive of it and, let us face it, the numbers of Native people who have migrated to the city of Winnipeg just did not appear two years ago or three years ago when we were elected. The member for The Pas, I know, is quite aware of the fact of the numbers of people who have come to the cities of Winnipeg and Brandon, looking for employment and looking for opportunities in life and find themselves in such a situation where maybe there is not a program or a supportive mechanism for them. We all have to strive to try to better that situation.

I am working to that end, and I think it takes a full involvement and long-term commitment. I have not a final resolve to it, but I think if we keep working together, we can accomplish a lot, but as I said earlier, the main policy direction, I believe, has to come from the Native community itself to assist with where we have to go in the long term.

**Mr. Lathlin:** Madam Chair, that explanation or that response sounds almost like the one the minister

was giving us when I was asking him for clarification and elaboration on the progress of treaty land entitlement, the negotiations and the consultation and discussions that he has been having with aboriginal people for quite a while now. I could not get a definite answer and, as I said, his answer to this question sounds almost like the one he gave us on treaty land entitlement.

I remember sitting in a meeting—two meetings as a matter of fact—one in Winnipeg and one in Thompson, when I was still chief of my band, and listening to the minister talk about an initiative that his government was about to embark on, and that was to establish the Urban Native Strategy, as I remember it. I also remember the minister talking about a Northern commission that he was going to establish, I believe it was 1988.

Today, we are still listening to the minister talk about the strategies that he has yet to develop, the strategies that he is thinking about, the strategies that he is not able to articulate, not able to put into writing, because he says it is not an easy thing. I guess I do not blame him for that, for viewing the job as being a difficult one. However, I do not think the minister should keep telling this House and the committee that there is some strategy being developed or being established somewhere, and then whenever it comes to questions as to what progress he has made in developing his Urban Native Strategy and his northern commission, he tells us, well, we are doing things for Native women, we are doing things for youth and so on, and then at the same time we see programs being cut. He told us that aboriginal development programs have been cut in the amount of \$50,000, not to mention the Northern Youth Corps, a program that was eliminated entirely in the budget.

I am just wondering, I will ask him again. Is there anything in writing? A simple yes or no will do. Is there a document somewhere that is being developed? Are there consultants doing work of any kind that would eventually result in some kind of a strategy document for the government to look at? Those are my questions to the minister.

**Mr. Downey:** Madam Chairman, I guess what was the biggest disappointment upon becoming government in 1988 was that there was a lack totally of any groundwork, of any total direction after 16 out of the last 20 years of New Democratic government and their priding themselves in being the government of the North, the government that was

looking after the needs of the Native people. I was extremely disappointed. There was absolutely nothing in the books. Nothing had been developed either for northern communities and/or for urban Natives.

I can make sure that the member gets any information that we have. I think we have previously provided some information as it related to the Urban Native Strategy, and anything that has been provided and/or available to be provided, I will.

The northern commission was not talked about in 1988. It was talked about last fall, in September, and there is work being done in the developmental stages of the northern commission. I guess, Madam Chairman, what has currently taken place has been the federal government's announcement to do a national commission on the discussions with the aboriginal people. We want to make sure that we are not doing a duplication of the work that they plan to do, but it is supportive.

I am extremely committed to northern Manitoba and to try to develop some long-term policies and direction and programming that will enhance the employment opportunities for our young people and for long-term viability. I guess as part of that strategy, if the member wants me to spell out strategy, then I can. The sale of Manfor to Repap, to give some stability to the region which the member is very closely responsible for, the whole work that is being done with the northeast power for some—how many years now have the people of the northeast communities done without the connection of power to the main power line run by the water systems of this province? They have for far too many years had to rely on diesel electric generators, which are certainly substandard to the main power system.

I can tell you, Madam Chairman, we have many policies and programs that will assist our northern people. The Conawapa proposal which the member is, I am sure, pretty familiar with, I think will be a major generator or activity for our northern communities and our Native communities.

We talk about the development in the wild rice industry, Madam Chairman. It is a major area of development. I can tell you that I am committed to carrying on with the economic opportunities in the North and to a Northern Commission which will, I believe, give us some of the answers. I hope the member would play a role in encouraging people to

participate in that activity—again, the more economic activity, the more job creation that can take place in our northern communities, the more it encourages the northern youth, the northern young people to get employment in those communities and not have to migrate to the city for employment.

\* (2140)

I want to make it clear that the cutting and the reduction of the Northern Youth Corps program was not a decision by the provincial government. It was a decision by the federal government to no longer carry on their portion of the funding, and we did not pick it up. The member for Thompson (Mr. Ashton) is suggesting that we should pick up all the reductions of the federal government—

**Mr. Ashton:** That one, you should have kept.

**Mr. Downey:** That is the member suggesting we should pick up the reductions of the federal government. If we had done that, then the first criticism we would have received would have been to give us the dickens for picking up federal offloading.

Madam Chair, I am quite proud of the work we are doing with the youth in the North when we have just introduced some 23 permanent positions in a northern recreation program, long-needed program for the northern youth of this province, motivational activities to get them involved in an organized activity. That is not to say that we are not doing work with our northern youth and development of our young people in the North. So I do not think it is fair for the member to criticize unfairly our participation in northern youth. We have a commitment and we will continue to have a commitment.

I can say as well that I hope the work that is taking place throughout some of the discussions, whether it relates to forestry, whether it relates to forest harvesting—all those related activities, Madam Chair, are important to the development of our northern youth. Northern Development Commission is extremely important but again, I do not think it is fair to use the taxpayers' money to duplicate work that may be done by the federal government. Hopefully we can proceed as quickly as possible to get on with it.

**Mr. Lathlin:** Madam Chair, the minister has gone to great lengths to tell us about his commitment to the North. I have a whole bunch of documents here with me, resolutions, band council resolutions, community resolutions from Norway House, from

the Norway House Indian Band Council, from the Norway House Community Council, Cross Lake Band Council, Cross Lake Community Council. I have got some notes here from the Norway House Indian Band concerning the provincial commitments that are still outstanding that were apparently made to Norway House just prior to the last election and now have since been unilaterally done away with.

A unilateral decision was made to cut back the hours of operation at ferry services at Norway House, a major inconvenience to the travelling public from the Norway House community—(interjection)—a commitment, all right. A decision to cut back the unconditional tax sharing revenue to Norway House from \$80,000 to \$60,000—commitment. A unilateral decision to change the funding program under MACC to CEDF which is causing a major hardship to the fishermen of the North—commitment.

The commitment that was made to Norway House Indian Band just prior to the election of resurfacing some 8.8 kilometres of provincial Highway 373 in Norway House to include the Rossville Loop this summer. Again, there is no word from the government as to whether this project will indeed be done this summer. Again, these are notes given to me by the Norway House Indian Band Council. The province, the provincial government had made a commitment again just prior to the election with cost-share expenses with the Norway House Band Learning Centre for approximately \$85,000. In March, they gave the band notice that they were withdrawing this commitment.

The minister can stand there and say, I have a strong commitment to the North. I have a list of people here who have been laid off from Highways and Transportation, from Natural Resources. As a matter of fact, Madam Chair, I would invite the minister to come with me to The Pas Thursday night where I will be attending going-away parties for provincial staff, people who were laid off from KCC, from Natural Resources, from Highways and Transportation, approximately 30 people and maybe more.

I have also other documentation here from Cross Lake where they say that they had asked for a bridge. Instead of getting a bridge, they got a flat no. They had wanted the ferry operation to run 24 hours, and they had valid reasons for making such a request. No, the government cut back. Instead of even maintaining the 8 a.m. to 10 p.m. hours of

operation, the government, in its arrogance to the North, decided to cut even more. Instead of going from 8:00 to 10:00, the government decided to cut back even more from 8 a.m. to 8 p.m.

Again, there are all kinds of reasons why the community of Cross Lake feels that the ferry should be operating for 24 hours. For example, people who are employed on the other side of the ferry are presently limited to their hours of work because of the present hours of the ferry operation. Where else do you find that? When the minister comes to work, he does not have to worry about whether he is going to have catch the ferry at a certain time so that he can get on the ferry, and then he does not have to rush back before 8 p.m. in order for him to catch the ferry back home.

A lot of people are also not considered for employment due to the fact that they would not be able to be at work at a time acceptable to the employment. Again, a major, major inconvenience for the people of Norway House and Cross Lake. People who have to go to Thompson for shopping or for other reasons have to race back to Cross Lake or Norway House in order to make the ferry connection. This factor has already been a cause of accidents on Highway 373.

Again, I ask the minister, where is this commitment that he keeps referring to—I have a great commitment for the North? People who have missed the ferry have attempted to even swim the channel which has resulted in many near drownings by young people because they do not want to wait all night on the other side of the channel. That is the reality that is out there, Madam Chair. That is why I have such difficulty in listening to the minister talking about his commitment to the North because his actions speak another language.

The community also says we presently have to run our community on a part-time basis because of the present hours of the ferry operation. A community cannot operate like this in this day and age. If you go to ask the City of Winnipeg to operate from eight o'clock in the morning to eight o'clock at night, what kind of response would you get?

The other piece of information that I wanted to share with the minister is again to point out the arrogance. The Minister of Highways (Mr. Driedger) is responding to the Chief of the Cross Lake Indian Band. We are talking about two leaders corresponding with each other. The minister has no

respect for the community leadership. He gets his deputy to write a letter to the Chief of the Cross Lake Indian Band. I know it, because I used to be chief myself of my band, and I used to be a senior bureaucrat in a federal government department, and I know ministers do not appreciate receiving letters from junior people, especially from other departments.

As a matter of fact, they are offended if they receive a letter, even a letter from a deputy minister. It has to be a letter from one minister to another minister. That is the protocol that the provincial government and federal government follow. Yet when this government writes to elected chiefs and councils, they get their deputies to write the letters—again, another sign of arrogance. I know the Chief of Cross Lake finds it offensive that the minister would not write to him directly.

Let me give you another example. This deputy who wrote to the chief says: We will be establishing a 15-minute interval between ferry crossings during periods of low traffic volume. This will mean that a single vehicle approaching the ferry crossing will wait until the next scheduled 15-minute departure. Heavy traffic volume will be accommodated as before. In addition, the daily schedule will be changed from the present 8 a.m. to 10 p.m. service level to a new level of 8 a.m. to 8 p.m.

\* (2150)

Here is what the community of Cross Lake cannot understand, Madam Chair. This deputy says to the chief: This change will result in significant reduction in our cost of operation, and we will bring the department to operate this very service within the funding level available in '91-92. He goes on, to add insult to injury, and says, my sincere hope that you will understand.

Of course, the chief will never understand, because he—you know, the ferry will run every 15 minutes, but we will supposedly have a staff person on full-time wage sitting there and waiting. Does that mean he does not get paid the 15 minutes that he is not waiting? I mean, I am sorry, I do not understand it. The chief from Cross Lake does not understand it either. -(interjection)- The minister understands it.

I read another letter from the Saskatchewan River Fishermen's Association, where they are talking about: Our industry is already hard pressed to

make ends meet, and any delay will seriously cut into our production and income levels.

I am reading all these documents, Madam Chair, to challenge the minister's assertion that he has some heavy-duty commitments to the North. The documentation I have here I think will prove that his commitment is not as sincere as he likes to have us believe.

The fishermen must take advantage of seasonal migrating periods when production is at the highest level, and then they talk about the elimination of the freight subsidy program which has implications on their income. This changeover process can be delayed when the fishing season is at its lowest level, preferably in July or August. Then they all go on to say that the freight subsidy assistance program can also be worked into the same system.

The restructuring process, if allowed to go ahead as is, will place undue hardship on all Manitoba fishermen. The success of this summer's activities depends on your prompt action and considerations to our benefit and the continued existence of our livelihood. It is signed by the president of the Saskatchewan River Fishermen's Association.

Now, the minister has the gall to stand up here and say, I am committed to the North. Well, Madam Chair, I have just given you a few examples of the minister's activities that would be in direct opposition to those statements that he has made, so again I seriously question his commitment to the North. Also, I might add I am not surprised that he would say that he is committed to the North and then proceed to implement cuts to the programs and services in the North.

The Pas District Farmers' Association, for example, pleaded with the Minister of Highways and Transportation (Mr. Driedger) with a legitimate request. The bridge had been put under a study. It was found to be unfit; it was recommended for closure by the consultants who did the report for the transportation minister. The band council from The Pas Indian Band sent a supporting resolution to the same minister supporting The Pas district farmers in their request to the minister to inject or to reconsider the request for either repairing the bridge or constructing a new one. My question is, where is this—like, how can a minister say these words in this House, in this committee, talking about his commitment to the North when, in fact, he has done more harm to the North than good?

**Madam Chairman:** Item 4.(a) Salaries \$461,900—pass; 4.(b) Other Expenditures \$135,000—pass; 4.(c) Aboriginal Development Programs \$1,438,000.

**Mr. Ashton:** Madam Chairperson, I had a number of comments on this general line which I wish to make. In fact, the statements or lack thereof by the minister inspired me to make even more comments. I would like to ask the minister about his comment in terms of the \$50 user fee that is being charged, and I am not saying that he is the minister responsible. -(interjection)- Well, to the Minister of Highways and Transportation (Mr. Driedger), he should know that the Northerners are very concerned about the decision.

I am very concerned about the fact—here we have the Minister of Northern Affairs. I want to ask the Minister of Northern Affairs whether he has made any intervention on behalf of Northerners which, presumably, he as minister should represent in terms of discussions at the cabinet? Has he at any time said anything to the minister about the unfairness of this policy which attaches a \$50 user fee—and for the information of the minister, if he is not aware, that is not all that Northerners pay.

The Northern Patient Transportation Program does not cover many of the other expenditures that Northerners face, whether it be accommodation, meals, various and sundry expenditures. It does not cover ambulance in any way other than the Air Ambulance Program. Fifty dollars is on top of those additional costs.

I just want to ask the minister, by his comments, am I to assume that he as Minister of Northern Affairs has said absolutely nothing about the \$50 surcharge and feels that it is either none of his responsibility or that he somehow supports it?

**Mr. Downey:** Madam Chairman, having long-term respect for the Chair, for the process in this House, I think it would be most appropriate for the member to ask this specific question as it relates to the Department of Health, and I think that would be fair and in the best interests of the committee that that is where the question should be asked. I have responded to that specific issue once already tonight. The member can read it in Hansard.

In the interests of time and the most productive use of the Estimates process, of which there are many departments that have to go before the Assembly yet, and I would think the member would

be pleased to accommodate in the interests of his colleagues, for example, the member for Broadway (Mr. Santos) who has not had an opportunity to ask a question in Northern Affairs, and I am certainly waiting for his contribution and participation.

**Mr. Ashton:** Madam Chairperson, I must say that I am disappointed that the minister will not come out and make a clear statement. Here is one issue that we could surely get a clear statement from the minister, because it does affect Northerners, it does affect many Native people in Northern Affairs communities, who have to pay enough money as it is, who have to go through as much inconvenience as there is.

This minister sits back and, instead of standing up for their interests, defends an indefensible policy, a policy that is made by a government that does not understand what is going on. The minister just proved it by his statements. The \$50 charge is not all that Northerners have to be faced with in those cases. They have to pay far more than that, and that does not even account for any of the inconveniences.

\* (2200)

The minister indicated his own ignorance of this issue by suggesting that somehow this was a trade-off in terms of services available in Thompson and other communities. Well, the minister should know that this applies when people have to be transported for medical care that is not available in their own community. That is inherent in the program. It is not something that one can just choose to access, to ignore doctors. It is for elective procedures. That covers virtually a whole range of procedures.

I once again would like to put on the record that this Minister responsible for Northern Affairs and Native Affairs should be not defending this unwise and unfair decision, he should be actively opposing it and should have the courtesy, if he is going to be a Minister of Northern Affairs and Native Affairs, to stand in his place on this item and defend it, as should the minister. We raised this earlier. I raised this a week ago. -(interjection)- The Minister of Highways (Mr. Driedger) is one who would talk from his seat about the North. I look to this minister again to speak out against some of the changes made by the Minister of Highways. In fact, I have suggested to the minister that his department could take a lead in terms of the winter roads. I realize they cannot

effect the ferry service directly, but I would urge that the minister do respond to the very excellent points raised by the member for The Pas (Mr. Lathlin).

I want to ask further on the whole issue of the Urban Native Strategy, since I was once again struck by the sense of *deja vu*, as was the member for The Pas, about the questions that were asked and the answers received, because it seemed like a recording. It seemed to be the same sort of response we are receiving on other line items, and I speak from the perspective of representing a constituency where the major community, in terms of population, is an urban centre. We have had efforts in recent years by aboriginal people in Thompson to organize and focus around urban issues in Thompson, because they find that there is a distinct difference between the situation on the reserve or on the Northern Affairs community level, and in Thompson.

I notice the minister referenced Winnipeg and Brandon. I would like to ask him specifically: When the government is talking about this Urban Native Strategy, to the extent that there is one, is the government looking at urban centres beyond Winnipeg and Brandon and the unique situation facing aboriginal people in those urban centres as well?

**Madam Chairman:** Order, please. The hour being after 10 p.m., what is the will of the committee?

**An Honourable Member:** Continue.

**Madam Chairman:** Continue?

**An Honourable Member:** Carry on.

**Mr. Downey:** Madam Chairman, let me answer that question directly. The answer is yes.

**Mr. Ashton:** That must be the first direct answer we have received in quite some time, Madam Chairperson.

I want to go further and say, if there is an Urban Native Strategy—I am glad that the minister sees one, at least in his mind, if there is not. How does he justify the actions of this government, which he presumably has supported, in communities such as Thompson, actions that have cut back in terms of Education and Training—there has been a reduction in KCC in that community—actions that have cut back in terms of job creation availability, actions that have resulted in the loss of the employment centre in Thompson, reductions in

terms of highways and natural resources employment based in Thompson.

I would like to ask the minister, how does he justify those cuts and in particular, has there been any reference to this so-called Urban Native Strategy? How we ended up with a government that talks about an urban Native strategy turning around and bringing in policy moves that set back the situation of urban Native people at least a decade in terms of Thompson—in fact, in some cases far more because we are seeing situations whereby we might just as well have rolled the clock back to 20-25 years ago in terms of program availability and development.

Is that part of the Urban Native Strategy and if not, how has this situation developed where we have a so-called Urban Native Strategy and actions that severely impact on the situation facing aboriginal people in urban communities such as Thompson?

The minister, who seems to like to talk at great length on virtually any subject and say very little, seems all of a sudden to have lost his tongue. I will ask him more directly then. He talks about an Urban Native Strategy for communities such as Thompson. Is part of that Urban Native Strategy, as is involved in terms of this secretariat, to cut back on training and education, to cut back on job creation, to cut back in departmental employment and services in northern Manitoba? Is that part of the Urban Native Strategy?

**Mr. Downey:** Madam Chairman, again the member continues to not put the facts on the record as they really are. This government is not going to sit back and take the criticism from the New Democratic Party who were an absolute, dismal failure as it came to dealing with the Native people of this province and the North.

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

Mr. Acting Chairman, we took over the office of government in 1988. What did we see in Northern Manitoba? Ninety percent unemployment. Ninety percent. Ninety percent unemployment in our Native communities after we had spent in excess of a billion dollars on Limestone Generating plant to create employment for northern Native people. How many northern Native people are employed at Limestone? I would say, Mr. Acting Chairman, very, very few. How many people of Native ancestry were led to believe that it was the Messiah, that it was the great job opportunity of the North for

Limestone? Train, train, train, that was what they all were told. They would be trained for Limestone work. Where did they find employment?

I am not going to sit here and leave on the record that the New Democratic Party had all the answers for the northern Native communities. Where was the Hydro development for the northeast communities under the New Democratic Party? Dismal failure. Nothing at all for the northern Native people living in those communities, continuing on with the lifestyle of electricity generated from diesel electrification, not near the standards that the rest of the people of the province have.

As far as the operation of ferry hours, well, let me tell you, Mr. Acting Chairman, the member for The Pas (Mr. Lathlin) calls the government arrogant because we reduced the ferry hours of operation. Who do you suppose expanded the operation of those hours in which the ferry operated? It was the Progressive Conservative government that expanded the hours the first year that we were in and did so for two years. So it was the New Democratic Party previous to our entering power that, in fact, was arrogant. I want the member for The Pas to note that. The NDP party had the same hours that we currently have in those communities for the operation of the ferry. So I would say and make it very clear that it was the New Democratic Party that was the arrogant party and took the people of the North for granted and gave them absolutely nothing.

As far as roads, and he refers to Norway House, I want to say that we spent how many million dollars on a brand new bridge in Norway House to accommodate that community? How many years had they waited under the New Democratic Party for the development of a brand new bridge?

**An Honourable Member:** Years.

**Mr. Downey:** Years. The member, again, refers to Fishermen's Loan Program. There has not been any reduction or change in the fishermen's loans, so I do not know why the concerns are being raised by the member for The Pas (Mr. Lathlin) as a concern.

We did not totally reject the support for the learning centre. It has been deferred by the government of Manitoba.

The member refers to the bridge at The Pas. You know, this is a classic New Democratic activity. The bridge at The Pas, when the member for The Pas was the chief he did not support a bridge to cross to

the Saskeram. In fact, he was very much opposed to it when he was the chief of the Indian band at The Pas. He did not want a bridge. -(interjection)- Get my facts straight? I will ask my colleague, the Minister of Highways (Mr. Driedger), who always tells the truth, Mr. Acting Chairman, and he clearly has knowledge—

**An Honourable Member:** You mean some ministers do not?

**Mr. Downey:** No, they all do. He clearly has knowledge of the member for The Pas, when he was chief, not supporting a bridge.

What did the member who was the member for The Pas do as Minister of Northern Affairs? I believe he is related or was related to the current member for Swan River (Ms. Wowchuk). Well, he went and built this bridge five years ago, spent several thousands of dollars, and today the bridge is not safe to cross.

**An Honourable Member:** Five years later.

**Mr. Downey:** Five years later. They spent thousands of dollars offarmers' money, of local LGD money, and the bridge is not safe to cross. It is not provincial jurisdiction to start with. It is LGD jurisdiction. Mr. Acting Chairman, it was a decision made, an ill-founded decision. Yes, there was a bridge needed, but it was not the kind of quick fix that the New Democratic Party was prepared to offer that community for short-term support. So, let us keep the facts straight when we are putting them on the record.

Mr. Acting Chairman, I do not expect the member for Thompson (Mr. Ashton) to put anything on the record other than the comments as he refers to education and the way in which he falsely criticizes us for cutting back. We have maintained our provincial commitment to the funding of northern people through the different programs that have been made available. It has not been us that have reduced those expenditures. It has been the federal government's contribution that is no longer there.

The member for The Pas and the member for Thompson should be well aware it was this government that put in place the Northern Nursing program that supported those communities. How long did he lobby and push the New Democratic Party for the nursing program in The Pas? It never would have been accomplished under the New Democratic Party.

I would hope that he would have the integrity to stand and admit that he was not able to get anything out of the New Democratic Party. In fact, it was they that would not help the Native people of the North, and it was this government that, in fact, supported in a major way the educational programs. So I am not going to accept in any way the comments made by the member for Thompson.

\* (2210)

I want to make another comment. The member for The Pas (Mr. Lathlin) invited us to a gathering where there were some provincial civil servants who are no longer employed. I can tell you, Mr. Acting Chairman, in this House, those are the toughest decisions that any government has to make. They are the toughest decisions that any government has to make, but I believe the long-term prosperity of this province will create employment opportunities for those individuals who were and have been employed with government.

I think it is a far more responsible position to take than what the New Democratic Party did when it came to employees of the Telephone System. When they no longer had a meaningful employment for them in the Telephone System, they said, we will move to Saudi Arabia and go into the telephone business to create employment for the management and the individuals who worked for MTS, and spent \$27 million of taxpayers' money. Now, that was a pretty expensive employment program and an ill-founded experiment which nobody needed to participate in.

I say very sincerely, Mr. Acting Chairman, the decision to reduce the number of Civil Service positions in government is extremely difficult.

**Mr. Ashton:** Oh, yeah.

**Mr. Downey:** The member for Thompson says, oh, yeah.

It is extremely difficult, and I want the members to know that. He may not think I am serious, but I am serious, this government is serious. I can tell you I think it is demonstrated in the way in which they have been handled.

The member makes reference to the northern patient transfer program. I am surprised, the member for Thompson turning his back on the medical centre that is now in Thompson and the development of specialized services that are there. I would think he would have a different attitude as far as the northern patient transfer program is

concerned and the need to use the Thompson system.

Let me tell you, Mr. Acting Chairman, I have yet to receive one letter in opposition to the position that was put forward by the Minister of Health (Mr. Orchard) and the patient transfer program. I have not received one letter from a northern constituent, to my knowledge. I think it has to be made clear that the policies of our government are basically supported by the members of the communities of the North. Difficult as they may be, there may be some changes that have to be made over time. I can tell you in the interests of long-term prosperity and long term survival of this province and this country, these kinds of decisions had to be made.

**Mr. Ashton:** Mr. Acting Chairperson, well, after having lived in Thompson the time that I have, after having lived in the North, after having followed Conservatives in election after election, I cannot buy that sort of drivel from the minister. To hear this minister talk about laying civil servants off as being the toughest decisions they have to make, that is absolute unadulterated nonsense.

In every single election that I have seen the Conservatives run around in northern Manitoba with their policies, their philosophy and ideology, the first thing they do is they pick on civil servants—the first thing they do. It is fine to blame the civil servants for electoral purposes. Now we are supposed to hear from this minister that it is tough to lay them off. Well, it was not tough when it was the Lyon government and this minister was part of it. It was not any tougher this time around. Certainly for those members of this administration who are the same ilk as this minister, because they believe in cutting back on the level of government. They have said that time and time again.

They say it in elections. Probably the only consistent thing they do believe in is cutting back on the level of government, and that involves firing civil servants, getting rid of civil servants. That is exactly what they did in 1977-1978 when that member was part of that government. That is exactly what they did this time. So let us not hear all this talk about tough decisions.

I am sure the member for The Pas (Mr. Lathlin) will not be taking the word of the minister up to those going-away parties for those people in those communities who have been devastated by the actions of this government, because they will not

buy any of it. I certainly will not be passing any of that on to the people in my community, the 29 people laid off by this government, the victims of the policy of this government, including two families where both spouses were laid off by this government; because I do not buy it. I have heard them time and time again.

I have also, Mr. Acting Chairperson, for the edification of the minister, heard comments of his party and repeated comments of his candidates in northern Manitoba about urban Native issues, in fact, any issues involving Native people. I know, I remember very well the elections of 1986 and the election of 1988—if he wants to talk about Limestone and Limestone Training—when one of the main features the candidates for the Conservatives in Thompson ran on was the fact they felt there were too many Native people being trained for Limestone.

I had one of his candidates in 1988 blame the NDP for racism because of affirmative action. Racism because of affirmative action? It is there to deal with racism. Affirmative action is there to deal with it. Yet we were blamed for that. So it comes as little surprise when I see program cutbacks in the North, because once again that has been the only consistent thread of policy of this party in terms of northern issues. Repeatedly, they have spoken against and worked against elections in terms of that.

If the minister has not been involved in those types of policies or those kinds of platforms, he has certainly turned a blind eye, because in every election that I have seen in northern Manitoba the Conservatives have run on the same sort of platform. If the minister now turns around and says there are no cuts in northern Manitoba in terms of education, he is obviously so incompetent, so out of touch with the facts that he does not deserve to be Minister of Northern Affairs.

If he got up and said there were cuts and then tried to explain it, I could accept that. I would not agree with it, but there have been cuts. He should check the Department of Education Estimates. He should talk to his minister. There has been a net cut in terms of employment in SYs and programming available in Thompson. There have been cuts in The Pas. There is an overall net loss of programs. For every program that has been added, there have been other programs that have been cut. The net result is less than was there before.

I do not know how many times I have to say it, Mr. Acting Chairperson, but if the minister does not understand it, there is a serious problem going on with the government. This minister talked about employment in northern communities. He seriously talked about employment, about the 90 percent employment. What has this government done? It has cut back. Where are the priorities of this government? It could have saved the Northern Youth Corps program.

It had money for all sorts of other things, whether it be Rotary Pines, whether it be programs in other departments, funding for private schools. I would think of a thousand-and-one examples. When it came to the 600,000 plus for the Northern Youth program for youth, for young people, for whom this program was the first opportunity—sometimes the only opportunity for any type of employment, any kind of work experience—where was this government? Another cut, another loss in terms of this particular department.

Let us not hear this minister talk about that. Let him not talk about cuts or about the situation in terms of employment when this government has cut the CareerStart program, which provides funding once again for summer programs which provided a great deal of employment in northern communities to nonprofit organizations. This minister talks about unemployment in communities when his government directly, in a program that has always been 100 percent financed by the provincial government, has turned around and cut back on that job creation. So this minister once again is not being consistent.

He talks again about the Northern Patient Transportation Program. He does not understand, once again. I hope the Minister of Health (Mr. Orchard) will educate him. The Northern Patient Transportation Program is there when the medical procedure is not available. It is a nonemergency situation, but where it is not available in the community.

I will repeat it again for the minister so he perhaps will get a greater understanding, because I know he has never been in that sort of situation, living in a northern community and having to travel the distance that Northerners do, eight, 10, 12, 14 hours or more to get to a doctor to get a procedure that is not available in the community.

The only reason it exists in the first place is because there are procedures not available in the home community of the individual involved. That is what it is there for. It is not some sort of program that people can choose to by-pass the doctors in the community, go to Winnipeg if they do not like the doctors in Thompson. That is not what it does. It provides some sort of compensation where people have to travel elsewhere.

\* (2220)

That is why I wonder how this minister can now turn around and once again defend the indefensible? If he is going to be consistent, if he is going to develop some sort of arguments, let him at least base it in terms of the programs that exist.

This minister does not understand the program. No wonder that he supports it, he is supporting it out of ignorance. He is supporting it out of incompetence. This is the minister, and I repeat again, the supposed Minister of Northern and Native Affairs talking about health care. You know, he does not understand.

The comments made by the member for The Pas, the only time that Conservatives are concerned about the North is before an election. They will promise anything, the moon, the stars, the Earth, the heavens above. What do they do after the election? Well, within a few months, it is, oh, we did not realize, we do not have quite as much revenue as we had, we have to make a change.

I remember when I was a kid growing up in Thompson. The only time we ever got any action, in terms of highways in the area, was just before an election. I remember it took the election in 1966 for the Roblin government to pave the 20 miles to Paint Lake. We had another election in 1969. So, guess what, we got 20 more miles of pavement. We elected a New Democratic Party government and within a two-year period we had not only pavement throughout Highway 391, we had Highway 6.

I use that as an example, because they do it repeatedly in election, after election, after election. We have seen it in the North. They will promise a northern, whatever they want, a task force, they are going to listen to Northerners. So what have they done within six months of the election? Within six months of the election, this government, without any consultation to the North, has cut back Education and Training. It has cut back job creation. It has cut back, in terms of Health.

How does it expect to have any credibility whatsoever when it has cut back in every single area in the North? What is it going to do now? What is the Native Secretariat going to do now? What is this minister going to do now? They can only consult with people about which services that have been cut, that are now going to be added back. Is that going to be the role of this minister and this department? Is that the true extent of the Urban Native Strategy I talked about?

What is the strategy going to be now? Is it going to be dissection of the situation facing urban-Native people in terms of government programs? That is all that they are going to be able to do, This government has cut back, in terms of those programs. Even in terms of the programs that exist, they are going to exist on a different level, on a lower level in those urban-Native communities in Thompson, in Flin Flon, in The Pas itself in terms of Brandon or Winnipeg. The bottom line is they have reduced the level of programming significantly.

Well, as soon as I say that, as soon as the member for The Pas (Mr. Lathlin) talks about that, we know what the minister responds with next. He says, oh, well the member for Thompson wants to spend this, or the member for The Pas (Mr. Lathlin) wants to spend that. I want to place it very clearly on the record for the minister and, if he wants to quote me on this, he can quote me once again, that yes, I do want to see the government spend the funds that should have been spent on the Northern Youth Corps program, and I want to see the government spend the money on the CareerStart program, and I want to see the winter roads reinstated, and I want to see the hours extended back to where they were in terms of Cross Lake and Norway House.

You can get the cash register out if you want, Mr. Acting Chairperson, and you can ring up all of these items that are being cut in the North that we want reinstated, in terms of KCC programming, yes, getting rid of this \$50 fee. You can ring it up, and you can then take off the other side of the ledger all the contracts for the friends of the Tories, whether it be in terms of the ones we have heard a lot about, or how about in terms of the friends of the Tories in the North, because this minister has been an expert at patronage. He believes it is an institution. When I say, and I know he will agree with me, this minister believes that patronage is a Canadian institution, and he has shown it throughout his actions in terms

of hiring, that one has to be a friend of the Tories to get any sort of action out of this government.

That is not good news for the North, because they do not have very many friends in the North. They have even fewer friends after their latest round of broken promises, and they are going to have even fewer friends in the upcoming years as people see once again that this minister is full of empty rhetoric, but has nothing, in particular, this Urban Native Strategy.

What kind of Urban Native Strategy does this government have when the strategy is cuts, cuts, cuts to Native people? What kind of credibility can this minister ever have in terms of Native issues, whether it be in urban communities or remote communities, when within six months after an election, within six months after all the promises, what does this government, led by that minister, do?

First of all we get the preview. Yes, he tells members of this Legislature in the North that Northerners do not know how to vote. They did not vote right.

Now we get the second shoe falling in this budget, which is that this government turns around and it nails Northerners. It cuts back on health care, education and training, job creation, highways, natural resources, virtually every service they hold dear. This minister has no credibility in terms of any strategy that he develops. The only way he will get credibility is if he reinstates those programs. Otherwise he should do the right thing and resign for the clear incompetence he has shown, Mr. Acting Chairperson.

**The Acting Chairman (Mr. Penner):** Shall item 4.(c) pass?

**Mr. Elijah Harper (Rupert's Island):** I guess over the last while I have been looking at the actions of this government, and they have not performed up to expectations. I think there is no real expectation from the people, in terms of them willing to support, because their actions speak louder than words.

They have cut back considerably. All of the dollars that were allocated for Northern Development, of course, have been totally cut. Of course, this minister has totally abandoned the northern people and the aboriginal people in the North, because he has allowed his federal cousins to not participate in the Northern Development Agreement.

I know we had an agenda set in which as a member of the government then—of course, this particular minister and his government bungled the entire Northern Development Agreement. All the northern funding has been cut. Right now we see no funding available for northern communities. As a matter of fact, during the whole process of the Northern Development Agreement, we saw the aboriginal organizations, aboriginal people involved in the discussions and recommendations of the Northern Development Agreement, but of course we provided for that extension and this particular minister did not follow through with the negotiations.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

He allowed the federal government to get off the hook. He was not strong enough to put his foot down to represent the interests of aboriginal people and northern people in northern Manitoba. How he handled the negotiations, I guess, speaks for this minister and his heart, and certainly the people feel betrayed by this particular government and this minister.

I know that the whole issue surrounding aboriginal issues has come to the forefront, not only here provincially, but nationally across the country. What I might say is that the people across the country are looking for their governments to resolve many of the aboriginal issues.

\*(2230)

As I travel across the country, not only talking to the aboriginal organizations but talking to many of the organizations such as the chambers of commerce—as a matter of fact, I spoke to the Calgary Chamber of Commerce, I spoke to the Canadian Club out of Toronto and the Chamber of Commerce at Kamloops—all across the country, what I find is that not only the labour organizations but many other organizations across the country, many Canadian people in general, are asking their governments why have they not resolved these issues such as land claims and are beginning to discuss about the social conditions addressing self-government.

Here in Manitoba we are very, very concerned with this lack of action on the part of this minister. Of course we did a number of things. You know, if this minister would do the same thing I did for aboriginal people in this country, it will take his lifetime, I think, to do something. If he had any plans

and if they have any programs, if any things are being planned for aboriginal people, I would like to hear from this minister.

Certainly we have a number of questions that I would like to ask this minister regarding land claims, self-government and many of the negotiations that have been happening in this province. I just want to say that this government has not addressed many of the aboriginal issues in this province. I know that many programs such as the funding that was available through the Northern Development Agreement are no longer available because of the federal government's cutbacks on aboriginal issues. I do not know what the relationship is with this government with the present Conservative government in Ottawa, whether they have been in discussion with the federal government.

What I would like to ask the minister is enunciate what policy he has in respect to aboriginal issues and whether he has had any discussions with the federal government in terms of Native land claims and many of the policies announced by the federal government. I know that the federal government is cutting back on funding on aboriginal issues, aboriginal programs. I know the off-reserve Indians are no longer going to be refunded by the federal government. Those are some of the questions that I would ask the minister in terms of the relationship, whether he has had any discussions with the Minister of Indian Affairs in Ottawa and whether he has been in touch with the federal government on these many issues.

I would leave it at that. Maybe he can respond generally in terms of the relationship that he has had, whether he has had any discussions. He may not have had any discussions with the federal government, so I would leave it at that and await the minister's response on some of those questions that I raised.

**Mr. Downey:** Madam Chairman, let me say that I have had discussions with the federal government. The other questions that the member refers to have been dealt with previously, and I am sure that in the interests of time and other members wanting to ask questions, he can read Hansard and get the answers that I have given to the honourable member for The Pas (Mr. Lathlin), for the honourable member for Flin Flon (Mr. Storie) earlier today. Basically, the area has been covered as it relates to the questions of which the member has referred.

**Mr. Harper:** I know as a government we had worked on the—

**Madam Chairman:** Excuse me. Order, please. I would like to recognize the honourable member for Churchill, but may I suggest that—

**Mr. Harper:** I am the member for Rupertsland.

**Madam Chairman:** I am sorry, Rupertsland—that he take the appropriate seat.

**Mr. Harper:** I do not know whether it requires in the Chamber, in the committee to—

**Madam Chairman:** That is the rule of the committee, sorry. The minister is allowed to take front bench seat.

**Mr. Harper:** I would like to ask the minister in terms of the treaty land entitlement, does he know that as a government we did pass an Order-in-Council when we were in government and we sent it off to the federal minister? The Minister of Indian Affairs at that time did not respond favourably. As a matter of fact, he never responded until a year after the initial Order-in-Council was sent to the federal minister. As a matter of fact, I remember the date very well, February 28, 1988, at which time he expressed that he had some concerns with the treaty land entitlement negotiations and some of the items contained in the agreement. Of course, this particular agreement was reached some time ago in 1984. It was an agreement that was reached in principle by the federal government, signed off by the federal government, by the treaty land entitlement chiefs and also the government of Manitoba. Of course, the whole process was delayed by the inaction of the federal government who was not willing to proceed to settle the treaty land entitlement.

In the last while, as a matter of fact, the Prime Minister stood up in the House of Commons and said that aboriginal issues will be dealt with and aboriginal land claims will be accelerated. Those are the policies that were enunciated by the Prime Minister in this country and willing to proceed many of the—with specific land claims there is a recent statement that was made by the federal government in terms of fast tracking some of these land claims.

I ask the minister whether he has been in touch with the federal government to specifically deal with the treaty land entitlement issue.

**Mr. Downey:** Well, Madam Chairman, I think that it is time I put a few things on the record for the

honourable member for Rupertsland (Mr. Harper). I have already dealt specifically with where we are at with communications between the province and the federal government, and I have requested that we get on with the treaty land entitlement.

The member for Rupertsland, who was the minister for how many years in the New Democratic Party, absolutely did nothing for the aboriginal Native people of this province—absolutely nothing as it related to treaty land entitlement. In 1986, yes, he had an agreement which the federal government backed away from. He did not even go back and ask them six months later. He waited a year before he listened to what they had to say. Why did he not advance again and again and again to the federal government in his desire to resolve it? Was there the drive from the New Democratic Party, or did the member want to do it and the NDP party said, no?

Where was the party supporting the new member for Rupertsland? He was a failure as it related to the treaty land entitlement settlement, or he would have had it resolved on behalf of the Native people. What did he do to accomplish the support for his Native communities with the northeast hydro—absolutely nothing to bring some of the bare necessities to that community of which he represents, expecting them to live as second-class citizens, his own very people, without the hydro from the main power supply of this country.

Where were his negotiations when he got into office? There were not any. Where was the nursing program for The Pas Indian Band in the northwest part of this province? There was not one. He was not able to deliver for the community of which he now claims he is so greatly representative of.

Yes, Madam Chairman, I know he tried, but the commitment of the New Democratic Party was not there to be with him.

**An Honourable Member:** Was zippo.

\* (2240)

**Mr. Downey:** "Was zippo" was right. There was no commitment from the community or from the NDP party and, if there was, why was he not able to advance the issues? What were his accomplishments as a minister? I want them to be named by the member for Rupertsland (Mr. Harper). I want him to tell us what his accomplishments were for the North, for the Native people. What did he accomplish under the Northern Flood Agreement,

Madam Chairman? What did he accomplish under the Northern Flood Agreement for the five Native bands? He accomplished absolutely nothing.

**An Honourable Member:** He did more in two weeks than you all do in 20 years.

**Mr. Downey:** Yes, yes, he did. He did what the majority of the people of Canada wanted. He said "no" to the passage of Meech Lake. I commend the member for having the stamina and doing what he did, but I talked to the member a half an hour before he made his decision to not allow Meech Lake to be debated in this House. He phoned me and told me that he had no choice, that the Assembly of Chiefs—he had no choice but to make the decision he was taking because of what the Assembly of Chiefs was telling him he had to do. I commend him for taking the decision, which he had to take.

**An Honourable Member:** He still had to make them.

**Mr. Downey:** He made the decision. I talked to him. He will not deny that he talked to me and the difficult time that he was having, but I say, Madam Chairman, I want him to clearly spell out when he stands as to what he did actually accomplish on behalf of the Native people under a New Democratic Party. I will look through all the books.

**An Honourable Member:** He was the chairperson in terms of Limestone, programs which trained many people the first time in their lives.

**Mr. Downey:** How many Native people were employed under Limestone? That is the big question. I will find out the numbers. I know how many Native people were, and I know how many more were looking for employment as it related to Limestone and got nothing.

I can go on and on about the accomplishments of this government, and I honestly believe the member for Rupertsland (Mr. Harper) was sincere but got absolutely no support from the New Democratic Party and the Premier, Howard Pawley, of the day.

In fact, I had the privilege of going to the First Ministers' Conference, constitutional discussions, in Ottawa of which Howard Pawley, Roland Penner, I was along and Elijah Harper went along. We got to Ottawa—and this truly spells out what Howard Pawley thought of his Minister of Native Affairs—we land the aircraft, Howard and Roland rush out and grab the taxicab, and Elijah Harper and I have to carry the luggage. We have to wait for the next taxi to come. We are the bus men. Howard Pawley—

**An Honourable Member:** You are the cowboys.

**Mr. Downey:** We were the cowboys, no.

**An Honourable Member:** Howard was going to a meeting at the Prime Minister's house dealing with aboriginal issues. Do not mislead the people.

**Mr. Downey:** Howard was going on behalf of the aboriginal people with his Native Affairs minister, and I think he belittled his Minister of Native Affairs. I had no problem in playing the role that he expected me to play, but I was disappointed that he did not give the profile and recognition to his Minister of Native Affairs when going to the First Ministers' Conference on the aboriginal issues. I am extremely disappointed. It clearly spelled out his attitude towards the member and aboriginal issues—not to let the past in any way influence where we are today and where we have to go in the future.

I want to say to the member for Rupertsland (Mr. Harper), who I believe in his comments recently and his musing about what his future political career will be, that he is interested in treaty land entitlement, he is interested in bettering the affairs of the Native community of this country, he is certainly a national figure, and I think that it is not false musing, that he probably will take on the challenge of going into federal politics where he can go toe-to-toe with the Prime Minister in that great House of Commons.

I would like him to clear up the record. Is that what his intentions are? Will he play a meaningful role in the national picture as it relates to treaty land entitlement? Is that where we are going to see the member for Rupertsland (Mr. Harper) play the continuing role as it relates to the Native people of this country?

I believe he sat in that chair and he did in fact say no at an appropriate time as it related to the aspirations of what the Native people wanted him to do. Again, what is his next step? Is he going to carry that next step to the House of Commons in Ottawa? Is he going to run against the member for Churchill?

**An Honourable Member:** Yes.

**Mr. Downey:** Is he going to do the honourable thing and play a role in national politics?

**An Honourable Member:** I hope so.

**Mr. Downey:** Well, the Leader of the New Democratic Party again put his thumb on the member for Rupertsland and gave him the no sign

not to respond. I would like to hear from the member for Rupertsland. Is he committed to the people of Rupertsland in the Legislative Assembly or is he looking at a national, federal, political position in running for the House of Commons?

**An Honourable Member:** He is a national figure already.

**Mr. Downey:** Well, that is the point. He has now received national status, international status. Is he going to go and play a meaningful role in the House of Commons? Is he going to abandon the people of the North in this particular House and go to the House of Commons? Is he going to play a meaningful role as it relates to treaty land entitlement?—(interjection)—

I do not believe that there has been any abandonment of the North by this party. In fact, I can go over chapter, line and verse the accomplishments of this government. Whether it relates to the nursing program in The Pas; whether it relates to work that has been done in the whole area of northeast hydro; when it relates to the whole area of the Repap activities in The Pas and future opportunities for employment for the Native people in that community; as it relates to the whole area of Conawapa development and areas of employment that will be generated throughout the North with the economic development that will take place flowing from that; the work activity that is taking place in Thompson as it relates to the mining activity under this government.

Madam Chairman, I think there are some positive initiatives. The northern youth recreation program—(interjection)—I have been up North many times and I find the people of the North, No. 1, very committed, very understanding of the need to carry on with the activities that are being carried out by this government in a priority order—health care, education and family services—very supportive of this government's policies and particularly supportive of the new initiative that we are working on. That, of course, is treaty land entitlement, which as I said earlier, and I hope the member for Rupertsland will read Hansard—without having to repeat it I will put it very briefly.

We are committed to treaty land entitlement settlement. We have ongoing negotiations and discussions with those bands that have shown an interest in proceeding to development of a conclusion, extremely important issue to resolve in

this nation. I am, again, disappointed the member for Rupertsland (Mr. Harper) had not shown more progress and more pressure on the federal government to accomplish—

**An Honourable Member:** He had an agreement.

**Mr. Downey:** He had an agreement. Well, why then are we now dealing with it, if he had an agreement?

**An Honourable Member:** Your cousin said no.

**Mr. Downey:** How long did it take him to—how long did he accept no? For two years. In '86 the initial agreement was struck, and he still did not put any pressure on the federal government.

**An Honourable Member:** He put pressure daily.

**Mr. Downey:** He did not put pressure on them, or probably he would have accomplished it. He did not put the kind of pressure on that was necessary.

\* (2250)

I want to talk briefly about the Northern Development Agreement of which we did not have a long-term agreement in place when we came into government. We had, in fact, one final-year extension. What was the work that was done by the previous administration to develop a long-term, ongoing agreement? There was not anything. They were limping along year by year with an extension of an old program.

Why did they not take hold of the issue? They were not able to successfully conclude a new agreement, so they have no room to criticize this particular government who is working aggressively to accomplish a long-term agreement with the federal government.

I will compare any day, whether it is the gaming agreements that have been established with the Native community—the member for The Pas (Mr. Lathlin) is quite familiar with the fact that he was able to establish a gaming agreement with this government. He was not able to with the New Democratic Party, but he was with this particular government, because the commitment was there with this government to resolve that issue.

We now have other bands—

**Mr. Gary Doer (Leader of the Opposition):** We started all negotiations.

**Mr. Downey:** The honourable leader of the New Democratic Party (Mr. Doer) said they started negotiations. My goodness sakes, the next thing

we will hear is that he started this whole world. That will be the next thing. What did you not start?

**An Honourable Member:** We did not start—

**Mr. Downey:** Yes, you did not start a lot of things. You started a lot of things. You started to spiral us into debt that this country cannot handle.

Madam Chairman, I want to make it clear. I am prepared to say to the member for Rupertsland (Mr. Harper), who I know is going to enter federal politics—I just know it. I know that he is just heading into federal politics. I have heard all kinds of comments, all kinds of support, that he is going to knock Rod Murphy off in the nomination meeting, and that he will be running against him. I know he can play a meaningful role in that capacity. I am prepared to work with him, if he is successful federally—

**An Honourable Member:** I am not a crook.

**Mr. Downey:** I never accused you of being one. You do not need to feel guilty. I never accused you of being one.

I do want to say though, sincerely, Madam Chair, that it is important that we get on with resolving a lot of the Native concerns in this province. Treaty land entitlement is extremely important, and I expect and would hope for the support of the members opposite in the work we plan to do. I tell the member again that I am extremely serious, I am committed to this resolve, and I hope that the support comes from the members opposite when it comes to finalization of some of the agreements.

**Mr. Harper:** Madam Chairperson, you know I asked some questions of the minister, but he wandered off and talked about other things which do not concern him as a member. Those questions that he raised about federal elections—but I asked him about government policy and what he is doing as the minister responsible for Native Affairs in settling many of these outstanding issues.

He mentions that trip we made to Ottawa, and I know he came along with us. One of the reasons why we had to rush off was because this government, when they were in opposition, kept us here for a couple of hours.

**An Honourable Member:** That is right. Ringing the bells.

**Mr. Harper:** As a result of ringing the bells we could not leave on time to meet with the Prime Minister in Ottawa. As a result, the meeting never took place.

So as a result of the delaying tactics exercised by the members opposite who at that time—the present minister, who at that time was the Native Affairs critic, did not allow the government at that time to meet with the Prime Minister and the other aboriginal leaders that was set up in Ottawa. So his actions caused some problems in meeting with the Prime Minister and addressing many of the aboriginal issues. The delaying tactics did not really improve the relations that were needed to negotiate many of the outstanding issues of aboriginal people.

So I want to put it on record that as he expresses today that he supports aboriginal issues, his actions do not demonstrate that. Certainly with the results of the budget announced by this government, obviously this provincial government does not put aboriginal issues as a priority. Also in terms of the treaty land entitlement—we did have an agreement that was passed by O/C, Order-in-Council. As a matter of fact, the Minister of Indian Affairs at that time called me, you know, in February that time, about February or March in 1988, called me on the phone and told me, advised me, and we talked over the phone saying that he will deal with this issue beginning on April 1.

I can tell the minister what the discussion was about, but his federal cousins, the Conservative government, did not proceed with the treaty land entitlement, and we, as a matter of fact, pressured the minister and his staff to sign the treaty land entitlement. It was not the lack of action on the part of the government then. It was the federal ministers, the Conservative government in Ottawa who did not want to sign the treaty land entitlement agreement because we demonstrated in good faith. As a matter of fact, we signed the treaty land entitlement, passed the Order-in-Council, and also the bands agreed to the treaty land entitlement. It was his federal cousins in Ottawa who did not want to proceed with the treaty land entitlement.

Now, today we hear from the federal government wanting to address many of the aboriginal issues, but they did not come, you know, because the government cared about aboriginal issues. What happened was because the aboriginal people in this country stood up together and challenged the government. That is the reason why the federal government is addressing aboriginal issues. At this point there has not been really any action by the federal government. All they have done is

enunciated some commissions, some policies, their intentions to do something.

You know what they have done? The Prime Minister in this country stood up in the House of Commons and said aboriginal issues will be dealt with. Aboriginal land claims will be accelerated. What does he do? He sets up the Spicer commission. We have gone through the Spicer commission. Then, all of a sudden, we get an announcement that there is going to be a royal commission on native affairs. Once again we are being studied. Then, after all this process has been done, we see Joe Clark running around the country trying to address many of the constitutional issues.

The federal government's enunciation of policies willing to do something does not—what is happening is the government is doing the opposite of what they are saying. They have cut back, put capping on education. They cut back on aboriginal organizations. They cut back on communication funding to aboriginal people, doing totally opposite of what their intentions are. That is the reason why I ask this minister: What has he done to make sure that the interests of the aboriginal people are protected?

We saw the announcement, the statement made by the minister of social services, because there had been no communication by the federal government in terms of cutting back and changing their policy and providing funding and helping aboriginal people living off the reserve. What has he done to assist it? Has he put any pressure on the federal government? In terms of treaty land entitlement, has he contacted other provincial governments as to what they are doing, particularly the government in Saskatchewan, because I hear that they are almost coming to an agreement on treaty land entitlement? Whatever precedents the provincial governments arrive at will have an impact as to what the agreement will be here. I want to ask the minister whether he has had any discussions.

**Mr. Downey:** Madam Chairman, yes, there have been discussions. I clearly indicated that earlier in my comments, and the member can get it out of Hansard. We have had discussions with some of the different bands. We have basically carried on with the same policy that the former member had established in 1986. It is basically the same proposal. However, some of the bands have come forward and said that they are not prepared to accept, particularly the formula of that particular

time. It is now in a discussion stage. The resolve of the government to finalize the completion of the treaty land entitlement is there.

**Mr. Harper:** I wanted to ask, I know that he has already addressed, as he says, the treaty land entitlement. I was wondering whether he has had any discussions with not only the federal government, but with the other provincial governments like Saskatchewan, whether he has had a look at the commission, the report findings and recommendations of that particular government in Saskatchewan, whatever the agreement that is reached by the federal government and the province and the aboriginal treaty Indians in that province, whether he has had any dealings in that matter.

**Mr. Downey:** Yes, Madam Chairman, we have had discussions with other provinces.

**Mr. Harper:** I asked the minister whether he has had any—I know he said he has had discussions with the province—whether he agrees with the formula as established in Saskatchewan, whether this government will adopt that policy in implementing the treaty land entitlement here in the province of Manitoba.

**Mr. Downey:** What we are doing at this current time is discussing with the bands who have treaty land entitlement that are interested and anxious in discussing it. Discussions are taking place at this particular time. There have been no final agreements reached at this point.

\* (2300)

**Mr. Harper:** In terms of addressing the whole issue, one of the problems that we have in this country is addressing the specific land claims. Of course, the federal government's approach has been to sort of piecemeal their land claims policy in addressing the land claims. I know that as a minister he stated that some particular bands are not interested in settling the land question, the land claims, or specific land claims, outstanding treaty land entitlement. Has he had any discussions with the overall treaty land entitlement chiefs in terms of approaching this whole issue as a Manitoba solution, in terms of trying to piecemeal their land claims policy? Can the minister answer that question?

**Mr. Downey:** Basically, the discussions have taken place individually with the bands, those that are interested in settling their treaty land entitlement. There have been individual discussions, and some

communication has taken place with the Assembly of Chiefs.

**Mr. Harper:** Yes, I ask the minister whether in addressing these, some individual discussions that he had with a number of bands in addressing and settling the treaty land entitlement issue, whether he has had discussions in addressing all the treaty land issues. Whatever formula, whatever settlement that the band reaches, will certainly have an impact on the rest of the treaty entitlement bands.

I would see that the discussions that are taking place be addressed by this provincial government in resolving the outstanding treaty land entitlement bands. I believe last time, I think, it was about 26 bands in the province of Manitoba, and agreement of the treaty land entitlement chiefs is that there had been a process established in the treaty land entitlement agreement which was reached in principle. Whether those agreements reached have changed now as a result of the discussions he has had. For instance, those bands that are involved in discussions, would they have to be still subject to the present agreement that exists today with the treaty land entitlement chiefs? They have to have two-thirds of the member bands of all the treaty land entitlement bands reach an agreement. Has that changed at all?

**Mr. Downey:** As I indicated, Madam Chairman, we are dealing with the individual bands.

**Mr. Harper:** Well, in terms of dealing with individual bands, is he concerned that the settlements that he reaches will not be consistent throughout the negotiations with all the bands? Certainly, Treaty 5, we have a number of bands in which their land entitlements have to be reached. Is this a policy of this government, that they are going to start dealing with individual bands in settling disputes of land claims? If so, why has he not announced that process and that change of policy?

**Mr. Downey:** Madam Chairman, there is not a change in policy. It is a matter in which the bands have approached us to discuss the treaty land entitlement. Our policy and our approach dealing with all the bands will be consistent.

**Mr. Harper:** Madam Chairperson, we seek some guidance from this minister as a government in terms of how the treaty land entitlement process will work, whether it be individually, whether it be addressed collectively, as the treaty land entitlement chiefs have done. Certainly, if that is the

approach that has been taken by this minister is to meet with all the treaty land entitlement bands, certainly that is going to be a long process.

We had a process in place in which all the treaty land entitlement chiefs were involved, and there were specific agreements that were reached. Now, because of the change of policy, what I see is—because obviously, it is discussing the issues with this particular minister. How is he going to resolve particular bands if they come to a settlement, if they come to an agreement in terms of a formula? Is he going to say that it is going to be precedent setting and whatever is achieved will be the same for all the treaty land entitlement bands?

**Mr. Downey:** Madam Chairman, with all due respect, the member has not been able to show that the system that he had in place was in fact successful. What I am saying is that we will be consistent, but I do believe it is important to get on with the objective of settlement.

The bands may well form together in an organized way to come in collectively to say this is how they want to deal with it, but to this point we have had bands individually come forward clearly indicating their desire to settle. We would be less than responsible if we did not deal with them in an individual way at this particular time. I think that is important to note. We have to respond to those individual bands.

Secondly, we have had communication and are expecting the Assembly of Chiefs to respond to us as they represent the bands of the province, expecting a comment back from them to indicate to us if there is a desire for their organization to represent in any collective way the bands that have to deal with treaty land entitlement.

Initially, we are dealing and we are trying to get on with some of the individual situations, and I have referenced them earlier. There is the War Lake Band at Ilford, which has third-party involvement, but there have been discussions taking place. There are the Island Lake communities, which there has been some interest shown and discussions are taking place. There is as well the Swan Lake Band, which has shown interest and discussions have taken place. So I do not think it would be responsible to say to those bands that have come forward individually and say, whoa, we cannot deal with you, because we want to deal with you all as one organization.

I can tell you that when we deal with a band we will have a consistent policy as it relates to additional settlements that are made. I think that is understandable, that once government makes a policy they will not deal differently with different bands. There will be some basic principles that are established, a formula, how we deal with third-party interest, and that activity will be consistent from one band to another.

**Mr. Harper:** Obviously, there has been a change of policy by this government, because in addressing that issue what he is saying is that he is talking to the individual bands and at the same time he is saying that he is establishing some consistency in those discussions to establish a formula. Now, if he is only talking to one band, how can he say that this will be endorsed by all the bands? Certainly, if he is going to establish some sort of a formula which will establish all the negotiations, I think what needs to happen is that you need to talk to the umbrella organization, not necessarily the Manitoba Assembly of Chiefs, but the treaty land entitlement chiefs, the bands that have outstanding treaty land entitlement.

I do not think this issue can be discussed in isolation of other bands, if it is being discussed only with one band member. If he is going to be talking to one particular band in solving an issue like establishing a formula, I would expect that this discussion will be done collectively by the treaty land entitlement chiefs.

**Mr. Downey:** Madam Chairman, I am now hearing from the member for Rupertsland that he wants me to ignore the advice from the Assembly of Chiefs. It would be interesting to hear what the Assembly of Chiefs has to say now that the member for Rupertsland is saying he does not want me to discuss with the Assembly of Chiefs the issue of treaty land entitlement, as if it is none of their concern.

\* (2310)

I think that they represent the chiefs on many areas. Some bands want to deal through the Assembly of Chiefs, others want to deal directly with them, but to hear the member for Rupertsland say we should ignore the recommendation and advice from the Assembly of Chiefs, I find very, very strange coming from the member for Rupertsland.

I want to also point out—and maybe the member should pay a little more attention to what is going on

in his own backyard. I am not so sure that the member and his questions should be made aware. In case that he is not, apparently he is not aware of the fact that his own band, Red Sucker Lake, have approached us through the Island Lake organization to settle the treaty land entitlements.

I am surprised that the member has not known this. Is he saying that we should hold up the Island Lake settlements that work on treaty land entitlement until we have all the other bands in full agreement with that proposal? Is that what he is saying? Was he not aware of the fact that his own Red Sucker Lake community, through the Island Lake organization, are wanting to settle treaty land entitlement? They want to advance on their own area to advance a settlement. I am surprised.

I am surprised where the member for Rupertsland has been. He is not paying attention to his home community. Is he not concerned and considerate for where he got his support from to get into politics? I think he is neglecting his duties, Madam Chairperson, if he did not know that the Red Sucker Lake community are part of discussions with the government to settle a treaty land entitlement in his own community in Red Sucker Lake. I am surprised.

Is he now telling me he is opposed to them negotiating with the province to settle treaty land entitlement? Is that what he is telling me, that he does not want me to have the department further discuss with Island Lake and Red Sucker Lake, a settlement for his community? Is that what he is telling me now? If so, I want him to put it on the record.

**Mr. Harper:** This minister likes to put things on record which are not true. I know that when he talks about the Manitoba Assembly of Chiefs as if I am advising him not to talk to the chiefs, what I am telling him is to talk to the treaty land entitlement chiefs. Certainly, they want to resolve the whole issue of the treaty land entitlement process. They want to be able to have a collective input so that there will be consistency throughout the entire process. We do not want this particular minister to start that divide-and-conquer approach that has been used against aboriginal people for a long time.

I can tell you that when he talks about the Red Sucker Lake Band, I am aware of the process of what he is talking about. I can also tell him that there are other issues than the settling of the issue in the

Island Lake Tribal Council, because there are internal issues that we have to resolve as members in the band. At one point, we used to be only one band. Then we separated into four bands, because in dealing with the whole issue of the land, we have to address it collectively, not as individual bands.

So the whole process has to involve all the four reserves in the Island Lake area. I know that as the Red Sucker Lake Band, we are running out of space. We only have 250 acres of land, and there is no room to expand. One of the problems that we are having is we need to have more land so that we can build houses. To construct a house is a major decision because we have no land base.

In terms of addressing the treaty land entitlement, my approach—I told him that is the reason I am asking the question—is to settle the whole issue with the treaty land entitlement chiefs. I know that the Island Lake Tribal Council and chiefs in that area have indicated that they want to start resolving some of the treaty land entitlement in that area, but there are still many issues that have to be resolved in the area that have to be discussed collectively with the people in the Island Lake area.

I can tell him that, because I am a member of that band. I am a member of that particular area. There are still many questions that have to be resolved, that have to be addressed collectively as band members in that area. I know this minister would like to put it on record that I do not know what I am talking about. I know what I am talking about, and I know that I can talk directly to the people involved in that whole process, so let him not worry that I do not represent the interests of the people. I do represent the interests of those people. I would like to put that on record.

In terms of the treaty land entitlement process, I ask him again whether he is prepared to talk to the treaty land entitlement chiefs. I would like to ask him that question, whether he is just approaching on a band-by-band basis. I know that he has to respond to individual band requests, but I do not think it can be done in terms of settling one particular band treaty land entitlement, because it is going to set a precedent to the whole process. I would like him to confirm whether that is a change in policy of the government?

**Mr. Downey:** Madam Chairman, I am not so sure that it is a change in policy of our government, but I can tell the member for Rupertsland that it has been

supported by the Manitoba Assembly of Chiefs. The Manitoba Assembly of Chiefs has supported the Island Lake Tribal Council and their initiative to have their specific land claims negotiated with the province, specifically as an area, as a region, the four bands negotiating with the province.

The member for Rupertsland (Mr. Harper) is saying I should ignore that and should go to the other bands to say to them, we are not going to deal with the Island Lake people and the Red Sucker Lake community. We are not going to -*(interjection)*- Yes, that is what he is asking me to do. That is exactly what he is asking me to do, to ignore this request from the Island Lake community on treaty land entitlement until all the chiefs agree, in total, with the package that is being proposed. That is what he is saying.

He is denying the community which he represents the opportunity to proceed to settle treaty land entitlement as it has been recommended by the Assembly of Chiefs and as it has been requested by the bands of which he represents in his own backyard. That is what he is telling me. He is saying I should go to the organization of the treaty land entitlement chiefs. I should not deal with anybody individually. I should deal with the treaty land entitlement chiefs, not deal with his four bands that he represents in his backyard, as recommended by the Assembly of Chiefs, as requested by and discussed with our department with those organizations, those bands. He is saying no to that; I do not want you to do that; I want you to hold up that process until we have all the other bands at the table at the same time. -*(interjection)*-

Well, I want him to stand in his place and say that is what he wants. I want him to stand and put on the record and say he wants me to deny and to break off negotiations with the Island Lake people, as was recommended by the Assembly, as has been requested by those four bands, the settlement of treaty land entitlement. I want him to stand in his place and say that is what he wants me to do. He wants me to deny negotiations and discussions with the Island Lake people. That is what I want him to stand and say, because that is what he is advocating. That is what I am interpreting him to say.

If I am incorrect, then please stand and correct it, because I do not want any misconceptions here. I do not want to falsely have something left on the record. I want it to be truthful and factual, and I want

to understand it. Let him put it clearly on the record that he does not support the Island Lake Tribal Council, Red Sucker Lake proceeding to discuss with government the treaty land entitlement until all the other bands are part of it. He wants me to delay that. I want him to put that on the record.

**Mr. Harper:** Madam Chairperson, I asked this minister whether there has been a change of policy in negotiating with the treaty land entitlement bands in this province. What he said to me was that he is negotiating with individual bands to settle this issue. That is what he said to this House.

What I want to know is whether this is a change of policy of this government. Can he confirm that, whether this is a change of policy of this minister? Can he confirm that now, because we want to know whether this is a change in policy?

**Mr. Downey:** No, I do not consider it a change of policy, Madam Chairman.

\* (2320)

**Mr. Harper:** What he said, that he is caught, this minister is caught in a change of policy. Now he is trying to defend himself, saying that all of a sudden we have had these four requests and using that in my area in Red Sucker Lake on those four bands. That is what he is saying. Now he is squirming in his seat, because he has changed policy. This minister has a change of policy, and he has not advised the treaty land entitlement chiefs.

What I would like to know is, as he says, a change of policy. I know for a fact if he wants me to come back with a statement in this House supported by the four bands in terms of trying to settle this issue, I can do that if he wants me to do it. I can tell them that. I can get a statement, go to the tribal council and conduct some meetings out there and settle this issue and advise the minister of that. If he wants me to do that, I can do it.

What I ask the minister is, because obviously there has been a change of policy of this minister, because he is obviously approaching individual bands in settling issues. I do not know which bands he is saying, but he has mentioned to me. I would like to know which bands he has mentioned. He has mentioned four bands. Obviously, if any conclusion of the treaty land entitlement is reached with the bands, of course, they would have to apply to all the bands in Manitoba.

As Indian people, we stand together on many issues. Any agreement that we reach, we are very

careful in terms of that we do not prejudice their discussions or negotiations. Oftentimes, the approach of the government has been to approach individuals by a band-by-band basis or a smaller number in groups, the divide-and-conquer tactics. That is what we want to avoid. Any kind of decisions that we make, we like to make them collectively so that it benefits all the treaty land entitlement bands.

I asked him a question, because any agreement that he has reached would have to be approved by the federal government in Ottawa. Obviously, there are other treaty land entitlement negotiations happening across the country in Saskatchewan. That is why I asked him whether he has reviewed that document and the recommendations. The kind of decisions that they make will obviously have an impact as to what kind of agreement we will reach here.

So let this minister not fool the House in saying that whatever you reach, he will be able to pass it with the federal minister in Ottawa, because they want to be consistent too. So obviously there has been a change of policy in addressing the treaty land entitlement in this province.

I would ask the minister whether he would be willing to discuss the whole issue of treaty land entitlement? Would he be willing to call all the treaty land entitlement chiefs and take some leadership in this issue and discuss with them directly and hold a meeting on this particular issue?

**Mr. Downey:** Madam Chairperson, the member who is squirming in his seat is the member for Rupertsland, who is for the second time in a short period of time finding out several months or weeks after action has taken place and his community is doing something, and he is not fully up to speed.

He is in fact opposing resolve of the treaty land entitlement for the bands which he represents in his own backyard, not unlike, and I do not have the newspaper clipping here, where some two weeks after a resolution by the Berens River community was brought forward to in fact take over the Channel Area Loggers program, he was some two weeks, Madam Chairman, finding out about it. In fact, the headline says, the member was in the dark, or something like that. The member was in the dark.

You know, I think what is happening is the member is taken up with this great international fame of his, and he has forgotten about his

community people at home. He has forgotten about the grass-roots people who voted for him to get—

**Madam Chairman:** Order, please.

### Point of Order

**Mr. Doer:** On a point of order, Madam Chairperson, the minister well knows that the member for Rupertsland (Mr. Harper) was speaking at Vegreville to save the port of Churchill, a matter directly in his own constituency, in his own northern area, and for the minister to impugn motives and make all these dastardly suggestions about the member is really inconsistent with the high traditions of this House and the high traditions of the member for Rupertsland.

**Madam Chairman:** The honourable Leader of the Opposition does not have a point of order. It is a dispute over facts.

\* \* \*

**Mr. Downey:** Madam Chairman, let me say that my colleague the Minister of Highways and Transportation (Mr. Driedger) was also at Vegreville and because he was in Vegreville did not mean to say he did not know what was going on in his home riding. It was two weeks after that this member found out what was going on in his own backyard.

My only advice, and it is serious advice, the member should pay attention to what is going on in his own backyard, in his own constituency. All I am saying is that the member has forgotten about who actually brought him to the Legislature. He has forgotten about his own communities.

What I am saying is that the member is telling me not to negotiate. I will talk to the Island Lake Tribal Council. He said he will bring resolutions forward. I will talk to the Island Lake Tribal Council. I will find out if they now want to stop negotiations on treaty land entitlement. -(interjection)- No, that is what he is telling me. He tells me not to negotiate. In fact, I will have to check now before I do any further negotiations and say to them, their member Elijah Harper does not want me to proceed to have any negotiations further on treaty land entitlement. That is what he is saying.

I am prepared to talk to all the chiefs with treaty land entitlement in a serious way of resolving the outstanding claims. I mentioned Ilford, the War Lake Band; I mentioned the four bands that he is supposed to be looking after, and not very well, I

must admit. We have had contact from Swan Lake, Island Lake, plus we have been invited to participate in Treaty 5 Conference representing approximately 16 bands in addition. There have been some pretty successful discussions ongoing and we are working with the objective of resolving them.

I do not want to get into a political battle with the member for Rupertsland (Mr. Harper). I want to get on with the job of resolving the outstanding claims. I want to deal with them seriously. I do not want to deal with them in a political posturing way. I want to deal with them in a serious and negotiating manner.

That is why I say to the member for Rupertsland, give me his clear position. He says it is a change of policy. If it is an effective change of policy to help the Indian communities, then is he opposed to it? Let me put the question to him. Is he opposed to a positive change that will in fact help resolve it? I do not see it as a change of policy. The final results, the principles of which any settlement is made, the final results, the next settlement will have to be based on those same principles, the formula, the whole business. There will not be major changes. The principles once established will be what we continue on with, with other discussions and negotiations. If that is what he wanted me to say, that is what I am saying, but I am surprised, I am disappointed and surprised and just shocked that he would not support his own four communities in the resolve of outstanding treaty land entitlement.

We are working towards a hydro solution, hydro into his community; we are working on treaty land entitlement—all these things, Madam Chairman, that he has not been aware of. Channel area activities which he is responsible for. Out of touch with what is going on at home. Maybe it would be time that we got on with some dealing with some home-base issues, some issues that are community issues that are going to help the individuals which he represents.

If he says that he does not want me to negotiate with treaty land entitlement with his four bands, then say so, and say so on the record. Say so now. I challenge him to say he does not want me to deal with them in an honest and open and up-front manner as was recommended by the Assembly of Chiefs, as has been agreed to by the federal government, and as has been agreed to by the province. Let him say he does not want us to deal with them under treaty land entitlement.

\* (2330)

**Mr. Harper:** I am glad the minister has said that there has been a change of policy in this government in their approach to settling issues by band basis. Of course, when you ask the bands to negotiate, they would want to say they want to negotiate. I do not think anybody would deny that, but I think that what the minister has said also is that they want to be consistent through the entire negotiation process. All the principles that have been reached some time ago—I mean, this process, this negotiation has been going on for, I do not know, maybe 15 years. We reached this agreement in principle in 1984 when it was signed by all the parties agreed. That is the Order-in-Council that was passed. That is 1984. That is seven years ago.

If he tells me that he is going to be discussing some of those principles that were agreed to, I can tell him that those things will change. I know that for a fact. I am not telling you a lie when I say that. I am telling the truth. Some of those things will change as a result of the inaction of the federal minister, by the federal government as a result of the inaction. Circumstances have changed. That is the reason why I said to this minister: In dealing with the whole treaty land entitlement question, has he approached the organization, the umbrella from the treaty land entitlement chiefs because all the chiefs are going to be concerned about what kinds of agreements are reached?

I am not telling him that he cannot talk to the Island Lake Tribal Council. I did not say that. What I am telling the minister is that whatever outstanding treaty land entitlement negotiations are, the principles that are reached, I think he would want to be consistent with those agreements reached with the other bands.

Is he saying that if he reached an agreement with a particular band and another band comes along, and says, well, basically the agreements have been reached already and this is the process and the agreements you have to abide by? That is a tactic that has been used by governments and applied against aboriginal people. I think my suggestion to this minister is to talk to the chiefs collectively, to the bands with outstanding treaty land entitlement.

He knows that I am making sense. He knows that. Anyone with any logical sense would only reason that he would want to achieve this so that all

the agreements—so I am advising him to take that approach and I hope he listens to me. Certainly, he has admitted there has been a change of policy, and I do not know why he has not enunciated that for some time.

I know that in Red Sucker Lake, we have only 255, because we were not able to resolve that. When he says that we are unable to negotiate, nobody is going to deny that they want to negotiate, but as I said before, any kind of agreements that we reach, we do not want to jeopardize other bands' interests or prejudice other claims as a result of our negotiations. I think he has to watch for that.

Will he take that suggestion and take my challenge to call in the treaty land entitlement chiefs, to sit down and take some leadership in this area, because if he is going to show any leadership this is a fine time to do it. I will not criticize him if he does that, but will he do it?

**Madam Chairman:** Item 4.(c): Aboriginal Development Programs \$1,438,000—pass.

Resolution 119: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,034,900 for Northern Affairs, Native Affairs Secretariat—pass.

Item 5. Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets: (1) Northern Communities.

**Mr. Gaudry:** Madam Chairperson, in the supplement document information, it shows nine staff years but no salaries. Can the minister explain?

**Mr. Downey:** Yes, it is part-time staff used to do some of the infrastructure work within our communities. The funding is attached to the capital works programs.

**Mr. Gaudry:** Madam Chairperson, once again I remind the minister about his comments re providing essential maintenance of community capital assets and the prominence which he gave these comments in the last Estimates. In light of the above, I ask the minister to explain why Acquisition/Construction funding has dropped by more than \$1 million since last year?

**Mr. Downey:** Yes, it is a deferment of some of the capital works that are out there that have to be done but, in fact, can be delayed at this particular period in time.

**Mr. Gaudry:** Madam Chairperson, also in the supplemental information it states: To improve the standard of living in northern communities. I have a letter here that went to the minister in regard to the Disbrowe School, Red Sucker Lake. They are asking the Department of Northern Affairs to install a shower facility as part of a pump house building that they will be erecting during the coming summer, because they say such a shower could be included in the proposal building with very little extra expense and would fulfill a critical need in the community which has no running water. They are asking this matter to be considered and ask the support. There is no doubt that a shower is a vital facility in promoting hygiene and good health. At present there is no such facility available for the community use. The nearest facility available is three kilometres away at the nursing station.

Could the minister say what has happened to the request by this student?

**Mr. Downey:** Again, I would like the member to table the letter, if he would. I think it is important that we have it, and it is important that the people of Red Sucker Lake be looked after. It is interesting to note that the Liberal Party has now been requested to look after the needs of Red Sucker Lake. I am quite interested to hear that coming from the member for St. Boniface. Again, another situation where the member is, I guess, not paying as much attention to the home area as what one would expect. I would add the response is this. Apparently there has to be some concerned -(interjection)- At least they knew who to go to to get some response.

**An Honourable Member:** Well, they would not go to you, that is for sure.

**Mr. Downey:** Well, they are now. That is how it has come to me. It is actually coming to me now. The answer is, apparently there are some concerns environmentally as to putting a shower facility in this particular location. The department is looking into it and, if it can be done on an environmentally sound basis, then we will work to accommodate it.

\* (2340)

**Mr. Gaudry:** Madam Chairperson, I thank the minister for his comments, and also I will table the letter for the minister. There is more than one Liberal in Red Sucker Lake.

**An Honourable Member:** There are two.

**Mr. Gaudry:** No, there are three now. -(interjection)- I do not know. There are not too

many New Democrats in St. Boniface anymore. I recall very well, I was walking with the Leader of the Opposition (Mr. Doer) going to the reception and asked him who was running in St. Boniface, and he did not know the name of his—it is late in the evening, I am sorry. -(interjection)- No, I would not say that. You had good candidates. There were finally nice gentlemen the last time.

Madam Chairperson, also, what portion of the Capital Program has been deferred? That is, what was it targeted for? What capital projects have received priority and which have not?

**Mr. Downey:** Basically, the deferral of programs were those that were determined by the department working with the communities. Again, it is not unusual to defer programs, projects in the Northern Affairs communities. It has happened over a period of time, although it is a situation where we want to continue to make sure the health and safety of the communities are looked after and there are no reductions or no deferrals of expenditure where it is related to community health or safety.

**Madam Chairperson:** The honourable minister—member for St. Boniface.

**Mr. Gaudry:** She has made me minister already. Madam Chairperson, again the same question applies to the Community Access and Resource Roads which has had funding cut by \$100,000. Roads are of vital importance to Northerners. Is the slashing a reflection of how the minister places greater emphasis on community needs?

**Mr. Downey:** These roads that he refers to are not internal road systems. They are, in fact, occasional road activities as it relates to resources like hay fields, pasture land, that type of thing. They have not been considered, at this particular time, essential to the community activities.

**Mr. Gaudry:** Madam Chairperson, my final question will be the fact that the Expected Results, the transfer of an increasing amount of autonomy of local governments, how does the Capital Program go about transferring autonomy to local governments?

**Mr. Downey:** Basically, the principle is that local delivery is the key and traditionally, up until a few years ago, 100 percent of the work activities within the communities was provided by a government department and now only 25 percent is delivered by a government department. It is basically the local

communities that are delivering the activities within their communities.

**Mr. Lathlin:** Madam Chair, I also would like to ask the minister some questions on this line here, but before I do that I would like to again go back to his speech that he made here on the 21st of May where he said, difficult choices that we have been forced to make and indeed they have been the most difficult decisions I have had to make in many years of experience as I have experienced as Minister of Northern Affairs and Native Affairs.

Talk about making difficult choices. You know, when I used to speak to my people when I was chief of my band, choices were one of my favourite subjects when I was speaking to my people in terms of trying to motivate -(interjection)- Perhaps I can ask the minister to say, "Let there be light." Now I cannot see. -(interjection)- All I can see is the minister's face. Under these circumstances I will try to continue. Now I know the minister does not have divine powers.

Anyway, when we talk about choices in our community, the way we talk about them is in the context of giving people the capability or the ability to make choices. Now when this minister talks about having to make difficult choices, little does he realize that when he cuts programs and services such as this capital expenditure here and like others, people who have been laid off and programs cut and so on, essentially what he is doing is robbing people, particularly in the North, of the ability or the capability to make choices.

You see, Madam Chair, when you are being forced out of your job and into social program schemes like unemployment insurance, your unemployment insurance in time will run out and you will be forced to go to the welfare office to see if he can get welfare assistance. That is when we begin to rob people of their ability to make choices and their capability to make choices. So what happens is, people are forced into a welfare situation and they no longer have the capability to make those choices. Either they can stay in the community and be forced to live under substandard conditions, or else if they had the resources like training programs and so on and equipped themselves with those tools, then they would have the ability and the capabilities to make choices.

What this minister has done is, he has robbed those people of those capabilities or abilities, as I

call them, because when we force people to go on social services, people being out of work, the family situation starts to break down. There is a social breakdown. We begin to experience more alcoholism in the community. We begin to experience more family violence and so on. This is the result of what happens when you force people to go into social service situations, Madam Chair.

For example, yesterday I was coming back and I was at the airport and I ran into a couple of Chamber of Commerce people from The Pas. They advised me that the liquor inspector from The Pas, who had been there for 18 months—the town of The Pas and The Pas Indian Band had lobbied long and hard to get a liquor inspector in The Pas, and then finally about 18 months ago the liquor inspector was redeployed, I believe, from Brandon or Dauphin or maybe from Thompson into The Pas, so now that liquor inspector has been reassigned to Winnipeg.

As a matter of fact, The Pas Indian Band and the town council—if the minister was reading the local newspaper from the town of The Pas, but of course you would not have that chance now, because he hardly ever goes north anymore, but just last week a meeting had been held between The Pas Indian Band and the town council, and I think the Minister of Justice (Mr. McCrae) has been invited into the town of The Pas for the next meeting sometime in June, where they are going to be talking about the kinds of problems that I am talking about that result when there is a breakdown in the social order.

The Town of The Pas and The Pas Indian Band are going to be talking to the minister when he goes there in June about the problems they are having at social functions in The Pas where people underage are going into socials and getting into all kinds of troubles, where the local drinking establishments are not being properly monitored by the Manitoba Liquor Commission. So that is exactly what the Minister of Justice (Mr. McCrae) is going to be hearing from the mayor of the Town of The Pas, Mr. Unfried, and the chief from The Pas Indian Band, Charles Constant.

What I was going to add onto those comments, Madam Chair, was when you take away those capabilities or abilities to make choices, that is exactly what happens. The social problems start to come about. I am afraid that if some of these decisions that have been made by this government are not reversed and some of those programs are not reinstated, then we are going to continue to

experience more social problems in the North. That will, of course, end up costing the government more money because people are going to have to eventually end up somewhere, whether they end up in crisis centres, or whether they end up in treatment centres or in jail.

\* (2350)

I would remind the minister that when he says, difficult choices that we have been forced to make, let me tell the minister that he has forced people to make even more difficult choices than he purports that he has had to make because these people are going to have to—I mean let us face it, they will not have choices, they will be forced into situations that will be detrimental to the social fabric of the community.

Like I said, the Minister of Justice (Mr. McCrae) I know has been invited, because I was advised by the mayor of the Town of The Pas to go into The Pas and meet with the chief and council and the mayor and council of The Pas to talk about the building inspector who has been transferred out of The Pas after being there for 18 months and being transferred back to Winnipeg.

I think when you force people into a corner, then we are bound to have problems and I would remind the minister that, for example, when he says you know we have had to defer some Capital Programs, my question to him would be: When is he prepared to reinstate, or put back into place, the funds that he has to take back from these Capital Programs?

**Mr. Downey:** Madam Chairman, as I indicated clearly previously, these are deferred or delayed programs. As soon as we see some improvement in our economic activities then I would anticipate decisions being made that will, in fact, support the kind of activity that the communities want and are helpful to northern Manitoba.

**Madam Chairman:** Item 5.(a)(1) Northern Communities \$2,570,100—pass; 5.(a)(2) Community Access and Resource Roads \$335,000—pass.

**Mr. Ashton:** I just wanted to reiterate, I do not wish to continue the matter I raised during the first day we discussed Estimates in terms of access roads, et cetera, in terms of winter roads in particular, that this is one area where I would encourage the minister to look at the situation in the communities that have lost funding from the Department of Highways. I think this would be one area where we

could make a small step toward, I think, recognizing the fact that an error was made.

I really believe that despite all the differences in philosophy—we certainly discussed these earlier tonight—this is certainly one area where the minister and I could probably agree, on the importance of the winter road system. So I would, once again, encourage the minister to recognize that the winter road season is a considerable period of time away. It is into January before we really look at winter roads. Decisions probably would have to be made September, October, so the minister has a number of months.

I would hope he would take the time to correct the errors that were made in the other departments. Maybe we may still have some criticisms of the minister in other areas in the North, but if he can at least reinstate this, we might be able to give him a small but well-appreciated kudos, certainly on behalf of the communities affected during the next Estimates.

By the way, these words could be quoted back to me. I will be the first one to get up and give the minister a small kudos, if he can at least get the—and I want to mention the communities again. They are Thicket Portage, Pikwitonei, Pukatawagan; I believe Bloodvein is the fourth community that is affected. I would certainly appreciate the minister's attention to that.

**Madam Chairman:** Resolution No. 120: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,905,100 for Northern Affairs, Expenditures Related to Capital, for the fiscal year ending the 31st day of March 1992—pass.

At this time I would request the minister's staff to please leave the Chamber.

Item 1.(a) Minister's Salary \$10,300.

**Mr. Ashton:** Yes, Madam Chairperson, I think it is about three minutes away from midnight, and we have an agreement between the three parties to sit no later than midnight and, as the minister might anticipate, we have more than a few comments we would like to place on the record on this very important item. I was wondering if there might be a willingness to adjourn for the night, have committee rise, without passing the item?

**Madam Chairman:** What is the will of the committee?

**An Honourable Member:** No, pass.

**Mr. Ashton:** Madam Chairperson, if the minister wants us to continue until midnight. I was trying to end the night off on a positive note having just referenced the issues in terms of winter roads. If the minister wants me to—I talked about—possibly give him a slight, small kudo in terms of that. If he wants me to spend the rest of the two minutes here talking about the record of this minister—oh, I believe maybe there may be a willingness now for committee to rise.

**An Honourable Member:** Committee rise. See you tomorrow. Same time, same place.

**Madam Chairman:** As previously agreed, the hour being past 10 p.m., committee rise.

Call in the Speaker.

## IN SESSION

**Madam Deputy Speaker (Louise Dacquay):** The hour being past 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. (Tuesday).

**Legislative Assembly of Manitoba**

Monday, May 27, 1991

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