



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

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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39-40 Elizabeth II

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

**Members, Constituencies and Political Affiliation**

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<b>NAME</b>	<b>CONSTITUENCY</b>	<b>PARTY</b>
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	St. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 18, 1992

The House met at 7 p.m.

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### CULTURE, HERITAGE AND CITIZENSHIP

**The Acting Deputy Chairperson (Mr. Jack Penner):** Could the committee come to order please. We left off at item 5. Multiculturalism (a) Multiculturalism Secretariat: (1) Salaries \$189,800.

**Mr. Kevin Lamoureux (Inkster):** Mr. Acting Deputy Chairperson, I believe what we were going to do was just to ask questions on the balance of the department and then after, in and around between 9:15, 9:30, just pass all of the lines at that time if it is okay with the minister.

\* (1905)

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Citizenship):** If I can, just before we start, indicate that I have here copies of the Canadian Arts Consumer Profile for opposition, Prix Manitoba Award applications and a grants listing for the Multicultural Grants Advisory Council for 1990-91. I will give one to you now and save one for—

**Mr. Lamoureux:** I wanted to start off by asking some questions with the Heritage Federation. It is a major concern that we have had. Unfortunately we do not have too much time to deal with it, but I am going to try and do what I can to try to emphasize how important this particular issue was to us.

We have asked a number of questions ever since the budget has been brought down in terms of what the government's intentions are with the Heritage Federation. We had, in fact, introduced a Matter of Urgent Public Importance because we did not feel that it was being debated, and that it merited and warranted full debate from within the Chamber to answer a number of questions. Maybe I can start off by indicating to the minister that I have had a great deal of correspondence go out from my office with respect to the Heritage Federation and actually had solicited some input, some return mail in the form of petitions, and was very pleased to find out that there was a lot of support. I know that I have

tabled a number of petitions, unfortunately because a good size of the majority put their name in the sponsoring box, I was unable to table all of the petitions.

I found there was a lot of support for what the government was doing was wrong, that in fact the government could have gone about the heritage funding in a much better fashion instead of making the decision in the manner in which they had made it. In fact, I think at last count, in and around 40 petitions were returned to my office.

Mr. Acting Deputy Chairperson, the Heritage Federation, and I must say I have had a number, and when I say number, I have had three, maybe at very most four phone calls regarding the letter that I sent out and I sent out a few hundred of them at least. I can honestly say that I have only had three, four at most, phone calls and of those phone calls, they were more so in disagreement with the Heritage Federation.

What I had explained to them is that what we were most concerned about was the process and felt that the Heritage Federation was in fact doing a very adequate job. We talked in terms of what had happened with the MIC and the creation of the Manitoba Grants Advisory Council and the concern is the direction the government is going to be taking it? After explaining that to all three individuals and one of them was, in fact, a community newspaper, all three felt that in fact, yes, that I was right in my criticism.

I guess what I am trying to suggest is that there is no doubt in my mind that what the government has done to the Heritage Federation in the treatment of the Heritage Federation is wrong. What the government's intentions are, are very unclear. The government has talked about having a process in which they are going to consult and come back with something—we are not too sure what it is—and there are a number of questions that come out of that. The first thing that came to my mind is, well, if this is the case, why did they not consult and come back with something? Why did they not sit down and negotiate with the Heritage Federation? Why did

they not try to fix up what they might have believed was wrong?

So having said what I have just said, Mr. Acting Deputy Chairperson, I ask the minister again as to why it is that the granting authority was taken away from the Heritage Federation?

**Mrs. Mitchelson:** I think I have indicated on several occasions in the House that, indeed, it was a decision that surrounded the budget. We, the government, over the last five years, have attempted to run our programs very efficiently and effectively, streamline in many ways, the bureaucracy and ensure that the community was the major benefactor of some of the scarce dollars that have become available.

We have very little increase in revenue and major, major increases in demands. I think it is incumbent upon a government to use the taxpayers' money to the best benefit available to go back into the community to do a lot of the worthwhile things that are done.

\* (1910)

So, in that respect, we have been taking a look at all of the programs throughout government, all of the agencies that are funded, and looking at the way administrative costs have been skyrocketing. For the Heritage Federation, since its inception in 1985, I think we have a sheet here, and I can share information with you on how the administrative costs at the Heritage Federation have increased since its inception.

I guess 1984-85 was the first year the Heritage Federation was established. The administrative costs at that time, and granted they were just getting up and running, were 2.4 percent. In '85-86, they went to 8 percent; in '86-87 to 13.1 percent; '87-88, 13.2 percent; '88-89, 17.3 percent; '89-90, 20.9 percent; and '90-91, 26.1 percent. So we saw over a period of six, seven years administrative costs going from a low of 2.4 percent of revenue to 26.1 percent.

That is a fairly significant increase in my mind. That tells me that indeed not all of the money that should be going to the community is going to the community, and a bureaucracy was being created that was using money that had been allocated to the Heritage Federation by government to distribute to many community organizations for project grants. So that was one thing that we looked at when we

looked back at the history of the Heritage Federation.

Now I am not saying that they did not have money in reserve, but the money that they had in reserve that they were collecting interest on to pay some of their administrative costs was indeed money that had been given to them to distribute to the community. Obviously, the reason they were able to generate interest was in fact because they were not allocating all of the money to the community that should have been going to the community but, indeed, was being held, and interest was being generated. Then that gave them a reason to say, well, we are only spending the interest on the money on administrative costs.

You know, if they reduced their administrative costs and they had interest, that interest could be going to worthwhile community projects rather than to administrative costs. We would have believed when we looked at the program that we could run a grants program ensuring that the maximum amount of money got out into the community for considerably less administrative costs, maybe with one staff person possibly sharing resources from the department. Agreed, they had to have some overhead that maybe government might not have to incur because we already have space and buildings, government space, that could be utilized for meetings.

We already have a fairly sophisticated grants administration within the Department of Culture that could handle the increased workload of mailing out the cheques, so we could use resources, would not have to increase any resources within government to provide those kinds of things that the Heritage Federation may have had to hire people to do. We know that we can do it within existing resources in the department, so there might be one staff person, maybe with a little bit of part-time secretarial support, that could manage evaluating the grants, and there could still be a volunteer board that could make decisions on the grant applications.

\* (1915)

That was basically the reason. I believe it is incumbent upon us as a government who is trying its best to maintain or even decrease in some budgets, personal taxes and, on the other hand, try to meet some of the increased demands that we are experiencing in many areas of government. That was basically the reason the decision was made.

**Mr. Lamoureux:** The more recent agreement that was signed was back in April of 1990. Did the minister or any of her staff indicate to the Heritage Federation at that time that their increasing in administrative costs could put into jeopardy the Heritage Federation from having the responsibility of giving out the grants?

**Mrs. Mitchelson:** There was a clause in the agreement with the Manitoba Heritage Federation that they were indeed not to exceed \$165,000. When we negotiated that agreement, that was a very contentious point. I guess there was give and take on both sides. They were informed at the time that their administrative costs were high, and we would have liked to have seen a lower amount even put into the agreement, but nonetheless that was the number that was determined at the time. They went above that amount in 1990-91, in the first year of the agreement.

**Mr. Lamoureux:** Did the minister or the department—I can understand when you are sitting down at a negotiating table where figures are thrown and no doubt everything is talked about, but what I am more concerned with is, is there any indication given to the Heritage Federation that they could be in jeopardy of losing their responsibility of funding heritage grants or allocating the heritage grants because of increasing administrative costs?

**Mrs. Mitchelson:** I guess when you look at the situation that we found ourselves in when we were looking at this year's budget process, we were looking at ways and means of trying to ensure that the dollars that were being allocated throughout were being allocated in a very efficient and effective way. They did go over their allocation and what they were supposed to be spending on administrative costs. They were over and above that.

Now, I know they have come back and said to us, if only someone had told us. It was stipulated in the agreement; it was a contentious issue when the agreement was signed. As I said, there was give and take on both sides when we were trying to negotiate that agreement. That was the figure that ultimately was decided upon, but they did know too that it was not a figure that we were terribly happy with.

**Mr. Lamoureux:** Now I am not 100 percent certain, but in some of the discussions that I have had with the Heritage Federation, I had understood that the reason why they had gone over what was agreed

upon was because of a particular individual who was going to be hired to do a project and that, in fact, the government had some indication of it. Did the government have any indication whatsoever prior to them going over the agreement level? Did they have any indication of it at all?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, that was not the reason that they went over. They were already over what the agreement indicated they could spend, and they were contemplating at that time hiring yet another person over and above that. They did not go ahead with that process. They never hired that person, but, indeed, they were contemplating doing that even though they were already above the amount that was specified in the agreement that they could spend.

I just want to say, there was a major volunteer commitment by many, many people to the Heritage Federation. That does not mean to say there cannot be a major volunteer commitment and a broad cross section of the community still responsible for making the decisions on heritage grants.

\* (1920)

I guess, when you look at it realistically, probably, space rental is something that the Heritage Federation will have to spend money on. That is something that we can accommodate with space that already exists within government. So we can make reductions to administrative costs in that way. They need someone to process the cheques and do that kind of thing. We already have Grants Administration that can do that.

So, yes, they would need more staff than we will need to spend money on out of the lottery allocation for heritage, than we need within government. That is the kind of common-sense, I suppose, decision that led us to make the ultimate decision, to change the way of delivering grants, not saying that there will not be a volunteer component associated with. There will very definitely be those in the community who will be part of the decision-making process.

So we know that we can do it within existing resources, and we do not have to hire extra people. So that ultimately does bring the administrative costs down. We know the Heritage Federation could never administer the grants under \$100,000. We believe we can do it for less than \$100,000, maybe considerably less.

First of all, we have mailed out 480 surveys throughout the province to the community asking for their input. Those just went out on June 8, and I think we have already got about 15 or 16 surveys back. People are wanting to be a part of the process, helping to affect the change and what the ultimate result might be. I will say that all of the surveys that have come back to date are positive. They are looking forward to a new process in place that will ensure that money comes out to the community.

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I would be interested in getting a copy of the survey if that could be made available. I wanted to run by some figures that I was given and ask for the minister to comment on them.

I understand, in terms of the lottery funds that were made available for grant distribution in the '89-90 year, there was \$669,000 of which \$630,000 was distributed through the Heritage Federation. In '90-91, \$712,000 lottery dollars were given when \$673,000 was distributed. In '91-92, \$712,000 was given and \$669,000 was distributed. In terms of percentages, starting from '89-90, it is 90.5, 94.5, and for the last year, 94 percent of those monies were given.

Now the Heritage Federation—and I know the minister makes reference to the reserve and will say, well, they would not have been able to achieve that had it not been for the reserve money—but I think that the Heritage Federation, especially in the past three years, had indicated to the government in a very strong way that they want to get the dollars out into the community. They did that in the sense of the monies that they were receiving through their last three fiscal years, and I would ask the minister if, in fact, this is the case—and I have no reason to believe that it is not—why would the minister not sit down with the Heritage Federation and see if there could be some sort of an agreement?

Who knows what the agreement might have been? It might have been to have a staff person from the department to stick with the Heritage board making the decisions and so forth. We do not know that. At least, I do not know that, and I do not think the Heritage Federation knows that. I can honestly say that even though I have been the Heritage critic for the last year, year and a half, the first time I had contact with the president and the general manager was shortly after the budget was announced.

So I think, at least as far as I was concerned, I acted in a very apolitical manner and deserved at least the opportunity, given their most recent history, and it seems to be a sincere attempt to get as much of those grant dollars out as possible.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, it was as a result of the negotiations of the agreement that we encouraged the Heritage Federation to spend some of the money that they had in reserve to allocate to community grants.

\* (1925)

I will just go back over the full history of grants to the community from the Heritage Federation. Of course, in the first year they did not spend any money. In the second year they spent \$504,000. In '86-87, it was \$420,000. In '87-88, it was \$467,000. In '88-89, it was \$644,000, and then in '89-90, it went down to \$568,000. That was when we negotiated the agreement.

We said: Look, we are giving you more money to distribute to the community every year, and you are not distributing that money in grants. We want you to spend more money and allocate more money to grants.

So, in the two years of the agreement, they have allocated \$630,000 and \$669,000. That was as a result of the Lotteries Needs Assessment and our direction that we did not want a lot of money held in reserve, and we did not want them to be not allocating money to the community that was given to them for the sole purpose of distributing to the community.

So those increases in the last couple of years, that has not been their traditional level of funding. Indeed, it has increased as a result of our direction.

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I would suggest that the government was quite correct in giving direction to the Heritage Federation in terms of distributing the monies that they are given. It seems that they were starting to follow that advice of the government.

That is why I can appreciate the concerns that the minister would have had in its beginning years when it was not spending the money towards what it was supposed to be spending the money. But in most recent history it was doing its job. It was given direction from the government, it was following that direction.

Now, because it was following that direction, the minister, for whatever reasons, did not sit down with the board to say: Yes, you are following our direction, but you still have your reserve fund; you are increasing your administrative cost; cut down the administrative cost.

If they have a problem in cutting down the administrative costs, sit down with them and say: Look, we are going to supply the staff year here, we want your organization, the Heritage Federation, to make the decisions. This is the type of monies that would be made available so that you can have full participation from different members and so forth.

I know, and I am sure that the minister knows, that there is another way of accommodating. She mentions that she has sent out a survey. If the survey comes back and says, let us create this new organization, and this new organization is virtually composed of the same organizations that fall under the umbrella groups of the Manitoba Heritage Federation, then, really and truly, what we could be looking at is just a name change, potentially, with the government possibly providing that staff year.

This is something that should have occurred with the co-operation of the Heritage Federation, unless the minister knows something that she is not telling us. Were they unco-operative? Did she believe that if she sat down that she would not have received the co-operation to achieve the expected results of cutting back on administrative costs? Was there something that gave her that opinion?

**Mrs. Mitchelson:** I will say that if the surveys come back, and they will come back from a broad cross-section because we did send 480 surveys out, and hopefully we are going to follow up even with phone calls if we do not receive the surveys back and ask whether—just remind people that we would like them to participate in the formation of a new structure. I guess we can debate back and forth.

\* (1930)

A decision has been made and I am hearing from the community: Look, the decision has been made; get on with making the changes and ensure that there is no lapse in funding or support for projects in the community as a result. As I indicated, people are looking very positively.

I am not saying that there will not be people who sat on the Heritage Federation that will not sit on the new granting structure. All of them have committed

many hours of volunteer time, as people within the heritage community do.

I know that our grant programs to museums throughout the province are small grants and they have been small grants that have been in place and have not changed for many years. We have got \$1,500 for the smallest museums and \$3,500 per year that we provide in operating support for those museums. You know, you do not run a museum with just that little bit of money, little bit of support, but it all helps. It is people who volunteer their time, and basically those museums throughout our province are run by major volunteer commitments.

So we know we have got a lot of strength in volunteerism throughout Manitoba on the heritage side of things. We are asking the community for recommendations on how people should be appointed to the new structure. We are asking which organizations should nominate which people, how many organizations, how formal or how informal should it be. Those kinds of things we will get in feedback, and whatever the consensus is that is the direction we will follow.

So those are the kinds of questions that are being asked and I can provide a copy of that survey. I think it is sort of a proposed structure and the only input that I would have in direct appointment as the minister would be, that if we got several nominations from throughout the community, and for demographic reasons, for gender reasons or something, there might need to be a person or two appointed to balance out regional or gender representation; that might be an option if things did not work out.

But other than that, we are asking for community input. There is a very good likelihood that people who have sat on the Heritage Federation will sit on the new grant body.

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I guess I am somewhat glad to hear that the minister is looking at a system in which we see a board that comes from the grassroots, if you will, from the volunteers. I can respect her concerns in terms of the regions, having input on that board from different regions, and I look forward to seeing how she follows up with that as a concept.

But in terms of when she makes reference to the volunteers, and no doubt there are literally hundreds of volunteers out there who will want to participate in whatever form that might be there, but I would

suggest that there is also a significant number of individuals who will feel hurt by the decision and might not volunteer for a long time, or again, in that particular area.

I guess what I find tragic about it is the fact that these consultations or negotiations did not occur, that the manner in which it came about, because I would imagine that if the minister sticks true to form in what she just finished saying, we will see something that would, to a certain degree, resemble the Heritage Federation, with the possible exception of having the staff years, because what the minister earlier tried to point out is that it is, for obvious reasons, more efficient to run it through her department.

Now I do not necessarily agree with that, but it is an interesting debate. I think that is something a minister, given the minister of the day or given a different minister, might want to revisit, and I think an argument could be brought forward that, in fact, it might be in the best interest to have the community having that office, especially if it is a rural office or something of this nature. It could be a form of that decentralization. There are so many other options that are out there.

I wanted to confirm a couple of things in terms of who will be making the granting decisions in between. Is the minister going to have this granting body established before the next round? If not, who is going to be making those granting decisions?

**Mrs. Mitchelson:** The Heritage Federation in February-March made the decisions for the upcoming year, and that was the \$670,000 are for this fiscal year, and the Heritage Federation has that money presently.

They have paid out some of the first parts of the grants and the rest of the money to cover commitment of those allocations they have, and what they are doing will be transferring it through transition. Any money that has not been paid out in those grants when transition is complete will be put in a trust account in our department, and we will finish the final payments. Some people get some money up-front and some money after the project is completed. I am not sure exactly what the breakdown is, but they get progress payments or money up-front and then money after the completion of the project.

So sometimes the first grant may have gone out and the second one then will be transferred into a

trust account so that it can be paid to the community. If I can just indicate that over and above that \$670,000 that the Heritage Federation already has in the bank to cover the grants for this year, there is still about another \$500,000 over and above that that was given to them. They earned interest on it to be distributed to the community. Our legal opinion does say that money also should go out in grants to the community.

**Mr. Lamoureux:** I think that is all the more reason why the minister would even want to sit down with the Heritage Federation and see if, in fact—like, when we start talking about legal opinions and so forth, you are talking about some fairly uncomfortable sets of negotiations, because once it has gotten that serious it is very hard to sit at a table and hope that both sides will co-operate to the benefit of all.

The Heritage Federation is covered for the '92-93. If I have a museum and I want to make application for '93-94, what am I to do?

**Mrs. Mitchelson:** Normally speaking, what the Heritage Federation did was send applications out in the fall for spring approval, and there was only one application process and all the grants were allocated then. I think what we are hearing in some of my informal discussions with the community is that they might like more than one intake per year.

I do not know what the end result will be as a result of the surveys. Do they want two or three or four intakes? Are there certain months that they are more likely to be doing projects than other months, and when are the ideal times? So we are trying to determine that but we will have a process in place so that in late fall, hopefully, applications can go out for a spring round. It might only be a partial round in the spring, there might be spring and fall, depending on what the results of the survey show us, but there will be something in place and allocations will be made on time for next year.

**Mr. Lamoureux:** I mentioned, in terms of how many dollars were allocated out through the Heritage Federation in the last three years. Can the minister give assurances to the committee that that level of funding will be maintained for the next three or four years at the very least?

**Mrs. Mitchelson:** I can make a commitment that this was not an exercise to reduce grants to the heritage community. This, in fact, was a way to streamline administrative costs so that the

maximum amount of dollars could go out in community grants.

I will say on the record today that I cannot guarantee that if, you know, sort of the bottom fell out of the provincial budget, and we determined that we were going to have to reduce lottery commitments across the board to all of the umbrella organizations, to Culture and to Sport and to Heritage and to the Community Services Council and all of that, there would not be a proportionate reduction. But I will tell you that there is not going to be any reduction to Heritage if there is no reduction to anyone else. This is not an exercise to give less money to Heritage next year.

\* (1940)

**Mr. Lamoureux:** I received a letter and it was from, I believe it is a rural newspaper, the Virden Empire-Advance, and I can provide a copy of it to the minister if she likes, but it makes reference to the organization with the initials SHARE. I will just quote right from the article. It says: SHARE is to take the place of the Manitoba Heritage Federation which will disband on June 30, 1992. SHARE would like to encompass seven organizations, archives, archeological history—

She is nodding her head there is no validity to the article at all. Everyone is nodding their head no. I will not—

**Mrs. Mitchelson:** You will not waste any time in getting my answer. It is no.

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I am not going to waste any time on this and just proceed on then because I do not have very much time left in terms of asking some other questions, I did want to again, as a closing—and I hope the minister will respond to this particular issue—say that we do feel that the Heritage Federation should be and could be—and I know that the minister at times can be very open-minded. This is something I would recommend to her in terms of sitting down with the chairperson of the Heritage Federation to see if something could be worked out.

At the very least, sit down, talk about the plans, the surveys and the results, talk about the administrative costs, the \$500,000 that is still going to be in the reserves and so forth, because I really do believe that this is something that can be fixed up, that it is not too late, that even if it means a name change or something of this nature, I think that we

owe it, at the very least, to the volunteers of the different organizations.

It does not matter what organization is out there, whether it is MIC or the Heritage Federation or whatever organization that is out there, there is always going to be critics. Whatever system the government puts in, there is going to be critics to it, and I think that is a given. I also believe that it is not too late. Having said that, I would recommend to the minister to sit down. I can honestly say that the organization, as I pointed out earlier, I sincerely believe has been extremely apolitical. As I pointed out, unfortunately because of my own busy schedule, the very first time that I had an opportunity to meet with them was after the budget. So I think that it is definitely worthy of saving, if at all possible, and I would encourage the minister to do so.

**The Acting Deputy Chairperson (Mr. Penner):**  
The honourable member for Wolseley.

**Mr. Lamoureux:** The member for Wolseley will be going back to the Heritage Federation. I was going to go on to Multiculturalism right now, so as I just start, maybe the staff could approach or change. This is another major issue that we have attempted to address in as hard a fashion as possible. In fact, you would find, even during my debates, my grievances, MUPs we have had on this, numerous questions and so forth, because there are a number of things that we feel as an opposition party, that the government is going in the wrong direction when it comes to multiculturalism in the province of Manitoba. I am somewhat hopeful, again, that there are some things that we can do to get her on track on multiculturalism, if I can say that.

One of those things is—as I pointed out earlier when we were dealing with Human Resource Services—in the appointment of the policy analysts, the two positions that are, in fact, open. But I asked those questions; I am not going to ask those questions again, because I am probably going to get the same answer.

But, Mr. Acting Deputy Chairperson, what I would ask the minister now is to tell us why or what is the role of the chairperson or the Multiculturalism Secretariat? What responsibilities—can she give me a typical day, what it is that the Multiculturalism Secretariat is supposed to be doing in a typical day?

**Mrs. Mitchelson:** Well, Mr. Acting Deputy Chairperson, I would not imagine that within government—and I am sure that the critic could

agree—that when you are involved in government, in opposition, I do not know if there is ever a typical day. I am not quite so sure whether there is a typical day at the Multiculturalism Secretariat either because there is a diverse group or part of the community that is dealt with through Multiculturalism, but maybe I can indicate the kinds of activities that would go on, on a regular basis, at the secretariat.

There is daily contact with different groups and individuals. There would be meetings set up with people who have specific issues that they want to discuss regarding multiculturalism. There is a need for those who are working within government in the Multiculturalism Secretariat to ensure that they attend community functions, to talk to people, to get feedback on what government should be doing for communities that have specific needs.

They do co-ordination of intergovernmental activity, and we have an intergovernmental committee that is held once a month. There are departmental representatives who attend on a monthly basis to deal with issues throughout government that might have an impact on multiculturalism, to ensure that there is some sensitivity in regard to new programs that are being set up.

Very actively involved intergovernmentally with the Multicultural Education Policy that was released by the Minister of Education (Mrs. Vodrey) during Multicultural Week—there was input and co-operation and consultation with the secretariat.

During the process of our implementation of one of the Arts Policy Review recommendations, there was a recommendation that multicultural arts be mainstreamed so that they were not singled out or ghettoized, so to speak. They wanted to be a part of the mainstream arts community, on the arts side of thing. So there had to be restructuring, by looking at multicultural grants, looking at the Arts Council and looking at the department and separating out what was community arts that the department would be doing, and what would be professional arts that the Arts Council would be doing, and what in multicultural grants should be moved into the Arts Branch or the Arts Council. So those kinds of things; and the secretariat was the co-ordinating body that sort of brought that together.

The Employment Standards Initiative: The Philippine community was the first community that

we used to train a volunteer person to go back to the community and talk about legal rights for members of the community. That was extremely successful in the Philippine community. I was able, last week—I guess it was during Philippine Heritage Week—to go out and listen to a presentation made by the individual. The second community now that we have gone into is the Vietnamese community, and we have a person in that community that is in that process right now.

There are many, many activities that are ongoing, and I do not know how many people you meet with on a regular basis from the community, but I know that I meet with a lot of people and so does the secretariat.

\* (1950)

**Mr. Lamoureux:** Well, the minister answered the question that I was really wanting to get at, within the first minute, actually. That was in regard to community functions. I know that Mr. Langtry attends a great deal of community functions representing the minister.

I also know that there are other members of the staff in the secretariat's office, the policy analyst. I have seen individuals representing the government from the Manitoba Grants Advisory Council at functions. I have seen, even from the Outreach Office, going out into the communities and so forth.

I guess, Mr. Acting Deputy Chairperson, normally I think I would encourage that. I would encourage that the individuals get out into the communities and so forth, but I have some concern. My concern is that these individuals that are civil servants are not used politically. The reason why I say that is that I know when I go to different functions, for example, quite often the federal government will be represented through a civil servant. Usually what occurs is that there is recognition given, that so-and-so is here, who is from such-and-such department.

I know that with this particular minister, what I hear—and I go to a number of functions as well as she does—time after I hear members of the staff going up and reading letters on behalf of the minister and on behalf of the Premier (Mr. Filmon) and so forth. I have gone to functions where a number of people from these offices are in attendance.

I often wonder in terms of, well, you know, if they are here, they must work some pretty peculiar hours. Are we talking an eight-to-five job? Are we talking

eight to twelve o'clock plus an evening here and an evening there? What type of commitment are we getting from—as I say, the Multiculturalism Secretariat, I can somewhat appreciate the government wanting to get the secretariat out, and I can understand, I really and truly do understand why the Multiculturalism Secretariat goes out.

But I do not understand why it is that we civil servants, to the degree that we do, going out to these different events, because I do not think it goes over as well as maybe the minister is thinking that it is going over. I would ask, what are the hours of these civil servants? Are they obligated, are they instructed to go to these events? Are they going as volunteers? Does anyone that works within the department represent the minister at a function? I was hoping the minister might be able to clarify that.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, I do want to indicate that the people in the secretariat and the Outreach Office do work full eight-hour days. The community activities are done on their own time. They do not get paid overtime, but they do represent government when there cannot be a government member of the Legislature at an event.

We know there are many, many events within the community, and I know I see the member for Inkster (Mr. Lamoureux) at many, many events. He spends a lot of time—and I would say this is probably the busiest portfolio within government as far as activities and events. We both know that it is extremely busy, and I cannot possibly be there and do the cultural things, the women's things, all of those other commitments and be in all places at all times, so we have to depend a lot on staff. When I cannot attend a cultural activity or a heritage activity or a women's activity, staff from the department do go out and bring greetings on behalf of the minister for government. That is a normal function within the bureaucracy, and it just so happens that you see so many people, because we do have so many, many commitments in the multicultural community. So you would see people more often maybe in that community than you would anywhere else.

There are not nearly as many activities to attend in many other areas or departments of government, but I have seen federal officials, and we know very often we do not get a federal minister or member of the Legislature at a lot of events because of the distance they have to travel and their being away. I have at many events seen someone bring greetings on behalf of the federal government on behalf of

Minister Gerry Weiner, on a regular basis at activities and functions. So that is a normal part of a government job that sometimes those are responsibilities that the bureaucracy has to undertake on behalf of a minister.

**Mr. Lamoureux:** Again, Mr. Acting Deputy Chairperson, it is because of the confidence that I have in civil servants in being professionals that it is important to me that when they attend a function representing a government that that is the way they are being perceived. I think that it is somewhat imperative—there is nothing wrong with saying I am here on behalf of the minister and then talking in terms of what it is that they do, especially from the secretariat's office or the Outreach Office or something of that nature, making it known that this is an office, this is what we are here for, feel free to contact, that type of thing. I think that the minister—and I would be interested in knowing in terms of why it is that there is a need to have more than one civil servant at an event representing the minister.

**Mrs. Mitchelson:** There would only be one civil servant representing the minister. Any other staff that might be there would be there because of their volunteer commitment to the community, not asked to be there, but there as a desire to be there to network with the multicultural community, which is a very important component of doing a good job within the bureaucracy. If you know what the needs are in the community, and you can bring those back and try to get programs implemented as a result of what you are hearing out in the community, I think that is a very important part of the job. I will say it is not because they are directed in any way to go, it is because they desire to go because of their enjoyment of association with the communities.

**Mr. Lamoureux:** I know that it can become very expensive to attend some of these events, that you have some that you get free courtesy tickets at no charge, other events that you are charged to attend. Fortunately, I have a generous caucus when it comes to buying tickets for me. Now, I would anticipate the civil servants going on your behalf, that in fact their costs are paid from the government to attend. In terms of the other individuals, are they expected to pay their own, I take it then?

**Mrs. Mitchelson:** Yes.

**Mr. Lamoureux:** I guess that clarifies that issue well for me, and I would encourage the minister that

when she sends out people representing the government, I believe what they should be promoting is in fact what it is that they do, as opposed to just giving a greeting on behalf of the minister and talking about what the government itself is doing, because I think it reflects better on that particular civil servant. It also makes those communities much more aware of it, because obviously there is more than just one reason why they should go there on your behalf. It is also a question of awareness for those individuals who are participating in a function. The more people who know about the secretariat's office, the Outreach Office, and so forth, the better utilized they will be.

\* (2000)

**The Acting Deputy Chairperson (Mr. Penner):** Item 5. Are we agreed to take a five-minute break? We will recess for five minutes.

\* \* \*

The committee took recess at 8 p.m.

#### After Recess

The committee resumed at 8:07 p.m.

**The Acting Deputy Chairperson (Mr. Penner):** Will the committee come back to order. I understand we are going to be discussing Multiculturalism. The honourable member for Wolseley.

**An Honourable Member:** No.

**The Acting Deputy Chairperson (Mr. Penner):** No? The honourable member for Radisson (Ms. Cerilli). Is that correct?

**Ms. Marianne Cerilli (Radisson):** That is correct, and I appreciate the committee's juggling us around, even though it is not to my liking that I have to go between Environment and Multicultural Estimates tonight.

**An Honourable Member:** The clock is ticking.

**Ms. Cerilli:** Right.

Let us start off dealing with the secretariat and, I think, three questions. The minister knows that I have concerns about the secretariat. I, particularly, was not impressed with the annual report. I know that the minister says, well, before the report was developed they were only operating for a few months. But I had asked for some specific accomplishments under the Activities section of the department to prove to me that this office is worth the money that is going into it.

**Mrs. Mitchelson:** We did go through some of the activities earlier on, but I will go through them again.

There are daily meetings and contact with community representatives and organizations. People call in for meetings to deal with issues that affect them and things that they would like to see happen within government. They hold intergovernmental committee meetings. There are staff meetings on a monthly basis to discuss issues that might affect multiculturalism policies, programs, within different departments.

We talked earlier about the Employment Standards initiative, where the Department of Labour and the Multiculturalism Secretariat have worked together to develop a program to train volunteers from the community to go back out into the communities and talk about legal rights of members of the community in all different areas. It has been very successful.

The first community that was done was the Philippine community. Someone has been trained, who has gone back out now into the community and is holding community meetings to help members of the Philippine community know what their rights are under Manitoba law. The Vietnamese community is the second community, and there is someone now in that process, in that community.

There was co-ordination of the consultation process in the setting up of meetings for The Multiculturalism Act. There was dialogue around the multiculturalism education policy with the Department of Education, to ensure that what was happening was what we were hearing from the community also, and that the policy would reflect all of that.

\* (2010)

What else can I tell you? Those are some specific initiatives.

The one that I talked about before was the co-ordination of the Arts Branch, the Manitoba Arts Council and the Multicultural Grants Council. It was sort of the co-ordinating function for determining what was art in multiculturalism, because one of the recommendations from the multicultural community in the Arts Policy Review was that they wanted to be mainstreamed into mainstream arts. They did not want to be segregated into multicultural arts. So there was restructuring done there and that was one of the functions of the secretariat.

They were a member of the Working Group on Immigrant Credentials. They had input into the design and implementation of the Bridging Cultures program. They did some co-ordination for provincial involvement for International Day for the Elimination of Racial Discrimination and also Multicultural Week.

Their support staff for the Multicultural Affairs Committee of Cabinet have met with deputy ministers to sensitize all departments that we do indeed want to have input when new programs and policies are being developed. When we do our multicultural tree display at Christmastime for the community, that is part of their function.

We will be working on Immigration Awareness Week, part of the committee to establish that. Those are a lot of the things that are ongoing. There are many meetings with communities based on the Community Calling or through the Outreach component trying to reach communities.

**Ms. Cerilli:** One of the concerns with respect to this office is that they are doing a lot of work which is on behalf of the minister, which sometimes oversteps the boundary of working as a government representative it seems. One of the things is that the staff are appearing at various functions on behalf of the minister, and I would like to know if there is a record of the number of functions that the staff and the secretariat attend on behalf of the minister and what those functions are. Is a record of that kept?

**Mrs. Mitchelson:** The process is that a minister gets an invitation to an event or an activity. It is determined whether it can fit into my schedule or whether there has to be a departmental representative and that happens right throughout government. I know I have staff attending functions for the Advisory Council on the Status of Women; I have staff attending functions in the arts community and the heritage community on a regular basis.

We discussed this with the member for Inkster (Mr. Lamoureux) too, because I do not know whether indeed there is another ministry within government that is as busy socially, and I think the member for Radisson (Ms. Cerilli) could relate to that very easily, that there are a lot of activities throughout the community and many activities that all three parties want to attend and want to have a presence at because of our commitment.

So I cannot possibly be at everything. They have asked for a representative to bring greetings for

government, and it is not unusual for a member of any department to represent government at any number of functions.

**Ms. Cerilli:** Well, I think there is not another department that has the kind of office that this minister has that does that kind of public service for the minister. I am wondering if there is some kind of criteria for what staff attend and what staff do not attend. How are these decisions made?

**Mrs. Mitchelson:** The decisions are made, in fact, as a result, in my office. We look at all of the invitations. We see whether it can fit into my schedule, whether I can possibly attend. If I cannot be there, maybe another MLA could bring greetings on behalf of government. If another MLA cannot be there, then it is a staffperson.

**Ms. Cerilli:** Would the minister agree that in future and in reports it would be responsible for this kind of information to be provided, some kind of record of what staff have attended, particularly in this department, as the minister said, because it is so social and there are a number of events.

I think that it would be responsible for that to be included in a report, that the staff would show how they are spending their time and how much of their time is spent attending events on behalf of the minister.

**Mrs. Mitchelson:** Staff are only requested to go to represent government if government is not going. When you see staff from the secretariat or the Outreach Office or any area at a function, that is completely on a volunteer basis unless they have been specifically asked to go and represent government and bring greetings. So it is a volunteer commitment on their own time when they attend functions in the community.

**Ms. Cerilli:** I am to understand that these staff are volunteering? They are not being paid overtime, they are not being paid for the time that they attend these events?

**Mrs. Mitchelson:** Absolutely.

**Ms. Cerilli:** That just makes it even more interesting as to how this staff is operating, and I think that the minister can appreciate that the reason for the raised eyebrows and the questions is because of the history of the particular staff she has working in the department.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, I think the history of someone who was the president

of the Folk Arts Council and attended many, many, many community activities on his own volunteer time bodes well for someone that has a major commitment to the community.

**Ms. Cerilli:** What reports have the policy analysts completed? What else can we say for how these staff people are spending time besides acknowledging that they are going to a lot of social events?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, any analysis that would be done on multiculturalism would be analysis and recommendations to me based on intergovernmental programming. If the Department of Education was doing a multiculturalism education policy, in fact the analysis would be done by the secretariat, and information would be given to me so that when the policy came around the cabinet table I would have input based on the recommendations that came from my policy analyst. So it is analysis internal to government that helps us to develop new programs and policies that are sensitive to the multicultural community.

**Ms. Cerilli:** So that is one example that there has been some work done on the multicultural education policy. Are there other policy areas that these two staff have worked on?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, the Immigrant Credentials was one area. The multicultural arts grants, streamlining of that process so that we would better serve the community needs, the Employment Standards initiative, the Bridging Cultures program, The Multiculturalism Act, of course. Those are some examples.

**Ms. Cerilli:** I did not do the arithmetic, but if we were to do the arithmetic to add up the amount of money that is going to pay staff people working for the secretariat, the Outreach Office and some of the other positions that the minister has developed in the bureaucracy, and we were to compare that with the amount of money going to the community groups, I think that we would see a change in the trend when you look at the cuts made to Heritage Language, you look at the cuts made to the Community Places program, programs like that, there seems to be a trend that is going to developing staff positions that are working on behalf of the minister as opposed to having money going in the form of grants to the communities.

I would like the minister to clarify if she is aware of this trend, is that intentional, and what is the impact?

\* (2020)

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, indeed it was a trend that was recommended by the Task Force on Multiculturalism that was commissioned by the NDP government before we took over. There was a major undertaking. It was over \$100,000 was spent on this task force report that recommended to government that we did not have enough people within government dealing with multiculturalism and they recommended the setting up of a secretariat.

I know that one person that we find sometimes presents some very controversial opinions and very often I like to tie his political affiliation to some other party, and that was in the person of Wade Williams when he sat on the Manitoba Intercultural Council, and I was meeting with them and discussing the recommendations that ultimately came out of that task force report. He was one of the people, too, that indicated that, you know, there really were not enough people serving the community within government.

So it was a decision that was made as a result of that report when we took over as government that we would establish a secretariat. We are at the completion now of the increases in the staff, but those were commitments that we made, and we have lived up to those commitments. I believe now that we have got enough resources within government to affect change to some of the policies and the programs that will improve government service to the community.

**Ms. Cerilli:** I would like to clarify. I do not think that the task force report recommended that you cut Community Places program grants, that you cut Heritage Language grants, and there is a definite feeling out there that there has been a trade-off, that the community grants are declining. There was stabilization this year, but over the last couple of years they have declined as money has been funnelled into the secretariat and Community Outreach Office.

I would like to ask the minister if the intention of the secretariat as it was conceived even in the task force report was not to be the body that would implement recommendations made to the minister through the Intercultural Council, and if that was not

intended to be the way that this whole machine would function.

We are moving away from that. We are isolating the Intercultural Council, and you know I have gone on record a number of times talking about the way that they have had their mandate cut back; they have had their funding cut back, their staff. They have had recommendations ignored. Like, I understand they recommended not to have another Outreach Office, and yet we are seeing that they are being isolated and more and more their role is being taken up by the secretariat. That is a concern. Was it not the intention for those two agencies to work better together, that the secretariat would be more of the body that would be implementing recommendations made by the Intercultural Council?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, you know, government has many, many advisory committees throughout that do make recommendations to government on an ongoing basis, and government ultimately has to determine which recommendations they will implement. An advisory body is just that. They do give advice, but still government has to determine which recommendations they accept and which ones they implement. That is the role and the function of an advisory body. We cannot always do everything. Sometimes it is not feasible to do everything or to implement all of the recommendations that are made, and that is exactly what the role of an advisory body is.

I believe that the Manitoba Intercultural Council and the secretariat, yes, can work fairly closely together, and I know there is a lot of conversation between the two areas. I guess the concerns that were raised initially in this question I would like to respond to by saying, yes, indeed, there has been some concern out there about the role and the structure of the Manitoba Intercultural Council and that is clearly why we in fact hired a consultant to look at that, an independent consultant. I think that all parties could agree that he has been a friend to everyone. He has never been a person that has had a political affiliation. I think he has just done some good things for the multicultural community, and so I am looking forward to receiving that report with recommendations on what structure might be the best structure to lead MIC through the 1990s. So I am awaiting that, and when we get those recommendations we will deal with them.

**Ms. Cerilli:** I am looking forward to seeing the mandate for the review. I will ask about that a little later, but I just want to go back to the minister's initial comments about picking and choosing the advice that she gets and reminding her that the Intercultural Council is the legislative body that is developed to give advice to the minister, and there is an act which gives the Intercultural that power. The minister has used her full legislative authority in filling as many political appointment positions on that council as she can, so the likelihood that she is going to get the kind of advice she wants to get is pretty good from MIC at this point.

I just find it—oh, I do not know what the word is—discouraging that she has the attitude that she can just ignore MIC in that way. I do not know who else she consults with. If not MIC, who else is giving the minister advice? Does she have another ministerial advisory body that has been created? Is there some other process that she goes through when she is looking for advice that she wants to follow? Can the minister clarify that?

**Mrs. Mitchelson:** No, there is no other formal advisory body for this government. Indeed, there are many, many people throughout the community that I meet with on a request basis, because they have concerns that they want to bring forward to government. Some communities feel that they can, and they do come directly to government, not through an advisory body of any sort. I mean that is legitimate. I do not refuse to meet with anyone, and I do not send them off elsewhere. I meet with as many from the community as I can possibly meet with to try to listen to their concerns and deal with the issues that they bring forward.

**Ms. Cerilli:** I want to move to the act that is before the Legislature and ask the minister one short question: Why is this legislation so late in the session, so late before the summer holidays?

**Mrs. Mitchelson:** I did go through a consultative process with all of the umbrella groups and individuals within the community. I was hoping to be able to deal with everything at once, but I guess I found through the consultative process that there was no consensus on the Manitoba Intercultural Council. We have made a commitment to the community. Many people wanted to see an act now and that is the reason the legislation is here now. The community told us it was time.

**Ms. Cerlill:** The political footwork with respect to this whole area is quite an education. I remember going to one meeting with the Intercultural Council where I had tried to arrange a meeting with them—and that is another issue—as I have not had letters answered with meetings with them, going through Mr. Schuler, the chair, going through his predecessor. The whole issue of the way that body has been politicized is of great concern and the fact that they never used to refuse meetings with critics is an issue.

I want to relate this to the act, and the whole way that it has been brought in with this review of MIC and just ask the question: When was the Intercultural Council consulted on the act?

\* (2030)

**Mrs. Mitchelson:** That was the first organization that was consulted on the legislation.

**Ms. Cerlill:** When was that?

**Mrs. Mitchelson:** I believe it was in March of this year. I cannot remember the exact date, I am sorry.

**Ms. Cerlill:** Can the minister clarify what were the key elements that the Intercultural Council felt were important to put into the legislation?

**Mrs. Mitchelson:** Of course, the first comment that was made by the Manitoba Intercultural Council was that MIC should be included in the legislation, and then I went around the table with all of the executive members of the Manitoba Intercultural Council and said, okay, what recommendations would you make for changes to the Manitoba Intercultural Council?

I do just have a list of the comments that were made that I will share. There was not any general consensus. Some people said, all of the members of the Manitoba Intercultural Council should be elected by the community. Someone else said, maybe they should all be appointed by government. Someone said maybe government should appoint less. One person who is on the executive of the Manitoba Intercultural Council said, I went out and talked to all the organizations within my community and asked them about the Manitoba Intercultural Council and they said, we do not need the Manitoba Intercultural Council because we feel we can go directly to government; we are sophisticated enough, we do not need to go through any other organization to get to government, we can get to them directly. So she said to her community, are you saying then you do not need me, and they said, yes. Those were her comments.

**Ms. Cerlill:** While the minister is getting a list of the recommendations for the act from MIC, I will share with her some of my experience as a youth activist working with youth-related issues. Oh, it has been a lot of years when youth wanted to have a similar body to MIC, and the argument always becomes, well, if it is an arm's length body that is funded and is that close, it is never going to work, because they are never going to be truly able to advocate on behalf of youth, bring forth their true feelings and remain autonomous. There will be some element of control. Perhaps that is true, and maybe that is why there has never been a youth council in Manitoba, I am not sure, but this maybe demonstrates that all of that is true.

**Mrs. Mitchelson:** Was there a question?

**Ms. Cerlill:** No, I am waiting for you to respond to my previous question about the recommendations from MIC.

**Mrs. Mitchelson:** One person said we need to go out more to organizations, communities, events, to find out what the community wants. One person said we need to ask the community what it wants. The act must consider what can be done to improve MIC. What areas should be implemented? Rural concerns are different from city concerns and there was some sense that we do not deal effectively enough with multiculturalism outside the city limits. There was a question thrown out. Should all of the people be elected? Should they all be appointed? They need to review and improve the election process.

Do we need a MIC at all? Things have changed since MIC was started. The MIC Act needs to be changed. There was a concern by one of the executive members that there was too much representation on the Manitoba Intercultural Council by white and black people and that there were not enough people of other ethnic origins represented on the executive. There was a comment, we need to look at the role and the mandate of the Manitoba Intercultural Council. What are its goals? Where are we going? We have been around for a while now; we need to re-examine it. Is there or is there not a role for MIC to play? Maybe we should all be appointed. Maybe we should all be elected. The perception of multiculturalism as only song and dance continues to lead some to say that we do not need multiculturalism. We have to examine and re-examine and reassess the Manitoba Intercultural Council.

Those are comments from the executive of the Manitoba Intercultural Council through the consultation process.

**Ms. Cerilli:** I find the comments surprising, and I wonder what the question was, and I refer back again to, I was describing earlier a meeting I went to, I think it was last fall. I remember it was the same day as the anti-apartheid rally, and I went from there to the MIC meeting, and there was a discussion going on about the role of MIC, and I understand what has been happening is they have been bogged down with these discussions.

It surprises me, if they were asked questions like, what do you want to be in The Multiculturalism Act, that they would talk about the role of the Intercultural Council, and I am wondering what was the forum for that consultation, and how long was it? Were people given an opportunity to go back? I mean, this is important; this is The Multiculturalism Act. I do not think that going and having a sit-down with them for part of the afternoon is enough kind of consultation. Did they present any kind of a brief? I have seen one, but it is dated June 5.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, there is ample opportunity through meetings of the Manitoba Intercultural Council to discuss those kinds of things and we have talked about an act now for—well, it was announced in our throne speech. We talked about it initially when we introduced the multicultural policy about two years ago. We talked about it in the throne speech and said that there was an act that was going to be brought in this session.

Now, I would think that, probably, if you were elected to an advisory body to government by your community and you knew that there was going to be an act to be implemented, quite probably you might hold a few meetings with some community representatives—I believe some of them did—to ask the community what they felt should happen should there be changes to the Manitoba Intercultural Council through this act, and that kind of thing.

These were the comments. All I can do is indicate to you what the comments were when the question was asked, what should be in The Multiculturalism Act? When the first comment that was made was that there should be amendments to the Manitoba Intercultural Council, my question then was, what amendments should we make? These are the comments that I received, so all I am doing is

reiterating the conversation as a result of that process.

**Ms. Cerilli:** Yes, it would be interesting to go back and look at the documentation from the meeting, knowing somewhat of how the board works there. I want to focus on the act a bit more; I only have a few minutes left.

I raised the issue earlier because a number of the people involved in the community are quite disappointed that the policy sections, from the government's policy, that deal with government responsibility are not included in the act. I would like the minister to clarify why we do not have anything in there about affirmative action, about reflecting the multicultural nature of our community in boards and commissions and government services.

**Mrs. Mitchelson:** When we introduced the policy, there were three basic principles. They were pride, equality and partnership. We talked about the principles, that cultural diversity of Manitoba is a strength and a source of pride to Manitobans. I guess then, as a result of that statement that we believe and that we set into policy, we put that principle into action. It is the action part that is not in the legislation.

Now I guess I could ask whether there might be a recommendation or amendment from the opposition, in fact, to include the action that government will pursue to follow these policies. If the community feels that is something that should be included, I might have to seek legal advice on whether we can put government action into legislation. I think maybe we should find that out so I could clarify that answer.

But these are the steps that government has taken or is taking to try to reflect the three policy statements that were made.

\* (2040)

**Ms. Cerilli:** I hope to propose that amendment, and I will take directly from the government policy to improve my chances of having it accepted. So if the government can look into that before, I think it would be well worth it. We are, as well, looking into that.

I was going to ask, as well: the comments the minister made the other day about not thinking that this legislation could be directed to all of government, but that is, in a sense I think, what she is saying this act is supposed to do. It is not just supposed to enshrine into legislation existing agencies. It is supposed to give some mandate for

all of government in how to make our community more sensitive to multicultural realities.

So I would ask the minister to consider; like I said, I will use the words in the government policy.

**Mrs. Mitchelson:** I guess when we announced the policy, normally there is an action plan that would follow and the action plan was part of the policy document. But I guess what I will undertake to do over the next couple of days is, in fact, find out and get a legal interpretation from our legal counsel on whether in fact actions of this sort can be included in legislation. I cannot give you that answer right now, but we will undertake to find out from legal counsel and get an opinion from them.

**Ms. Cerilli:** Will the minister also agree to share that legal opinion with me, preferably before we go into the committee that is going to deal with—I do not know, it is fairly short notice and that is part of the problem with introducing legislation just before the break, but we are all working with those kinds of constraints right now. I would just ask the minister if she would consider doing that?

**Mrs. Mitchelson:** I can certainly attempt to find out, and, yes, I would share the intent of the opinion.

**Ms. Cerilli:** One of the other comments I wanted to ask the minister about with respect to the act—there are other things that I think are lacking in it, but the main thing is what we have just discussed. If we can entertain that kind of amendment or have that kind of amendment I would be quite pleased.

The comments that were made by the minister in the paper when the act was announced talked about how this is an act that is going to highlight—and I am not using the exact words I know—but the intent was that it was going to highlight similarities and not differences. I found that surprising to come from the Minister of Multiculturalism with respect to a multicultural act. This is an act that is supposed to encourage people, I think, to promote and practise their culture and to have those kinds of comments. If I search my pile of stuff I might find the clipping, but I know it was in the Free Press.

**Mrs. Mitchelson:** Yes, indeed, I did say that. This is an act that is attempting to unify our Manitoba society by talking about, yes, we do have similarities. If you look at the multicultural ideal that is stated in our policy, and I will read it directly. It says that we believe "that a multicultural society is not a collection of many separate societies, divided by language and culture. Rather, Manitoba is a

single society—united by shared laws, aspirations and responsibilities—within which persons of various backgrounds have. . . ."

I will not read right through it all, but that is the multicultural ideal that we believe should be, that we are all members of a multicultural society. It does not just say I can practise who I am and what I am in my culture. It is saying share your cultures. We do have similarities, all of us. We are all human beings and we have similarities. It came out very strongly in the consultation process that one of the words that we needed to talk was respect for each other and if we talk respect, that indeed will, hopefully, reflect our actions.

**Ms. Cerilli:** I guess this is the kind of philosophical debate we are supposed to get into. We do not have much time, but I also think the essence of multiculturalism is to celebrate differences, respect differences, and that we do not have to be all the same to be unified, that whole idea.

It is interesting the section from the policy that the minister just read is the section I think that a lot of aboriginal leaders have a problem with and one of the reasons that they often do not feel quite comfortable with the whole concept of multiculturalism. I would certainly think that as a society we want to make sure that we are inclusive of them as much as possible.

**Mrs. Mitchelson:** That is exactly why in any of my comments I say that we are a multicultural society and we were a multicultural society from the beginning of time, because our aboriginal peoples who were here before any of us came were indeed multicultural. They had different languages; they had different cultures; they came from different areas. In my mind that is multicultural. They were not all the same; they did not speak the same language; they did not share the same customs or traditions. So when I talk about Manitoba being a multicultural society, I am talking from the beginning of time.

**Ms. Cerilli:** I had hoped to be able to raise more questions about the review of the Intercultural Council to get a better sense of what led up to this review. What were the events that led up to the review, particularly—I will even use the word suspicious, because it is—coinciding with the act being announced?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, the reason the review came up was indeed because

I consulted on the multicultural act, and it was the Manitoba Intercultural Council in many instances that indicated there needed to be a review of the role and structure.

**Ms. Cerilli:** Some of the people I talked to though were surprised that it was announced just the Friday before the act was announced. What was the minister's thinking in doing those two things simultaneously?

**Mrs. Mitchelson:** Well, Mr. Acting Deputy Chairperson, we made a commitment to bring in a piece of multicultural legislation this session. There is a need to very quickly determine what the role and mandate and structure of the Manitoba Intercultural Council are because in fact we are due for a biannual assembly next year. If there are amendments to be made to the Manitoba Intercultural Council Act they should be made in time for the biannual assembly. So that was the rationale for doing the review right now.

**Ms. Cerilli:** I have tried to do a little bit of background research into Heritage Language programs. I want to note for the minister—I am not sure if she is aware of the decline in Winnipeg No. 1 of student enrollment in Heritage Language programs. I have the numbers; they are down by a full percent. I also want to ask about the amount of money that this government is currently spending on Heritage Language programming in the multicultural community. Where would I find that?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, that would be in the Department of Education in the K to 12 system in Winnipeg School Division No. 1, Heritage Language programs.

**Ms. Cerilli:** That is the only place currently where there is Heritage Language programming in the school system?

**Mrs. Mitchelson:** Yes.

**Ms. Cerilli:** Is there some consideration for developing more funding for community-based programming outside of the education system and Heritage Language? I know the minister has included some rhetoric or description of this in the legislation, in the policy, but in fact we do not see that translated into any action. The communities—again, this is another big issue. It is right up there with accreditation, that fundamental to their culture is their language, and if we are going to put in the policy in the act we certainly should have

programs that communities can have some ownership of.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, there are secondary Heritage Language programs that are funded through the Multicultural Grants Advisory Council that are not within the school system, but I think the question was asked about the declining numbers in Winnipeg School Division No. 1, and that would be the Department of Education. But there are programs through the Multicultural Grants Advisory Council that do support Heritage Language programming in communities.

\* (2050)

That is not to say that more cannot be done, and I guess because this was an issue that was raised on a regular basis through the consultation process we felt it should be included in the act. We have had meetings with members of different communities, and not only is it important to preserve and enhance heritage language but we have come to recognize the value of heritage languages to Manitoba to be able to deal in the global economy. If, in fact, we have people here that speak languages that can help us access markets internationally, I think it is a very positive thing. So I think there are two sides to this. There is the preservation of your own heritage language, but there is the ability to utilize that to help Manitoba develop in a more positive way economically.

**Ms. Cerilli:** Other provinces have special funds for Heritage Language granting programs. We used to have one in this province. I would ask if the minister intends to develop something like that again, not just relying on the MGAC, which is pretty limited. I mean, there are a lot of different kind of programs that are now seeking to use that fund, and given that there have been cutbacks in some of the other programs, I would just make the recommendation that they resume having a granting program to fund community-based Heritage Language programs.

**Mrs. Mitchelson:** I guess on an ongoing basis we will be and should be examining the kinds of programs that are within government that might need changing. If there are higher priorities, we are going to have to refocus our energies and resources in the appropriate areas—and I am sorry, I am getting a little tongue-tied, making a few mistakes—but that is one of the things that we are going to have to look at. As needs emerge and as priorities change, I think it is the responsibility of government to look at

different ways and reprioritization of the dollars that do presently exist to do new and different things.

**Ms. Cerilli:** I will just wrap up with some comments about another program that is being changed that the minister mentioned, and that is removing the arts grants from Multiculturalism. I have been contacted by some people that were not pleased with the way that this was handled. That now groups only have until the end of June to apply for arts grants, and they used to have until August. It is even more confusing, because it is a different program, and they are not quite sure applications have been changed for them. I appreciate the minister said that this was recommended in the review that was done.

**Mrs. Mitchelson:** I will look into that. I was not aware that there was that concern. I think we will have to examine that. If there is any more detail or information that could be provided on that, I would certainly look into it. The process was a process of consultation and developed in conjunction with all of the players involved. If there is a specific instance or if you are hearing some things, I would appreciate knowing about them and seeing what the problem might be.

**The Acting Deputy Chairperson (Mr. Penner):** Item 5.(a) Multiculturalism.

**Ms. Jean Friesen (Wolseley):** Mr. Acting Deputy Chairperson, I think we had agreed to revert to Heritage for a few minutes or to the Heritage Federation, I should say.

**The Acting Deputy Chairperson (Mr. Penner):** Okay, if that is the will of the committee, we will revert to Heritage.

**Ms. Friesen:** Thank you, Mr. Acting Deputy Chairperson. There are just a few minutes to discuss this. I was not here unfortunately when the member for Inkster (Mr. Lamoureux) was speaking, so if I am repeating some of his questions perhaps the minister can tell me and I can read them in Hansard.

I wanted to start first of all by, I guess, repeating some of the things that we have said in Question Period and that is that we want to reflect, I think, some of the anger and the anxieties that the heritage community felt when the minister apparently refused to meet with them on a number of occasions, did not look or accept in person or even through her deputy minister the review that the Heritage Federation themselves had initiated.

There is a general sense in the community I think that there has been a great loss of confidence in the minister on this particular issue and a feeling that the willingness of volunteers and the many hours the volunteers have put into the Heritage Federation and into the granting procedures have been let down.

I wanted to ask the minister some questions based upon that. I know she said many times that one of the reasons for her dissatisfaction with the federation was the extremely high proportion of funds going into administration. This is always a problem, of course, for a group which has a relatively small amount of funds to distribute, that the administration costs at a certain level are somewhat fixed, and then beyond that, obviously, the more money you have to give away, the lower your fees essentially decline. I wondered what the minister's dissatisfactions with the federation were beyond that? Did she have any other criticisms of the federation?

**Mrs. Mitchelson:** I did go into a fair amount of detail with the member for Inkster (Mr. Lamoureux) on this, and we went from sort of the inception of the Heritage Federation. I guess, in the first year of operation we looked at the percentage of administrative costs as compared to the revenue. We went from, in 1985-86, the first full year of operation, to administrative costs of 8 percent to administrative costs of 26 percent in 1990-91, and it steadily increased.

I do know the Heritage Federation was looking again at hiring another staff person. They did not go ahead with that; they did shelve that, but indeed they were looking at that. So that was the one thing and I guess the main thing, because when we look at the budget process and we look at ways of trying to ensure that the maximum number of dollars go to the community, we have to look at administrative structures. This is probably the highest administrative cost of any of the umbrella organizations that do distribute funds, so that was basically the way.

If we can get more money to the community, with less administrative costs, obviously the community will benefit.

**Ms. Friesen:** The other way of looking at that, of course, is if a larger proportion of lottery monies were going to Heritage, then their administrative costs would come down pretty rapidly.

So the minister then had no other dissatisfactions with the federation, other than administrative costs and perhaps what the minister might perceive as their lack of recognition of this?

**Mrs. Mitchelson:** I guess there were some things that we had heard from community groups and organizations, that there was a need to simplify the application process and maybe one deadline was not quite enough, one round of grant application processes was not enough. There were those little things that we had heard from the community, but basically it was the decision to try to streamline the administrative portion.

**Ms. Friesen:** So does the minister then plan any changes in the granting program?

**Mrs. Mitchelson:** We have sent a survey out to some 480 people, organizations throughout the province and have started to receive responses back. Those are the questions that we have asked. We have asked whether they want more than one application deadline, any suggestions on how we should streamline the process, so you can maybe remove a bit of the bureaucratic red tape. We still want accountability and I think both sides want that.

There has to be accountability for the funds that are expended, but maybe, there might be a way that things could be dealt with in a more streamlined fashion, so that we are not spending as much time filling out grant forms and doing reports and that kind of thing. We are trying to find a balance in between those two, a little less bureaucracy, while maintaining accountability.

\* (2100)

The other part of the process will be nominations from the community. I guess we have asked the question on who and what organization or who should be making nominations. I think it is important that we have a rotational—people sit for three years and then other members of the community have an opportunity maybe. That was what I presented. Does that sound like a good number of years to serve, and should we stagger them?—so that you always have more people coming in.

One of the questions that we did ask, too, was: Would it be important for the granting body on a yearly basis to meet with the heritage organizations to see what their priorities are, what priorities they have set for the upcoming year or two looking into the future, so that when they are making decisions

on the grant applications, they have the input from the expertise in the organizations that represent heritage.

Those are the kinds of questions we have asked for input on. We have asked them, too, to rank—I can provide a copy of the questionnaire, too. How should grant requests be prioritized? Should they be on a first-come, first-served basis? Should it be a percentage of the total requested, regional balance, quality and that kind of thing? Those are all questions that have been asked for input, and the responses are coming back, and we have got some good responses back so far.

**Ms. Friesen:** One of the unusual aspects of the Heritage Federation was its definition of six or seven disciplines, including archives, museums, genealogy, archaeology. Does the minister intend to continue that representation? I think it was a representation which was decided by the community. It is unusual, and it is different from other provinces. Is that something you plan to continue to still reflect?

**Mrs. Mitchelson:** We are not intending to narrow it in any way, if I can answer it that way.

**Ms. Friesen:** That does not quite answer it. Are those the bases, are those the groups which you plan to continue to recognize as granting disciplines?

**Mrs. Mitchelson:** That is a good question. That is not a question that we did ask on the survey. I suppose it maybe could have been one, and I wonder if we could follow up in any way?

I guess if I could just seek some clarification on the question. Is it whether the suggestion might be that we do change the disciplines or is that something that—

**Ms. Friesen:** What I am thinking of is that now you have brought this into the department, it is not the same way in which the department, for example, looks at the community. How, for example, are you going to integrate or examine the overlap or look at the conflicts perhaps between your museums granting program, your other publication programs, et cetera?

**Mrs. Mitchelson:** Ultimately we might do that. I think the first thing we want to do is get a system in place so that the heritage community still receives grants next year, and if we can put in place some guidelines and some criteria that satisfy the majority of those who respond to a consensus of responses

anyway, and get that up and underway, that does not necessarily mean to say that things will not change, maybe one way then that we can get at the situation.

You know, we did that with the arts side of things where you try to do a little bit of block funding rather than grant project by project because it does involve a lot of volunteer time and commitment to fill out applications.

I think that would maybe be the next step in a process whereby we look at and evaluate and try not to have organizations applying in too many different places for money, but making it easier to apply and get, based on certain criteria and guidelines. That may come in the future, but I think the first priority will be to ensure there is a grant program in place.

**Ms. Friesen:** Will you be looking at the review that the Heritage Federation themselves did and did not have the opportunity to present to you? Will you be including that in your considerations?

**Mrs. Mitchelson:** We have asked several times of the Heritage Federation to share that review with us, and they have to this date refused.

**Ms. Friesen:** Were those requests made in writing, in formal request?

**Mrs. Mitchelson:** You know, the transitional team that has been working with the Heritage Federation has asked on many occasions. I do not recall whether there has ever been anything in writing. There may not have been, but it has been a verbal request.

**Ms. Friesen:** Mr. Acting Deputy Chairperson, my last question is—and you may, again, have already touched on this with the member for Inkster (Mr. Lamoureux)—is about the future of the reserve fund. What steps are in process? How is the minister handling it? What kind of responses are you getting from the community?

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, although I have not received a response from the community, I have sent a letter out to the community. We know the \$670,000 that has been allocated for this year's grants is available within the Heritage Federation, and we are going through the transition so that everyone that has applied and finishes their project will get their grant money. Some of it went from the Heritage Federation already this fiscal year; the rest of it will flow from the department.

But over and above that, there is still a pot of some \$500,000. Our legal interpretation is that it belongs to the community in the way of community grants. That is what we want to see happen with the money, and we know there are needs out there that cannot always be met, and maybe it is an opportunity to do some extra things this year or maybe over a period of a couple of years.

I believe the Heritage Federation is meeting on the weekend with its membership. They will be discussing that aspect and the surplus and that kind of thing. I cannot determine what will come out of that meeting on the weekend, but I do know that we believe it belongs to the community.

**The Acting Deputy Chairperson (Mr. Penner):** Item 5.(a) Multiculturalism Secretariat: (1) Salaries \$189,800—pass; (2) Other Expenditures \$61,000—pass.

5.(b) Community Access Office: (1) Salaries \$68,500; (2) Other Expenditures \$10,000—pass.

5.(c) Manitoba Intercultural Council \$220,700—pass.

Item 6. Expenditures Related to Capital \$190,300—pass.

\* (2110)

Resolution 23: RESOLVED that there be granted to Her Majesty a sum not exceeding \$550,000 for Culture, Heritage and Citizenship, Multiculturalism, for the fiscal year ending the 31st day of March, 1993—pass.

Item 7. Lotteries Funded Programs (a) Grants to Cultural Organizations: (1) Grant Assistance \$4,806,300—pass; (2) Grant Assistance - Capital \$7,032,000—pass.

7.(b) Arts Grant Assistance \$4,307,500—pass.

7.(c) Public Library Services Grant Assistance \$1,951,200—pass.

7.(d) Historic Resources: (1) Grant Assistance \$827,600—pass; (2) Grant Assistance - Capital \$400,000—pass.

7.(e) Recreation Grant Assistance \$923,000—pass.

7.(f) Regional Services Grant Assistance \$39,000—pass.

7.(g) Provincial Archives Grant Assistance \$54,300—pass.

7.(h) Community Places Program: (1) Salaries \$197,800—pass; (2) Other Expenditures

\$73,100—pass; (3) Grant Assistance - Capital \$4,000,000—pass.

I have to go back to one other resolution, with your permission.

Resolution 24: RESOLVED that there be granted to Her Majesty a sum not exceeding \$190,300 for Culture, Heritage and Citizenship, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1993—pass.

7.(j) Manitoba Arts Council \$5,345,200—pass.

7.(k) Multicultural Grants Advisory Council \$900,600—pass.

7.(m) Manitoba Heritage Federation \$400,300—pass.

7.(n) Manitoba Community Services Council \$3,643,000—pass.

Resolution 25: RESOLVED that there be granted to Her Majesty a sum not exceeding \$34,900,900 for Culture, Heritage and Citizenship, Lotteries Funded Programs, for the fiscal year ending the 31st day of March, 1993—pass.

The last item to be considered for the Estimates of the Department of Culture, Heritage and Citizenship is the item of the Minister's Salary of \$20,600, and at this point I would like to ask the minister's staff to leave the table for consideration of this item. Shall the item of \$20,600 pass?

**Ms. Friesen:** Mr. Acting Deputy Chairperson, I wanted to ask the minister about the Queen's Printer. I gather there are some policy changes in store for the Queen's Printer, and I wonder if the minister could give us a quick summary of what she is anticipating and what she expects the benefits to be.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, I do not have staff here to give any detail, but I can indicate that we looked at running the Queen's Printer as a special operating agency last year. That process has not taken place, and there is a review ongoing right now within the Queen's Printer and the results of that review I guess will be known after the review is completed. It is not as yet completed.

**Ms. Friesen:** So the decision is not yet made?

**Mrs. Mitchelson:** No, it is not.

**The Acting Deputy Chairperson (Mr. Penner):** Item 1.(a) Minister's Salary \$20,600. Shall the item pass?

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I just want to put some closing remarks on the record, just a couple of minutes.

I think it should be duly noted that I did not move a motion to delete the funds from MGAC this time. It goes to show that I can learn, Mr. Acting Deputy Chairperson, and no doubt—[interjection] I see a number of people recall that particular motion, even though I still sincerely believe that it was a valid and good motion, and had it received the support it deserved, in fact, we might have MIC distributing funds today.

Mr. Acting Deputy Chairperson, I did want to in closing make some brief comments on the piece of legislation that we have before us in the sense that there are some positive things that are in the legislation, some things that we would like to see out of the legislation. There are some things that we would like to see in the legislation, and the biggest thing that we want to see in the legislation that I did not really get an opportunity, because of the time to question the minister on during the Estimates was in fact Manitoba Intercultural Council. I want to assure her that it is not because there was a lack of interest, just a lack of time, in dealing with that particular issue in the Estimates this time round and, no doubt, next year, because we will also have a report from her group indicating what they believe MIC should be doing or what type of a future it holds. No doubt it will lead to a very interesting debate during the Estimates next year.

I did want to comment once again in terms of the Heritage Federation and again express to the minister that it is unfortunate that it has happened in the manner in which it has, but being an eternal optimist, as I am, I do think that there is some chance that, if the minister herself chose to sit down with the representatives, they would be able to work something out, no doubt, at least in terms of co-operating in finding out what it is that the government wants to be able to achieve.

We highlighted a number of areas, both in the Culture, Heritage and Citizenship areas. Unfortunately, again because of the time, we did not get to ask as many questions that I would have liked to have asked in some of the areas that are still somewhat unknown to myself. Hopefully next year, we will get Culture and Heritage closer to the top of the Estimates so that we can have a good number more hours, so we can have a bit more debate.

**An Honourable Member:** We cannot trust you, Kevin. You will move another vote.

**Mr. Lamoureux:** The NDP Leader—he can trust me. [interjection] It will not be more than 30 hours, but I think 20 to 25 hours of equal, split time might be kind of a nice thing. We probably would not be in the negotiations so I would be able to participate in a very full fashion. Unfortunately, I was not able to this year.

With those very few words, Mr. Acting Deputy Chairperson, we are prepared to pass the Minister's Salary.

**Ms. Friesen:** I had a few closing remarks, too. I would like to thank the minister's staff. Even though they are not here, she could convey our thanks to them for coming back and forth to the table and accommodating the different needs that we had during the Estimates process.

I also want to make the point to them and to you that we did not discuss some things, at length or even at all, that I would very much have liked to have done, particularly Heritage, the Archives, the Information Services, recreation policy. I think we passed over all of those very, very quickly. Film policy, as well. I think in both of those areas—the last two areas, Recreation and Film Policy—that there are some things that the minister probably would have wanted to put on the record and some questions that we would have had too.

What we did concentrate on, at least from our perspective, was Arts and was also the policy and research aspects of the arts. My own perspective is that what is happening here in this department is an increasingly narrow focus. I very much regret the absence of any kind of policy research that I talked about at the beginning.

I think that some of the monies that were cut from policy research about two years ago are now beginning to show. It shows particularly, I think, in the absence of innovation and in the absence of a sense of developing audiences and developing a broader access, not to consumption of cultural activities, per se, but to participation and to the broader education of the population and, indeed, of people who will go on to become professional artists as well. It is that area that I see shrinking, and I do not see a departmental focus on that.

Some of the things, I think, were included in the DeFehr Report—not all of which I would accept but some of which I still see the department not making

very great strides in. The obvious one, of course, is the increasing dependence, in a shrinking budget, upon Lotteries funds, something that the DeFehr Report and just about every other report across Canada would have said was not the direction that culture should be going.

\* (2120)

I am surprised in some areas of absence of policy in the department, one of which is, particularly, the absence of research in sponsorship, the amount of corporate and private donors that are available in Manitoba for culture. For a government which is so clearly dedicated to dependence upon the market, that surprised me. I wanted to stress to the minister again that it seems to me, even for a government which is so oriented to the market, there are things only government or only independent public policy institutes can be doing.

There are some things which the market does reasonably well, as I said before, and not necessarily equitably, but it does distribute some goods. There are some goods which cannot be distributed by the market, particularly in cultural terms. I would like to direct the minister's attention to that as one of the focuses even for a Conservative government in this period.

I do think there are areas of relationship between tourism and heritage, between heritage and education, and between the arts and education, and between the arts and tourism which are not being developed by this government, and I think there is a very direct economic impact that is having. I would like to see much more effort made by the department in that area. Again, I know some departments are not responsive to it and have not been in the past.

So I wish the minister well in that, and that is certainly one area that I would look for some changes next time, perhaps even to getting the Winnipeg Art Gallery onto the tourist map that the province publishes.

**Mrs. Mitchelson:** Mr. Acting Deputy Chairperson, I will be quite brief in my closing remarks and indicate that I want to thank both of the critics for their co-operation—well, actually three critics, the member for Radisson (Ms. Cerilli) also, who has been hopping from committee to committee tonight, trying to get through dealing with all of her responsibilities.

I think we have had some good debate, and philosophically, in some areas, we may disagree. Some of our directions may not be the directions necessarily that other political parties would take. Nonetheless, we are government, and we are here to make decisions, and we are here to try to do the best thing for all Manitobans.

In the area of culture and the arts, I indicated that our focus was on empowering the community and community organizations to look at the needs. I do not believe we should be taking a big brother or big sister approach to directing to a community what kinds of activities should be happening, that they have the resources and the energy and the enthusiasm. We are there to support community initiative and, yes, provide some leadership. But I think they know what audiences they may attract and the kinds of activities that should be undertaken. So we are there to provide some leadership, but we also are there to support community initiative.

Just to briefly talk about Lotteries dollars and funding for the arts, and we do go through this debate. It is too bad the former member from Crescentwood was not here this year to add his comments on that subject. If you look at Lotteries dollars and what is happening with Lotteries dollars, how government across the country are looking for ways and means of increasing Lotteries revenues, it is probably a more stable source of income generation than the tax dollar is.

So we have been able to maintain a lot of our Lotteries programs throughout government and maintain funding for the arts and heritage through those Lotteries sources. We will be placing more of a focus on tourism and culture and heritage over the next year. As far as The Multiculturalism Act goes, I would like to see smooth passage of that through the Legislature this session so all three parties can show a commitment to the multicultural community through this legislation.

I will wrap it up by saying, thank you very much to the staff of the Department of Culture, Heritage and Citizenship for their hard work, their dedication and their commitment. We have had four good years, and each year the relationships get better, and we tend to be able to move ahead with policy and programming to reflect the needs of Manitobans. Thank you.

**Mr. Lamoureux:** Mr. Acting Deputy Chairperson, I too just wanted to thank the staff, even Mr. Langtry, for all the work that they have done. Thank you.

**The Acting Deputy Chairperson (Mr. Penner):** Item 1.(a) Minister's Salary \$20,600—pass.

Resolution 19: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,695,100 for Culture, Heritage and Citizenship, Administration and Finance, for the fiscal year ending the 31st day of March, 1993—pass.

I would like to, before we end, thank the minister, her staff, all members of the committee for the professional way in which they have conducted the consideration of the department. Thank you very much.

This completes the Estimates of the Department of Culture, Heritage and Citizenship. The next set of Estimates that will be considered by this section of the Committee of Supply are the Estimates of the Legislative Assembly.

What is the will of the committee? Do you want to recess for a few minutes before you go on?

**Mr. Steve Ashton (Thompson):** Mr. Acting Deputy Chairperson, there had been agreement to deal with Justice and Aboriginal Justice before. We are quite prepared to deal with it now. I can indicate that we will be passing Justice, including the minister's salary, but we will be keeping Aboriginal Justice open, and we may get into Aboriginal Justice later, Monday.

**The Acting Deputy Chairperson (Mr. Penner):** The indication that I have received is that there should be a consideration of the Legislative Assembly before we deal with Justice and the AJI, and other miscellaneous matters.

## LEGISLATIVE ASSEMBLY

**The Acting Deputy Chairperson (Mr. Jack Penner):** We will then start the consideration of the Legislative Assembly which starts on page 8 of your main Estimates book.

Does the minister responsible have an opening statement?

**Hon. Clayton Manness (Government House Leader):** None, Mr. Acting Chairperson.

**The Acting Deputy Chairperson (Mr. Penner):** Does the critic of the opposition have an opening statement?

**An Honourable Member:** No.

**The Acting Deputy Chairperson (Mr. Penner):** How about the critic for the second opposition?

**An Honourable Member:** None.

**Mr. Gary Doer (Leader of the Opposition):** Yes, I just have one question under this area, and the Estimates are obviously reviewed by members of the Legislature in the committee, but one of the matters that has been raised in a public way recently deals with an item under Elections Manitoba, and that is the whole issue of a referendum.

There have been proposals and specific pieces of legislation that have not yet been dealt with in this province, dealing with a referendum. I know that elections cost a considerable amount of money, and I know that not all that money would be required for a referendum, insofar as you would not have, obviously, rebates for election expenses, but I would like to know is there an approximate estimate for a provincial referendum, which has been proposed publicly in the Legislature by some members.

**Hon. James McCrae (Minister of Justice and Attorney General):** I am advised, Mr. Acting Deputy Chairperson, that the cost of the last election in Manitoba was \$3.2 million to run the election, and that is to say nothing of the cost of reimbursement of political parties and candidates. I do not know that number offhand—another \$2.2 million, I am told, so that sounds like a total of about \$5.4 million, \$5.5 million which you could expect to be the cost of a referendum if you had to carry out the same enumeration process and rent the same number of balloting places and so on, so those are the numbers I have been given.

\* (2130)

**Mr. Doer:** So roughly over \$5 million. A second question, there have been questions to the Deputy Premier (Mr. Downey) a couple of weeks ago in the House where he stated that he was, quote: open to the idea, he did not close the door, he did not open the door.

Does Elections Manitoba have a contingency plan? I understand it would not have any control of a federal referendum which has been costed at \$100 million; but is there a contingency plan in the province itself for one?

**Mr. McCrae:** Other than the basic machinery that is always there at Elections Manitoba to cover an election which so often seems to happen in this province, I cannot say that there is anything. In fact,

I know there not to be anything because there is no legislation in place that would mandate such a thing.

**Mr. Kevin Lamoureux (Inkster):** I wanted to ask the minister if there has been any work done with regards to having a list kept of the voters between. I know in British Columbia they maintain a voters' list. Has there been any comparisons or any work done in terms of if it is feasible for us to do it here in the province of Manitoba?

**Mr. McCrae:** There has been no study conducted in Manitoba with respect to maintaining a permanent voters' list. It is generally understood, I am led to believe, that method of enumeration or ongoing enumeration is more costly than the present system that we have in place. But we do not have a Manitoba permanent voters' list as the honourable member knows.

**Mr. Lamoureux:** Is the government considering it at all?

**Mr. McCrae:** I am told by Elections Manitoba that the government has given it no instructions or raised the issue.

**Mr. Lamoureux:** I would suggest to the minister that it is something that is worthy of, at the very least, the government to look into. In fact, a list of this nature does not just ask to be provided for a general Manitoba election, but also could be provided for civic elections, could be provided for things such as by-elections and so forth.

There are many different uses that one could have, with the overriding concern, one of confidentiality of course; but the province should not be ruling it out.

I know the Leader of the Liberal Party (Mrs. Carstairs) had introduced a resolution in the Chamber dealing with this, and I believe it was the member for St. Norbert (Mr. Laurendeau) or someone from the government benches had indicated that this is something that should be pursued.

I would encourage the minister, that it is definitely worthy of looking in terms of what the costs would be and to see if there would be some sort of an interest where you could actually provide these lists, maybe not just for provincial general elections—again of course, with the confidentiality being one of the most important aspects.

**Mr. McCrae:** I have been involved in one way or another in legislative processes since 1975, and at

least since then this discussion has been had from time to time. The comments of the honourable member are worthy of note and may indeed arise in Manitoba some day, but I do not have any immediate machinery in place to put such a system in place.

**Mr. Lamoureux:** The minister says that these discussions have happened for a long time, since '75. That might be the case, and we can sit around a table, whether it is here, whether it is through LAMC or whatever committee you might want, or in formal conversation; but unless, of course, the province makes a minor commitment to at least look into the possibilities of having something of this nature, because of today's technology, I would imagine that it is not going to be as costly as the government might think, especially if you look at the resources. We have one of the best data banks that are here through our health services, and the medical information is something that would not be needed, but in terms of the name and address and so forth, there might be a way in which, given today's technology, something of this nature could be accomplished.

The only way the government would be able to find out for sure one way or the other is, in fact, to at least look into the matter. I would suggest on that, Mr. Acting Deputy Chairperson, we could go ahead and pass this section, but at least the government should look into it.

**The Acting Deputy Chairperson (Mr. Penner):** Since there is no line dealing with administrative salaries, we will begin with line 1. Indemnities (Statutory) (a) Members \$2,464,600—pass; (b) Speaker's, Deputy Speaker's and Deputy Chairman's additional Indemnity and Speaker's Intersessional Payment \$21,500—pass; (c) Opposition House Leader, Party Whips \$7,500—pass.

2. Retirement Allowances (Statutory) (a) Allowances and Refunds \$1,288,200—pass.

3. Members' Allowances (Statutory) \$2,782,900 (a) Access and Constituency Allowance \$1,500,100—pass; (b) Living Allowance \$441,600—pass; (c) Committee Allowance \$33,800—pass; (d) Mileage Allowance \$219,600—pass; (e) Special Supplies and Operating Allowance \$108,900—pass; (f) Members' Printing Allowance \$223,400—pass; (g) Speaker's Expenses \$3,000—pass; (h) Deputy

Speaker's Expenses \$500—pass; (j) Car Allowance \$252,000—pass.

4. Other Assembly Expenditures (a) Leader of the Official Opposition Party \$165,600—pass; (b) Leader of the Second Opposition Party \$15,600—pass; (c) Salaries \$1,997,300—pass; (d) Other Expenditures \$902,600—pass; Hansard \$673,400 (1) Salaries \$429,900—pass; (2) Other Expenditures \$243,500—pass.

Resolution 1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,754,500 for Legislative Assembly, Other Assembly Expenditures, for the fiscal year ending the 31st day of March, 1993—pass.

5. Provincial Auditor's Office (a) Salaries \$2,734,000—pass; (b) Other Expenditures \$176,600—pass.

\* (2140)

Resolution 2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,910,600 for Legislative Assembly, Provincial Auditor's Office, for the fiscal year ending the 31st day of March, 1993—pass.

6. Ombudsman (1) Salaries \$650,100—pass; (b) Other Expenditures \$83,700—pass.

Resolution 3: Resolved that there be granted to Her Majesty a sum not exceeding \$733,800 for Legislative Assembly, Ombudsman, for the fiscal year ending the 31st day of March, 1993—pass.

7. Elections Manitoba (1) Salaries \$298,100—pass; (2) Other Expenditures \$38,200—pass.

Resolution 4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$336,300 for Legislative Assembly, Elections Manitoba, for the fiscal year ending the 31st day of March, 1993—pass.

We can now pay Elections Manitoba. That completes the resolutions dealing with the Legislative Assembly. We can now continue the operations of the Legislative Assembly.

## JUSTICE

**The Acting Deputy Chairperson (Mr. Jack Penner):** As previously agreed by unanimous consent in the House today, the Department of Justice and Aboriginal Justice Initiatives were transferred to this section of the Committee of Supply meeting in Room 255.

The only line remaining for Justice is 1.(a) Minister's Salary \$20,600—pass.

Resolution 95: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,735,700 for Justice, Administration and Finance, for the fiscal year ending the 31st day of March, 1993—(pass). [interjection]

Your salary.

**Hon. James McCrae (Minister of Justice and Attorney General):** My salary? You guys had me going there for a while, you know.

### ABORIGINAL JUSTICE INITIATIVES

**The Acting Deputy Chairperson (Mr. Jack Penner):** The committee will now consider the line and resolution dealing with the AJI on page 153 of the main Estimates book.

Item 1. Aboriginal Justice Initiatives \$1,000,000—

**Mr. Steve Ashton (Opposition House Leader):** Mr. Acting Deputy Chairperson, there is an agreement to hold that item until Monday.

**The Acting Deputy Chairperson (Mr. Penner):** Is there agreement that we hold this item till Monday?

**Hon. James McCrae (Minister of Justice and Attorney General):** That is agreed, Mr. Acting Deputy Chairperson.

**The Acting Deputy Chairperson (Mr. Penner):** Okay. That is agreed, and we will hold that item till Monday.

### CANADA-MANITOBA ENABLING VOTE

**The Acting Deputy Chairperson (Mr. Jack Penner):** The committee will now be considering the lines and resolutions dealing with the Canada-Manitoba Enabling Vote on page 150 and 151 of your main Estimates book.

Item 1.(a) Partnership Agreement in Tourism (1) Operating \$54,000—pass

RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,807,800 for Canada-Manitoba Enabling Vote for the fiscal year ending the 31st day of March, 1993.

**Mr. Gary Doer (Leader of the Opposition):** I did not hear the Chair. Which item were you proposing?

**The Acting Deputy Chairperson (Mr. Penner):** I am proposing the resolution of the Canada-Manitoba Enabling Vote.

**Mr. Doer:** The total vote?

**The Acting Deputy Chairperson (Mr. Penner):** \$5,807,800.

**Mr. Doer:** Okay. I have some questions on it.

**Hon. James McCrae (Minister of Justice and Attorney General):** Just hold the line a minute.

**Mr. Doer:** Yes, I will ask three or four questions and then if the minister can take those under notice and give it to the Minister of Finance (Mr. Manness) who is usually responsible for this issue.

What is the \$1 million for Urban Development Agreement for Winnipeg for? Does it have any specific purpose? What specific function does it have? Through which department will it flow, and what are the objectives for that amount of money? It is a new sum.

Secondly, I notice the Core Area Agreement, the majority of it is for capital. I would just like some explanation as to the specifics of the capital expenditures.

Three, the Partnership Agreement in Telecommunications: What component of that is for the aboriginal communication program, please?

Four, the specific item for Promotion of Official Languages: What specifically is that for? It is 50-50 cost-shared recovered from Canada, and which department will administer it?

Those are some of the basic questions. I have some other questions, but I will just leave those as the basis at this point.

**Mr. McCrae:** Mr. Acting Deputy Chairperson, I shall ask the appropriate members of Executive Council to review Hansard, which records the honourable Leader of the Opposition's questions, and ensure that the answers are provided to the honourable member.

**Mr. Steve Ashton (Thompson):** I also have a question. Perhaps if the minister would take it as notice, in regards to an item that does not appear because it has fallen by the wayside: in terms of the Northern Development Agreement, whether there are any discussions ongoing at the present time in regards to a future federal-provincial agreement that will impact on northern development and the specific reference to the components for the previous Northern Development Agreement, including economic development, including ACCESS programs, including infrastructure; any information the government could provide us on the

status of any agreement that might also affect the Conawapa development—a federal-provincial agreement under the Northern Development Agreement umbrella or a separate agreement.

**Mr. McCrae:** Mr. Acting Deputy Chairperson, I will make the same response with respect to the question put by the honourable member for Thompson.

**The Acting Deputy Chairperson (Mr. Penner):** Item 1. Canada-Manitoba Enabling Vote (a) Partnership Agreement in Tourism \$140,000—pass.

1.(b) Urban Development Agreement for Winnipeg \$1,000,000—pass.

1.(c) Winnipeg Core Area Renewed Agreement \$320,000—pass.

1.(d) Soil Conservation Agreement \$438,000—pass.

1.(e) Drought Proofing \$328,700—pass.

1.(f) Partnership Agreement on Municipal Water Infrastructure \$1,012,800—pass.

1.(g) Program for Older Worker Adjustment \$1,000,000—pass.

1.(h) Partnership Agreement in Telecommunications \$375,000—pass.

1.(j) Partnership Agreement in Forestry \$693,300—pass.

1.(k) Mineral Development Agreement \$200,000—pass.

1.(m) General Agreement on the Promotion of Official Languages \$300,000—pass.

Resolution 128: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,807,800 for Canada-Manitoba Enabling Vote for the fiscal year ending the 31st day of March, 1993—pass.

I will repeat: The committee will be considering the line and resolution dealing with Allowance for Losses on page 154 of the main Estimates book.

#### **ALLOWANCE FOR LOSSES AND EXPENDITURES INCURRED BY CROWN CORPORATIONS AND OTHER PROVINCIAL ENTITIES**

**The Acting Deputy Chairperson (Mr. Jack Penner):** Item 1. Allowance for Losses and Expenditures \$5,400,000. Shall the item pass?

\* (2150)

**Mr. Gary Doer (Leader of the Opposition):** Just one general question to the Minister of Finance (Mr. Manness).

A couple of years ago he, through an untendered contract, hired an auditing firm that wrote off some \$30 million to \$40 million from one of the Crown corporations, the Public Insurance Corporation. This year he has since found that the write-off, which is against the previous deficit, was in fact inaccurate, and he has now since put that money back into his—this year's deficit. It seems to me, where I come from, that is very misleading accounting. It misleads the public in terms of the true picture of the deficit. It makes the deficit this year or the current deficit look better, previous deficits look worse. Can the minister explain how this happens, why it happens and why it was not just transferred back to previous year's deficit, instead of the minister using it this year?

**Hon. Clayton Manness (Minister of Finance):** Thank you very much, Mr. Acting Deputy Chairperson, it is good to be back.

The way the Leader of the Opposition (Mr. Doer) portrays the event and its hard circumstances is factual, but he leaves it, of course, in a steamy light, as if it is creative accounting at work. I am here to say it is not.

When we hired the outside firm, the best knowledge that we had at the time, dealing with the MPIC, was indeed that all of the general insurance, that the liability was understated, the allowance for losses was understated, and given that there were still a number of files with respect to re-insurance that were open, the best advice from our outside auditor that came in, in consultation with MPIC auditors, was that there would be a call on the government and the tune, I think, was around \$34 million. I cannot quite remember.

That is the case now for three years. Unbeknownst to us, about six or seven months ago, MPIC said that no, the liability, we had over-provided for losses and now that was not required as a cash transfer. We looked up the existing or the traditional accounting practices, and although the Provincial Auditor—it will be very interesting what the Provincial Auditor does on this, because we asked him the question: Do you want to take it back to the year from which it came or how do we handle this? I am led to believe that our

inclusion in it in the terms of '91-92 was acceptable accounting practice.

Now, I can tell the member, there are a lot of other horror stories that have come to bear. My colleagues on Treasury Board will tell you, for instance, that we did not provide enough for allowances and losses in a number of other areas. I can go on on MACC; I could go on on CEDF or the Fisherman's Loan Program, which was part of MACC. Now we have put it under CEDF. The Minister of Housing (Mr. Ernst) is here, and he could tell you how much we probably did not, when we came into government, commit to additional allowances in the Housing portfolio.

If we want to go back, if the member wants to go back and open the books when we took over government, I can tell him I would love to do it. The very same people that did it for us, and I was talking to the Finance minister from British Columbia, Glen Clark, today. I asked him about Ron Hikel, and I asked him who did their analysis and, of course, there was a billion dollars found wanting in improper—set aside for allowances, and a whole host of other areas. I do not call into question the legitimacy there.

All I am saying is that the very same firm that did that for British Columbia used the very same methodology for our government when we took over from the preceding government. By the way, I do not think there were that many horror stories laid at the door of the former government. I will say that for the record and I think the numbers show that. There was a slight increase, but I would have to think the member would take some considerable pride in being a member of the former government, that the books were not that far out of whack.

**Mr. Doer:** I guess I am getting a little concerned about finances and government, and it goes beyond partisan politics. We all have some pride. When you lose a lot of seats because you have taken some painful decisions, you want to get a little bit of credit for the painful decisions, even if you do not have a lot of your colleagues around you to share that pleasure.

There were a couple of items that the minister wrote off. One of them was Manfor and now there is an item in the Fiscal Stabilization Fund. We have had that debate, and we will have it again the next time the auditor's report is out. The other one was the insurance. What I was so curious about at the

time of the insurance issue was that there was so much money set aside based on an actuarial report before that dealing with re-insurance, that an expert on actuarial calculations on re-insurance, who was supposed to be the expert in the country, was second guessed by an auditing company that put more money aside than two or three years later proved not to be the case.

I thought to myself when I got your press release indicating that perhaps the expert in this area has set aside on actuarial basis for reinsurance was more accurate than the person who, quite frankly, did not have that expertise. I guess what I am concerned about—and I watched in British Columbia what has happened, and we have all watched what has happened in Saskatchewan.

When governments change hands, I believe an auditor's statement should be able to be the test, not hiring an outside audit firm to sort of load up the previous government's—I am not saying the minister did this. I guess we have not got time to go into this debate, but I really think that this is becoming an important issue. You have got all kinds of permutations and all kinds of ways of putting various assets against various operating situations.

For example, you sold the Data Services, an agency that accumulated assets over a number of years, and then you set it aside into your fiscal stabilization for the future rather than against the previous year's debt. Someday, I think we should have some discussions on these issues, because I would like to see in Manitoba that there are some common practices of accounting on these things, so that there is not the temptation to hire companies that will give you—because there is latitude “under normal accounting procedures” that allow you to move debt from one year to the other and I think will tend to mislead the public, generally, about the situation. I think it could lead to bad management in the future.

**Mr. Manness:** Mr. Acting Deputy Chairperson, the member is right, and I would welcome that, but the best scrutiny is still the opposition. When they are in the Estimates of the Department of Housing and the Estimates of the Department of Agriculture and the Estimates of Industry, Trade and Tourism, particularly in those three areas, when you are putting out funds and advancing funds in support of either public housing, in support of loans to farmers and/or support to businesses, ask the ministers about what allowances are being set aside given

that those loans are not paid back and ask very specific questions.

I can tell you, since we have been in government, our Treasury Board in setting budgets has been very vigilant in that area for a number of reasons. I mean, you do not have to believe the fact that this government wants to reflect very honestly and openly the books, but beyond that, the member for Rossmere (Mr. Neufeld) is a practising accountant, was very demanding in that area. I can tell you now, the new member of the Treasury Board, the Minister of Industry, Trade and Tourism (Mr. Stefanson), who understands proper allowances, is very insistent that they be set up.

As a matter of fact, we are the only province—the member for Charleswood (Mr. Ernst) will help me here—in Canada that has set up allowance for the GRIP program. Because, quite frankly, after five years, we think that will not be actuarially sound, that there is going to be a call in government. We are the only province in Canada that has set up already the allowances for the expected loss.

Now, will we be blamed five years from now—indeed, if ag prices improve, actuarial soundness of that program comes around and there is not a call on those allowances and we bring in in that year \$50 million of allowances that we have not needed.

This is why it is not a perfect science, but I would have to think you would demand consistency, and you would demand to know the rationale when we set up our allowances. Because this is the area—you are right—where governments can fudge the bottom line quicker than anywhere.

**Mr. Doer:** You would think, therefore, under this scenario, does it not make sense that if you write off something against a particular year, notwithstanding who was in office and who was not, and at a later point it is determined that write-off was not proper, does it not make sense to move that money back to the previous year and have it go against the accumulated debt, rather than have it show as a financial benefit to the fiscal year under which any government is always under a lot of pressure?

**Mr. Manness:** Whatever practice you have, it has to be consistent with the opposite happening. So, all of a sudden, if we go now and evaluate the public housing stock, and we find that we are—I mean, I would love to do it today—\$500 million short on the

public housing stock, then we also be allowed to prorate it in a significant fashion through the '80s and the '70s. That is what the member is saying, because I can tell you if we did that, we would help our bottom line significantly.

\* (2200)

**Mr. Doer:** First, with the public housing stock, you would also have to show the assets.

**Mr. Manness:** We found another way, Mr. Acting Deputy Chairperson—

**Mr. Doer:** So it will not show assets in government.

**Mr. Manness:** Not the way we show assets in government today, no. We do not put the value on the assets.

**Mr. Doer:** I understand that, but the minister understands there is a difference between a loss in an operating way, say, at a public insurance corporation, and an asset which has different values over years. I mean there is a difference between a house that you can sell and is an asset, or it is owned by the public, and something that is an operating loss that is gone forever, but this is a debate that I should not be engaging in.

I am glad that the minister has acknowledged the concern I had. It is an important item, I think, because governments now are getting horrible reputations from accountants, from auditors, et cetera. You look at what happened in Saskatchewan with the latest situation; you look at what happened in British Columbia. It is something we have to come to grips with as legislators.

Otherwise, the budgets are going to get more and more—bottom lines are going to become political. I think that the debate and the policy should be political. The disagreements should be political, but the numbers should be absolutely constant. [interjection] I understand that, but you also print them.

**The Acting Deputy Chairperson (Mr. Penner):** I appreciate the discussion around the table. I also appreciate the suggestions that have been made that there be future discussions on this item. I would encourage that. I would, in fact, want to be part of those discussions. We will, however, move in.

Item 1. Allowance for Losses and Expenditures \$5,400,000—pass.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,400,000 for the Allowance for Losses and Expenditures Incurred by Crown

Corporations and Other Provincial Entities for the fiscal year ending the 31st day of March, 1993—pass.

### EMERGENCY EXPENDITURES

**The Acting Deputy Chairperson (Mr. Jack Penner):** The committee will now be considering the line and resolution dealing with the Emergency Expenditures on page 156 of your main Estimates.

Shall item 1. Emergency Expenditures \$10,000,000 be passed?

**Mr. Gary Doer (Leader of the Opposition):** One question that the minister is expecting; this is a recorded announcement. How is the forest fire situation in terms of the money end? Is it consistent with the answer the minister gave me when the Order-in-Council was signed, dealing with the crop insurance reconciliation and the emergency money, or is the cheque in the mail? How are we doing on that?

**Hon. Clayton Manness (Minister of Finance):** I am not going to try and recite again in detail the complex arrangement we had. Maybe the member for Charleswood (Mr. Ernst) remembers the detail, but the cheque has been received. As a matter of fact, the Premier (Mr. Filmon) brought home the cheque from Ottawa, it seems to me, one month ago. He was hand-delivered it by Mr. Epp. It was put in his hands, and that whole sordid event came to an end. It is bizarre.

I cannot quite remember how all the balances took place, but I can tell you we honoured our \$38 million debt with respect to the '88 drought, which flowed in '89 and the federal government has honoured its \$30 million liability with respect to the forest fires of '89.

**An Honourable Member:** The fires of '88.

**The Acting Deputy Chairperson (Mr. Penner):** Shall the \$10,000,000 item pass—pass.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,000,000 for Emergency Expenditures for the fiscal year ending the 31st day of March, 1993—pass.

### COMMUNITY SUPPORT PROGRAMS

**The Acting Deputy Chairperson (Mr. Jack Penner):** The committee will now be considering the line and resolution dealing with the Community Support Programs on page 22 of your main Estimates.

Shall item 1. Lotteries Funded Programs \$4,812,000 pass?

**Mr. Gary Doer (Leader of the Opposition):** The page, again, this is?

**The Acting Deputy Chairperson (Mr. Penner):** Page 22.

**Mr. Doer:** Okay, that is the Community Support Programs. I have a question on this.

Yes, there are some grants that have been reduced. For example, the Festival du Voyageur has been reduced; the Folk Arts Council of Winnipeg has been reduced. The United Way has been slightly increased. The Winnipeg Football Club—I am a past member of the board of directors, so I am not under conflict anymore—

**An Honourable Member:** Only when it was losing money.

**Mr. Doer:** Well, it was doing a lot better than it is right now; in fact, it had a surplus. It has had its grants reduced. Can the minister give us the reasons for those, please?

**Hon. Clayton Manness (Minister of Finance):** Mr. Acting Deputy Chairperson, it upsets me because Bob Swain, I just saw him five minutes ago, and he would have the answers to these. Somewhat by agreement, when we entered into agreement with some of the special groups, there was a schedule and some of them had agreed to reductions. Subsequent to the difficulties that we found ourselves in, we approached these groups and some of them voluntarily offered to take less.

Some of them, we made the decision just to provide less. If the member wants that detail, we can make it all part of the public record, I can assure him. There is an explanation for each and every one.

**Mr. Doer:** Can we have an explanation for the reductions and the increases just so that we know, and whether, as the minister indicated, it was by agreement or whether it was by unilateral government decision?

**Mr. Manness:** Yes, Mr. Acting Deputy Chairperson, certainly we will provide that information.

**The Acting Deputy Chairperson (Mr. Penner):** Item 1.(a)(1) Salaries \$99,100—pass; (2) Other Expenditures \$30,000—pass; (3) Grants \$457,000—pass.

1.(b) Festival du Voyageur \$340,000—pass.

1.(c) Folk Arts Council of Winnipeg \$320,000—pass.

1.(d) Friends of Winnipeg Pro Soccer \$50,000—pass.

1.(e) United Way of Winnipeg \$2,356,500—pass.

1.(f) Valley Agricultural Society \$195,000—pass.

1.(g) Winnipeg Football Club \$350,000—pass.

1.(h) Capital Grants - Keystone Centre \$505,000—pass.

1.(j) Capital Grants - Agricultural Societies \$110,000—pass.

Resolution 15: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,812,600 for Community Support Programs, Lotteries Funded Programs, for the fiscal year ending the 31st day of March, 1993—pass.

### INTERNAL REFORM, WORKFORCE ADJUSTMENT AND GENERAL SALARY INCREASES

**The Acting Deputy Chairperson (Mr. Jack Penner):** The committee will now be considering the line and resolution dealing with the Internal Reform, Workforce Adjustment and General Salary Increases on page 158 of your main Estimates book—line 1.

**Mr. Gary Doer (Leader of the Opposition):** A question to the minister: The government has talked a lot about reorganization and reform and workplace adjustments, et cetera. I have noted that in the 1988 Civil Service Superannuation Annual Report and the most recent one, there is absolutely no change in the size of the public service. So we have been reforming and we have been cutting and we have been reducing in certain areas, community colleges, Highways, Natural Resources, yet the net number of public employees is still the same in the provincial public sector.

Where are these people being hired? We know where the people are being cut. Where are these people being hired in these so-called internal reforms? Is it in the mid-management areas, where are all these people?

**Hon. Darren Praznik (Minister of Labour):** Yes, Mr. Acting Deputy Chairperson, I do not have exact figures before me, but I will give you some approximate numbers. I understand that over the last two years we have eliminated in government somewhere between 1,300 and 1,400 positions. I

am talking about the provincial Civil Service. That returned us to employment levels approximately for 1986.

**Mr. Doer:** Well, our indication is, if you read the other annual—first of all, positions, as you know, governments create positions in budgets and then get rid of them in the next budget and say that they have reduced things, so we know—the minister shakes his head. We know that there were some vacant positions, but the fact of the matter is that our critic identified, there was basically the same number from '88 to '91; it went up and then it went down.

**An Honourable Member:** Since '90.

**Mr. Doer:** Yes, since '90 it has gone down, I do not disagree.

\* (2210)

We know you have cut line Highway employees, we know you have cut line Natural Resources employees, a lot of people outside of the city of Winnipeg, I might add. We know you have cut a lot of employees out of the community colleges; it was one of the largest areas of reduction. Where have you been hiring to get the same comparable numbers to '88?

**Mr. Praznik:** I say to the member, when he identified reductions in positions in Natural Resources and Highways, there were reductions in terms of full-time position equivalents, staff years, but many of those were made up by the seasonal reductions, so that where you had someone who was working a year is now working eight months—that would be an equivalent of one-third SY. So those people are still employed with the province but for a smaller part of the year.

On the vacancy management which the member identified, we have been trying to run about 5 percent vacancy management, 5 percent vacant positions in departments for the last number of years. That accounted for, of those 1,300 to 1,400 positions—would be inclusive of the totals of the partial staff years as well as the vacant positions that we have managed over those two or three years, so the consequences, that we have managed to spread those out and did not have, as the member has identified, a lot of filled positions being eliminated.

**Mr. Doer:** Okay, I will ask, have you any more reforms that you are planning next year in terms of the public service, in terms of major reductions and

reprioritizations, et cetera? Do you feel you are on track now? Have you reached your—I mean, you have gone up and then you have gone down. You went up before the election, you went down. I seem to recall a similar pattern between '77 and '81 where it went down and then it went up again, 15 percent, 20 percent spending in '80-81—[interjection]

But the member for Pembina (Mr. Orchard), that was the year he was sworn into cabinet, I recall.

**Hon. Clayton Manness (Minister of Finance):** Mr. Acting Deputy Chairperson, I can assure the member we have developed five budgets, and every one of those years we took out positions. I can tell him we added in through the course of the year very—I think we can count them on one hand, the number of add-back-ins in staff positions.

Now, he may say he has looked at the annual report of the Superannuation Fund. It looks like there are a lot of active files there. I think what he is saying, or what I know to be the case, is that there is an awful lot more of work-sharing. I do know that there still may be individuals through a course of a period, or some small portion of the year that draw a pay cheque from the government, but I can tell him that global funds directed to salaries on the government payroll have dropped many, many millions of dollars. I would say \$40 million or more over the course of the last four years, and that is the real indication. So the staff years are there; we have not added them back in.

On his direct question, what are we going to do in '93, '94, I can tell him that we are beginning the '93-94 budgeting process right now, and I can indicate we are still out to hunt to remove duplication and overlap within government, and we are still going to try and do things more efficiently administratively. Yes, we have some additional further plans. They are not yet at this point fully developed, but they will be over the course of the next number of months.

**Mr. Steve Ashton (Thompson):** In Civil Service Estimates I asked a question of the minister, and he undertook to provide the information as to the exact number of either SYs, Civil Service positions in rural areas versus the city of Winnipeg, historically over the last 10 years, actual numbers of positions, in particular, immediately before and after decentralization, and I am just wondering when the minister can indicate whether he will be able to provide those figures. We had hoped to have them

for Decentralization, Mr. Acting Deputy Chairperson, but—

**Mr. Manness:** Mr. Acting Deputy Chairperson, the Minister of Labour (Mr. Praznik) will certainly provide that information, but I want to point out, like I have said anywhere I have gone and been asked that question, particularly by leaders of rural communities who would like to point out that there seems to be some contradiction, we are decentralizing on the one hand, and yet it seems like we are taking away government jobs on the other through budgetary decisions. I will say the same thing to the member that I have said everywhere I have gone. The highest order here is government efficiency and the government budget. That will take precedent over the decentralization. I have said that everywhere and that is the way we have approached it from Day One. So what might appear to be conflict in some areas—I mean, we made the decisions to decentralize, we made that in isolation, and almost all the cases, I think we have moved now some 530 positions.

In a few instances, decisions that came further in the budgetary decisions, of course, have superseded that and there have been some reductions. That is the higher order.

**Mr. Ashton:** I am just asking for the information. We can get into that debate, we can talk about the \$10 million that was spent to decentralize, well, \$2.5 million to go and create more jobs and cut, you know, to add one job and take back two. I just asked for the numbers in Civil Service, and I would appreciate it if we could get that information hopefully before the end of the Session.

**The Acting Deputy Chairperson (Mr. Penner):** Item 1. \$5,000,000—pass.

Resolution 134: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,000,000 for Internal Reform Workforce Adjustment and General Salary Increases for the fiscal year ending the 31st day of March, 1993—pass.

The time being after ten o'clock, and as previously agreed by the unanimous consent in the House this afternoon, we will be waiving subrule 659 to permit the Estimates of a new department to be introduced after 10 p.m.

Also, as agreed in the House, the Estimates for the Department of Government Services have been

transferred to this section of the Committee of Supply meeting in Room 255.

**Mr. Doer:** Excuse me. Did we do Employee Benefits, page 46?

**The Acting Deputy Chairperson (Mr. Penner):** I have not got that on my agenda.

**Mr. Doer:** It is on the agenda, I believe, page 46. Can I have leave to make one point here, just before we move off of these subitems.

We actually have done this out of order before, I guess, because we had that as a separate item.

**The Acting Deputy Chairperson (Mr. Penner):** I understand that this item was passed with the Department of Labour.

**Mr. Doer:** Yes. I do not know why it was. But having said that, I just think that if the government is going to delineate part of the benefits and as part of a budget exercise, it seems to me to be a very abstract concept: a) to not have all costs of the benefits—the private sector, quite frankly, has benefits in the 26 to 30 percent range for any given employee; and b) have it in a specific department so there is a clear, budgetary recognition of those benefits rather than just a large amount of money, that is, quite frankly, less than what the real costs are to begin with and not attributed to the departments.

For example, if you had certain benefits in some departments higher than other departments, for example, LTD plan, in say, areas where there is more long-term disability, if you are going to have this as a new item and you have put it in the budget in the last couple of years, I think a) it should be fully costed, and this is not, and the minister said that last year; and b) he should work towards a system where that is in the department budget, so it is accurate.

I think this is just a partial measure, and if the government wants to achieve full accounting of these benefits and in most public or private enterprises that would happen, then I think the government should look at reform in moving that right into the department. I will just leave that with the minister, the head of Treasury Board.

\* (2220)

**The Acting Deputy Chairperson (Mr. Penner):** Thank you. This concludes the consideration for this section. Could we then move to Government Services? Is the minister prepared? Is he in the room?

I understand he will be here momentarily. Could we recess for five minutes? Agreed? We will recess for five minutes.

\* \* \*

The committee took recess at 10:21 p.m.

### After Recess

The committee resumed at 10:24 p.m.

## GOVERNMENT SERVICES

**The Acting Deputy Chairperson (Mr. Jack Penner):** We will now be commencing consideration for the Estimates of Government Services. Does the minister responsible have an opening statement?

**Hon. Gerald Ducharme (Minister of Government Services):** Mr. Acting Deputy Chairperson, very quickly tonight, and I will present my Supplementary Estimates '92-93. I have to apologize, they were proposed to be out a lot earlier.

First of all, Mr. Acting Deputy Chairperson, I am pleased to have this opportunity to present the '92-93 fiscal year spending Estimates for the Department of Government Services. I will take a minute to give you a little bit of information. Because of the time restraint I will not go through the full spiel. As a service-orientated department, Government Services is faced with the challenge of providing cost efficient and quality service to other areas of the government. The recessionary cycle which has slowed growth in our nation and province has made efficiencies in government even more important over the past few years. Our department has been and will continue to be making sure every bit of every tax dollar is wisely spent.

Mr. Acting Deputy Chairperson, the Department of Government Services will enter into negotiations of bulk postal rates and a standardization use of envelopes. They will continue the expansion of building cleaning to 30,000 square feet per employee per shift. The Workshop/Renovations branch reconstruction will reduce overhead costs to allow for a more efficient operation. Also, savings of \$500,000 per year are anticipated with the department's entry into the direct purchase agreement of natural gas.

The Remand Centre—as known to many—project will be completed in the latter part of July, '92 at a total cost of \$26.7 million. It will be finished in July but probably not occupied till sometime early—an

official opening in September. We will do a preliminary dry-run for probably a month, a month and a half. This is a state of art facility with secure links to the Law Courts complex. Anyone who has not been there or any of the critics who would like to tour the building—I have been going there approximately every month—anyone who would like to tour it, I would be glad to take you over there before we have the official opening. You will see the first-class operation it is. I would be glad to take you over there.

Finally, Mr. Acting Deputy Chairperson, Fleet—the other important article. Just to briefly—of what is going on and not to elaborate on many of our functions is, the Fleet Vehicles branch will be converted to an SOA status effective with the approval of the necessary legislation that is before the House at the present time. This change will allow the branch greater management flexibility in order to achieve very specific performance goals and objectives.

I know we have a short time today. I will not go through it all, and I am going to hear from the critics and then we will get to my department.

**The Acting Deputy Chairperson (Mr. Penner):** Does the critic for the official opposition have an opening statement?

**Mr. Gregory Dewar (Selkirk):** No, I do not.

**The Acting Deputy Chairperson (Mr. Penner):** Does the critic for the second opposition have an opening statement?

**Mr. Reg Alcock (Osborne):** Mr. Acting Deputy Chairperson, I do not have an opening statement as such. I just would like to ask the minister, given the time available to us—I have been pleased in the past with this minister's willingness to work with the critics on specific issues and share information outside of this process. So I am not so concerned about going line-by-line. There are a few specific areas that I would like to talk about, particularly the SOAs. If the minister was in agreement, and if the critic for the New Democratic Party was in agreement perhaps we could consider the minister's Estimates as a package and zero in on those areas where we have specific concerns and then just pass the whole works in one shot, given that there is an agreement to pass this before we leave tonight.

**Mr. Ducharme:** I have no problem with that. If you want to do it all bulk and pass the Minister's Salary, because, I mean, I would be very frustrated if you

did not pass the salary too. No, that is the way we handled it before, and I can understand the department is a service department, and there are a few small areas that we would like to cover. If we cannot get all the information I will get back to you with the information in writing like we did before.

**The Acting Deputy Chairperson (Mr. Penner):** I think we all know the normal procedures of the Estimates debate, that we consider the Estimates on a line-by-line basis or at least section-by-section basis, and I just want to indicate to the committee that is normally the way things are done. If we can agree to consider the whole report at this time, I have no problem with that. So if that is the agreement then I would ask the minister to call his staff and we will proceed with the consideration.

**Mr. Ducharme:** Maybe I will bring forward—here are the people to keep it rolling.

\* (2230)

**The Acting Deputy Chairperson (Mr. Penner):** I just want to remind the committee again that under the normal practices of debate, the Minister's Salary is traditionally the last item for consideration of the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

Are we agreed to that?

**Mr. Ducharme:** Just to introduce the staff: Hugh Eliasson, my Deputy Minister. It will be his first time as Deputy Minister going through the Estimates of Government Services, Gerry Berezuk, Stu Ursel, Mr. Le Clare and Paul Rochon.

**The Acting Deputy Chairperson (Mr. Penner):** Are there any questions?

**Mr. Dewar:** Yes, I was wondering if the minister could give us an update of the investigation of the Government Services Leasing department?

**Mr. Ducharme:** Yes, if you are referring to the one in regard to—I might as well put the name forward now—Mr. Sterling Desmond, the investigation is still being investigated by the RCMP. The Civil Service Commission has made a recommendation of releasing the individual, and he has been released as an employee. However, he has decided to aggrieve and the grievance will be heard before the end of June.

I have always been up-front on any other information. The same information stands that I

have given in the House on questions I have received in the House.

**Mr. Dewar:** Well, will the minister be releasing the internal audit that led to the RCMP investigation?

**Mr. Ducharme:** The internal audit would be—because the individual is still grieving and the Civil Service Commission is still dealing with that and also because the RCMP is still investigating, there will be no release of the internal audit at this time.

Generally, when it is dealing with a personnel matter, a lot of times it has been the policy of this government not to release this information dealing with personnel.

**Mr. Dewar:** Are there any other buildings that are under investigation by the RCMP?

**Mr. Ducharme:** Specifically, this was the only one that was investigated. They did go through files, of course, because the individual was responsible for most of our leasing. He was our leasing manager. Our own department went through files along with the RCMP, but what we found in the investigation and what the RCMP is mainly targeting on was the one specific file.

**Mr. Dewar:** He made some comments earlier about the Remand Centre. What was the cost again?

**Mr. Ducharme:** \$26.7 million.

**Mr. Dewar:** What was the original estimated cost of the centre?

**Mr. Ducharme:** The original estimated cost was \$25 million, and as you probably appreciate, I was not involved in the original \$25 million. The extra would be as a result of doing the clearing of the soil underneath, putting in the new filtration system for the gases to make sure that at some time at a later date you could always go back and check them. Also, we did add on the recreation facility. There is an outside court that was originally pulled away from the original project. Now that has been included also.

**Mr. Dewar:** I would like to ask some questions about the Human Resources Opportunity Centre in Selkirk. When I was asking the Minister of Family Services (Mr. Gilleshammer) in Family Services Estimates, he was saying that it falls under your jurisdiction, the building. Is that building currently being dismantled by the department?

**Mr. Ducharme:** I am advised no.

**Mr. Dewar:** Have you been approached by the groups there in Selkirk who are looking at alternatives to the closure?

**Mr. Ducharme:** I am advised no.

**Mr. Dewar:** So what is going to happen to that facility then, once it closes down in a matter of weeks?

**Mr. Ducharme:** We will go through the normal channels. As you know, if there is a government building that does become available, we consult all departments first and we will go through that process. All departments are offered the building first. If some other department or the government wishes to use a building, then they have the first option.

**Mr. Dewar:** Have you been approached by any other department of government interested in that facility?

**Mr. Ducharme:** Yes, we have had preliminary discussions apparently with another department. It is very preliminary right now. This is the option that is available.

**Mr. Dewar:** I guess the minister is aware of the current situation in Selkirk, that some of the current provincial buildings are rather overcrowded. Could this facility be used to ease some of that overcrowding of the current facility?

**Mr. Ducharme:** I was out to Selkirk. I have been out there, and as you probably appreciate, when departments come forward, they use Government Services as a facility provider. They come to us and then we make a proposal to Treasury Board if they require and they request more space. Then we make a submission to Treasury, and then Treasury decides whether they should have the extra square footage or not. Each one is based on each application to Treasury Board.

**Mr. Dewar:** Your predecessor gave us some information on February 1, 1991, and in it, it states there that it is under the subject, capital construction projects, a detailed list. It says, Selkirk leased new space for Highways-Ag building. The Selkirk provincial office is extremely overcrowded, and so on. It says, Highways received Treasury Board approval to include this item in the 1990-91 Estimates. Do you know if that was?

**Mr. Ducharme:** I am advised that the whole office situation in Selkirk is being reviewed once again, so when we finish that review, then we will decide and

make a presentation to Treasury. If the member for Selkirk (Mr. Dewar) wishes, I will, after we have gone through that presentation or that process, advise him.

**Mr. Dewar:** I noticed in the local Selkirk paper you had a tender for office space. What was that for?

**Mr. Ducharme:** I am advised that was Decentralization. That would be put out by the Decentralization group, not by our department. We have no record of that on ours.

**Mr. Dewar:** Speaking of Decentralization, has any Government Services employees been decentralized to Selkirk, and if so, how many?

**Mr. Ducharme:** Five to Selkirk.

**Mr. Dewar:** Where would those five be sent to?

**Mr. Ducharme:** We are advised that they are in the Government Services building on the Selkirk hospital site. I did visit that one; it is a District 2 office.

**Mr. Dewar:** Do you know if there are any further employees who are going to be decentralized to Selkirk, and if so, how many?

**Mr. Ducharme:** If you are asking from our department, we are not aware of any at this present time. But, of course, as you know, Mr. Reimer, who is in charge of Decentralization, will be going around and does visit, go around the province, then advises and corresponds with the different departments to find out who can be decentralized. He is going through that process, but we do not have any out of our department.

**Mr. Dewar:** How about some of the other rural areas? How many other employees have been decentralized and to where?

**Mr. Ducharme:** Land Acquisition, which is part of our department, will move 34 employees as of March 1993 to Portage la Prairie.

**Mr. Dewar:** And that would be the extent of your decentralized employees?

**Mr. Ducharme:** So far.

**Mr. Dewar:** I would like to talk a bit about some of the contracting out of the Government Services department. I guess we could talk about contracting out in general. Have you increased contracting out in the past year?

**Mr. Ducharme:** What we are doing and what we do in our department is probably consistent in looking at cost ways to do business because that is

our job. We have contracted out, for instance, postal services, the trucks, but on the other hand, we have also increased and decided to do our own computerization, maintenance. So if it is efficient to hire our own employees, we have done that. We have done that through—as you know, computer repair is probably so costly, we have brought in our own maintenance people because of the expense, where in postal we have contracted out some trucks that we had. Now we have people. So wherever it is most efficient we will do it. We have done it both ways. We have hired our own staff to do our own work and we have contracted out and will continue to look at various means to save the government and the servicing business.

\* (2240)

**Mr. Dewar:** I would like to ask some questions about the government purchasing policy. Has the government's department purchased any items from the United States recently?

**Mr. Ducharme:** Not since Christmas, but, to be honest with you, the Christmas trees were bought from the same place as the previous government had bought. I was only kidding, of course. To give you an idea, total purchases by our Purchasing Branch during the '91-92 year was \$109 million. Of this amount, approximately \$600,000 or one half of 1 percent represented purchases made, remember, from U.S. suppliers. The greater portion of these purchases covered medical, aircraft and other specialty products not available in Canada. Usually with the system that we have through the purchasing system set up in western Canada, WPIN and that, we have been able to purchase from B.C., Alberta, Saskatchewan, and also our suppliers have been able to sell to these. So we actually have a good purchasing arrangement that is probably going to be nationally—within, I would say, a year it will be right across Canada.

**Mr. Dewar:** Just a few more questions. I wonder if the minister could tell us about the Fort Osborne complex and what are his department's plans for that complex.

**Mr. Ducharme:** Preliminary plans now are to continue to look at it. We will be making some recommendations probably along the way to cabinet or Treasury Board, but you have to remember that if you do anything with that site, you are probably going to have to—you have probably heard it before, there were not enough options given

and what we are doing now is studying the different options on the site, and probably it is the same as anything else. There are times that you do offer land for sale, but you have to wait for the right type of market conditions, and what was proposed there before is not, no one is really building any large condominiums or building any large purchases right now for rental.

**Mr. Dewar:** Is the property for sale now?

**Mr. Ducharme:** Our property is for sale if we get the right price.

**Mr. Dewar:** Are there any plans for the government to revitalize the complex in any way?

**Mr. Ducharme:** As you know, there are buildings there that are on the Heritage list and they will be revitalized. That is a very important key in that whole site.

**Mr. Dewar:** I will let the member for Osborne—

**Mr. Alcock:** I should probably preface my remarks by saying that in my experience in government, Government Services is probably the one department that suffers the severest sort of constraints in government, and probably get the greatest amount of criticism internally, and yet when you get to work with them, probably does one of the best jobs. I am a little interested in this move to SOAs, and that is really an area that I would like to talk about in some detail today.

As I understand the rationale for it, it is that certain functions in this department—and from the bill that is before the House, I suspect, and others—have been identified as potentially benefitting from moving to a different form of management, some ability to establish a cost level, some ability to operate on a cost recovery or in some way define the relationship between the services being provided and the cost at which it could be built, to put it more on a private sector sort of system.

I would like to understand, what are the specific constraints within the department that have led the minister and the government to feel that they have to move to this form of operating structure rather than to simply free the department to operate by a change in overall policy?

**Mr. Ducharme:** I know that the member asked me a couple of questions earlier this year in regard to it. Maybe I could go back and mention that. I will give you just the general information I had when I first looked at it.

As you can probably appreciate, when you are servicing a government with 2,500 automobiles and you are at the needs of these different departments, most people always feel that it is government, period. In other words, it is all the same people dealing.

However, if you make people more accountable, and they know that they have to give you the cost they must obtain from the different departments, and your people who are running that agency have a capital investment that they get into that mandate—right now, the way it is set up, as you know, is that they are given their bottom line. They are given an allowance, for instance, a capital allowance to start with, and then they are told to come back the next year. In between that period, they can run it probably—they do not have to come back, for instance, to Treasury Board at every whim of that particular—say they want to go out and buy a new computer system to update their vehicles or keep their repair costs. They do not have to go back to Treasury Board. They can go out and purchase that and figure it over their lifestyle. As long as they come back at the end of the year and show the bottom line. It allows a little more flexibility in their operating.

**Mr. Alcock:** If the minister could just clarify, when you are using the term “they” and you are talking about the “thems” who have these budgets that they can manage, you are really talking about the operating departments that may have a need of vehicles, for example, who would have the capital budget within their lines now. They would purchase, and they would then purchase services from the SOA?

**Mr. Ducharme:** No, it is the fleet that has it, when I am talking about the SOA. In other words—I will give you an example. We can set a part, we can set a goal over, say, four or five years and not have, for instance—as long as we come back with the bottom line each year our course cannot be changed by Treasury Board, you know, and say to us two years down the road, I am sorry but you no longer can capitalize your fleet over four years; you must do it over five years. If you understand what I am saying.

**Mr. Alcock:** Well, I am not certain that I do. If I understood what you said, you said that you would not be affected by Treasury Board. I presume that means that you would, by establishing this sort of mini arm's length arrangement that I see inherent in, I think it is, Bill 96, is it not, to establish the SOAs,

that you would have some capacity to operate independent of the constraints of central management. I am unclear yet as to what—I mean, other than what you have said so far is that you will have an ability to budget over, say, a five-year period, and I presume then carry some money between years. That may be one aspect of it that is not currently available to operating departments. I am just wondering, though, why it is necessary to go the route of setting up another form of organizational structure within government, why simply that policy decision could not be made and offered to Government Services without the additional organizational changes.

\* (2250)

**Mr. Ducharme:** I was trying to get an example to try to go back to what I gave you the answer to before. Right now, if I bought an automobile, I have to expense it this year under the system. Under the SOA, if I buy an automobile, I can expense it over the five years.

**Mr. Alcock:** Yes, I understood that part of the example, and from the remarks of the Minister of Finance (Mr. Manness) in introducing the bill for establishing these things, he spoke about things like moving accountability for decision making closer to managers and allowing people greater ability to make decisions within their operating branch and then they would be held accountable for those decisions. Terrific. It sounds really good.

Why do you need this structure? Why could you simply not give to the department or give to the branch the authority to budget over five years? Why do you have to go the extra step of setting up the SOAs? If it is good to do this, if it is good to give this kind of accountability to line managers and allow them to accrue or to save some money and carry it over because they can manage their expenses a little better—this has been talked about in government for a long, long time; I appreciate the direction you are going—I just do not understand why you have to create yet another form of organizational structure to do it. Why can you not just change your central manual of administration?

**Mr. Ducharme:** We went through this when we set up the SOA. I looked at a lot of the other aspects of it about maintenance, et cetera, and what we are doing now, and I am advised that The Financial Administration Act does not allow me to do that now

under the system, where under an SOA then I can do it.

**Mr. Alcock:** That takes us to the heart of this discussion. That is true. The Financial Administration Act does not allow us, so we have a choice. We create yet another management structure for government that avoids the constraints of The Financial Administration Act, or we amend The Financial Administration Act. They both take a piece of legislation. They both take some action from government.

The government, instead of tackling what I think is the larger problem, which is an unwieldy form of central management that robs managers of any kind of ability to be managers, and dealing with that—and I admit it is a big job—you avoided all of that by setting up something else. So now we have more complex government, and we have another piece of organizational administrivia to get through instead of simply dealing with the real problem, which is The Financial Administration Act.

**Mr. Ducharme:** Well, generally, I have to say to you that when I am looking at my department and I see 2,500 automobiles, I am to suggest ways and means of doing that. However, as you know and you have just hit it, the complexity that is out there, I cannot start going to the other ones. What I can do is advise Treasury Board that here is a route to go, that we can probably provide a better service and maintenance and administration by going to this particular one, one that we know of and that was the automobiles.

**Mr. Alcock:** Yes, I certainly do not mean to hold this minister or this department accountable for the failures of the Finance minister and The Financial Administration Act, but it just strikes me as passing strange, to quote another member of this Chamber, that you have not tackled that particular problem. I shall not belabour this. [interjection]

**The Acting Deputy Chairperson (Mr. Penner):** I am sorry. The minister cannot talk as long as he wants. Until I recognize him, his mike will not go on and his comments will not be on record. Therefore, I will recognize the member for Osborne and ask him to finish his question.

**Mr. Alcock:** Mr. Acting Deputy Chairperson, I appreciate your intervening to defend my interests.

Rather than continue the discussion about whether it should or should not be, you moved in this direction, and certainly I am in full agreement with

the stated goal of this, which is to allow managers to manage.

You mentioned vehicles. Now there seems to be a bit of a change from the discussion we had in the House a little while ago. I just may have misunderstood you the last time. I had understood, originally, that an operating manager in another department who had an allowance for vehicles—you know, if I am manager of X branch somewhere and I have three cars at my disposal that I have requested and money has been included to provide those to me, can then choose—will now be purchasing services, if you like, from this SOA, which is now the provincial garage, and this will be a competitive service to others that I might purchase privately.

Now to do that, it seems to me that I have to have, within my budget, the capital to purchase the vehicle and some operating allowance to purchase not just gas but also repairs. From the answer that was given earlier, it seemed to me, if I understood it correctly, that the capital is going to be retained within the provincial garage, so I could not go elsewhere to purchase a car. What about the operating? Will I be able to go elsewhere to buy a new axle or a tire or whatever?

**Mr. Ducharme:** I guess what we did not say in the House before was that there was the three-year trial period. We have to have a—after the three years, definitely, yes. You will be able to do that, after we have reported back with our annual, and we will be reporting back to Treasury Board, but the anticipation is three years.

The member did mention many, many other departments. I cannot speak for them, but I am saying that out of my department this was probably the best one to try it out, because it is probably one of the things that is most abused because people take it for granted that we supply the automobiles at whatever, and not cost them out to their true form, and this is one way of doing it.

**Mr. Alcock:** Mr. Acting Deputy Chairperson, yes, and not take advantage of some economies that they might otherwise if they had some incentive to do so. I concur with that.

Now you are talking about an SOA for—I suppose the other thing, too, in Government Services, you have a series of services that can be costed, and there is some sort of competitive measure to cost against, unlike police services or court services or

whatever, it might be a little more difficult to establish such a regime in.

You mentioned a change, too, where internally you had established a computer repair service. I just became aware of this actually two days ago. I would like to know: Are you intending to move to an SOA with this particular unit?

**Mr. Ducharme:** Well, there has been no anticipation of that at this time. What we have primarily gone to is found that the costs of servicing computers, we could do them much cheaper the majority of the time. The reason for that is, as you know, a secretary can call someone in and he only spends five minutes there. He finds out that she maybe forgot to put the right plug in the right place, and it was only a five-minute call, whereas, you know—and you have been involved in computers—somebody else will charge two hours to get there and maybe we had somebody on site at the time.

**Mr. Alcock:** Mr. Acting Deputy Chairperson, I would like just to pursue this one more step, because when I say I just became aware of this the other day, it was because I have two of my boxes apart changing boards right now, and it was suggested to me that one of the things I might do was seek repair services through Government Services and that they would then supply the service and then they would bill me in some fashion for the service supplied.

If they are not functioning as an SOA or not intending to move to begin functioning as an SOA, how are they establishing the pricing for that?

**Mr. Ducharme:** I guess it would be the same as if we had to do a chair for you and reupholster a chair in our factory and stuff like that. We do it at our cost. We book you out at our cost, just being nice people to you, that is all.

**Mr. Alcock:** I am tempted to talk about my \$96,000 bunk beds, but I shall not because I would not want to use up the time of this committee doing that. That is a 10-year-old example—or actually an 11-year-old example.

\* (2300)

There is some difficulty—and I assume that ultimately what you are headed to in the SOA simply charging out at your cost may not be at the competitive rate.

**Mr. Ducharme:** What we do now, same as probably the City of Winnipeg, we have always kept some private around to know what they are charging, so we use that as a comparison. City of Winnipeg does that with all their public works. They do 15 or 16 percent of their own in-house and they compare to the private. So we do that also, we compare to the private costs.

**Mr. Alcock:** I think I will simply close any questioning I have with just a couple of remarks right now. I note that we are at eleven o'clock. I note that there was an agreement to try to deal with this issue area within that time, and I am not certain whether the member for Selkirk (Mr. Dewar) has additional questions. Maybe I will just bring my questioning to a close now with the following remarks.

I am going to be discussing at some length with the Minister of Finance (Mr. Manness) the concept of SOAs. I would be interested if the minister were available for that debate on that bill in committee, because I want to better understand the concept and this problem of not dealing with what I believe to be the fundamental issue, The Financial Administration Act. Having said that, and assuming that the Finance minister is going to be no more receptive to my suggestions in that area than he is in any other area, you are going to get launched on this new path, and I wish the department well.

I really think that failing a more appropriate change of the management structures of government, this is as good a way as any, and I think this is a good department to start it in and to give people an opportunity to show what they can do, because my underlying faith is that the department can do an awful lot and can do a lot to turn around perhaps some of the less than complimentary reputation it has had internally. I have great faith in both the minister and the management of the department to do exactly that.

With that, I will pass it back to member for Selkirk.

**Mr. Ducharme:** I guess just to re-emphasize why I went to SOA on the vehicles is that when you look at, you can do a better cost—and try to figure out when you have 2,600 vehicles and they are roughly doing in the vicinity of 59 million kilometres—and that is probably why this particular one out of our department was the one that we suggested at this time. To the same member, I hope it is successful, because if it can give us service and keep the

employees happy the way they have come along on this one, we have gone a long way.

**Mr. Alcock:** I am sorry, Mr. Acting Deputy Chairperson, there was just one final—the minister did say in the presentation on the SOAs too that there had been extensive discussions with both management and the bargaining unit and all of that, and that there was, as I understood, a working together on the part of all parties to implement this process.

**Mr. Ducharme:** Yes, as a matter of fact, we were able to put an employee on the advisory board and he will participate and they elected that person as select, and the employees seem to be very, very keen on what is going on. They feel like a little family out there that really is keen to keep this going. We have a very good person running it and we have kept that person, who will continue to run it, by the name of Dennis Ducharme, no relation. Most people who have dealt with Dennis know he does a superb job.

**Mr. Dewar:** I have no questions. I want to thank the minister and his staff this evening.

**The Acting Deputy Chairperson (Mr. Penner):**  
Item 1. Administration (b) Executive Support: (1) Salaries \$335,500—pass; (2) Other Expenditures \$41,600—pass.

1.(c) Finance: (1) Salaries \$799,700—pass; (2) Other Expenditures, \$144,600—pass.

1.(d) Human Resource Services: (1) Salaries \$547,000—pass; (2) Other Expenditures \$72,900—pass.

1.(e) Systems: (1) Salaries \$343,000—pass; (2) Other Expenditures \$63,100—pass.

1.(f) Lieutenant Governor's Office: (1) Salaries \$85,900—pass; (2) Other Expenditures \$66,500—pass.

Item 2. Property Management (a) Executive Administration: (1) Salaries \$137,900—pass; (2) Other Expenditures \$16,300—pass.

2.(b) Physical Plant: (1) Salaries \$19,238,700—pass; (c) Other Expenditures \$13,825,900—pass; (3) Preventative Maintenance \$169,500—pass; (4) Less: Recoverable from Other Appropriations \$1,886,000—pass.

2.(c) Workshop/Renovations: (1) Salaries and Wages \$2,436,300—pass; (2) Other Expenditures \$252,100—pass; (3) Workshop Projects

\$3,283,300—pass; (4) Less: Recoverable from Other Appropriations \$5,072,800—pass.

2.(d) Leased Properties: (1) Salaries \$45,000—pass; (2) Other Expenditures \$83,574,400—pass.

2.(e) Property Services: (1) Salaries \$350,100—pass; (2) Other Expenditures \$248,100—pass; (3) Less: Recoverable from Other Appropriations \$244,300—pass.

2.(f) Security and Parking: (1) Salaries \$2,720,300—pass; (2) Other Expenditures \$660,000—pass.

Resolution 59: RESOLVED that there be granted to Her Majesty a sum not exceeding \$119,754,800 for Government Services, Property Management, the fiscal year ending the 31st day of March, 1993—pass.

Item 3. Supply and Services (a) Executive Administration: (1) Salaries \$145,500—pass; (2) Other Expenditures \$8,300—pass.

3.(b) Fleet Vehicles: (1) Salaries \$0—pass.

3.(c) Office Equipment Services: (1) Salaries \$499,600—pass; (2) Other Expenditures \$1,337,500—pass; (3) Less: Recoverable from Other Appropriations \$1,741,200—pass.

3.(d) Purchasing: (1) Salaries \$1,398,600—pass; (2) Other Expenditures \$284,000—pass.

3.(e) Material Distribution: (1) Salaries \$739,700—pass; (2) Other Expenditures \$5,327,700—pass; (3) Less: Recoverable from Other Appropriations \$5,566,400—pass.

3.(f) Telecommunications: (1) Salaries \$614,100—pass; (2) Other Expenditures \$2,097,600—pass; (3) Less: Recoverable from Other Appropriations \$1,756,800—pass.

3.(g) Postal Services: (1) Salaries \$696,500.

**Mr. Alcock:** Mr. Acting Deputy Chairperson, I am sorry, do not call the staff back for this one, but I would be remiss if I did not say one thing about this particular line.

I am delighted with the Postal Services. I just want to say one very simple thing: I am delighted with the changes in the Postal Services, the folks down there have been absolutely superb in the service that they have offered us recently. It has just been a really wonderful change. They have been really helpful.

**The Acting Deputy Chairperson (Mr. Penner):** Item 3.(g)(1) Salaries \$696,500—pass; 3.(g)(2) Other Expenditures \$232,400—pass; (3) Postage \$5,344,200—pass; (4) Less: Recoverable from Other Appropriations \$5,172,500—pass.

3.(h) Land Acquisition: (1) Salaries \$1,468,400—pass; (2) Other Expenditures \$267,800—pass.

Resolution 60: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,770,000 for Government Services, Supply and Services, for the fiscal year ending the 31st day of March, 1993—pass.

\* (2310)

Item 4. Accommodation Development: (a) Salaries \$2,032,200—pass; (b) Other Expenditures \$646,000—pass; (c) Less: Recoverable from Other Appropriations \$500,000—pass.

Resolution 61: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,178,200 for Government Services, Accommodation Development, for the fiscal year ending the 31st day of March, 1993—pass.

Item 5. Land Value Appraisal Commission (a) Salaries \$86,300—pass; (b) Other Expenditures \$45,700—pass; (c) Less: Recoverable from Other Appropriations \$69,600—pass.

Resolution 62: RESOLVED that there be granted to Her Majesty a sum not exceeding \$62,400 for Government Services for the fiscal year ending the 31st day of March, 1993—pass.

6. Disaster Assistance (a) Emergency Measures Organization: (1) Salaries \$523,300—pass; (b) Other Expenditures \$187,200—pass.

6.(b) Disaster Assistance Board: (1) Salaries \$135,400—pass; (2) Other Expenditures \$15,000—pass.

Resolution 63: RESOLVED that there be granted to Her Majesty a sum not exceeding \$860,900 for Government Services for the fiscal year ending the 31st day of March, 1993—pass.

7. Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets—Government Related \$13,271,300—pass, Recoverable from Canada \$1,117,900—pass; (b) Vehicle Replacement; (c) Departmental Capital \$249,900—pass.

Resolution 64: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,521,200 for Government Services, Expenditures Related to

Capital, for the fiscal year ending the 31st day of March, 1993—pass.

Since the minister's staff is not here, 1. Administration (a) Minister's Salary \$20,600—pass.

Resolution 58: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,520,400 for Government Services, Administration, for the fiscal year ending the 31st day of March, 1993—pass.

The time being after 11 p.m., committee rise.

## ENVIRONMENTAL INNOVATIONS FUND

\* (1900)

**Madam Chairperson (Louise Dacquay):** Order, please. Would the Committee of Supply please come to order. This section of the Committee of Supply will be dealing with Estimates for the Environmental Innovations Fund, page 157 in the Estimates book. Does the honourable minister wish to make an opening statement?

**Hon. Glen Cummings (Minister of Environment):** I presume, with the agreement of my critics, that we will sort of roll the Innovations Fund in with the Department of Environment Estimates and keep moving through it if that is—is it the desire to start with the Innovations Fund? I can give my opening remarks and then we will go to the Innovations Fund immediately? That is what the Chairperson called.

**Ms. Marianne Cerilli (Radisson):** Just to clarify that the Estimates for Citizenship and multiculturalism are going on in the other committee and that I want to, within the hour, that we would break here, Natural Resources is going to come in and then I would go for an hour to the other committee and then return.

**Mr. Cummings:** It is my intention to abbreviate my opening remarks. What I would want to point out is the fact that the Department of Environment has been playing a critical role and contributing to our government's commitment to sustainable development. There have been a number of areas that we have included in our Estimates for this year that I think will help to substantiate that claim.

The department put together, as part of their planning process, a mission statement which they revised to read: to ensure a high level of environmental quality for present and future generations of Manitoba to acknowledge the department's regulatory role in defining environmental quality targets and targeting

compliance, but also recognizes the importance of promoting activities carried out by the department and others that we meet those targets.

The department identifies four areas of commitment as the basis for carrying out our mission.

First of all, a commitment to pollution prevention, importance of expanding our focus on pollution control to pollution prevention. It will intensify the development of ways to go beyond our regulatory mandate and build effective ways for anticipating and preventing potential problems.

A commitment to service. The department does provide a range of services to ensure a high level of environmental quality, and the department is committed to emphasizing a service-oriented and consultative approach in carrying out its mission. We believe that this was enhanced through our decentralization commitment that was made some three years ago.

A commitment to accountability. Given the complexity of environmental challenges currently facing the department, it is impossible to address these all in the same way and to the same degree. The department will provide ongoing reporting of its priorities and strategies.

There is a commitment to quality, delivering quality service and knowing that our customer, i.e. the public, what their needs are in pursuing excellence in providing those needs. The objectives of the department are to deal with water quality, to ensure that there is an environmentally safe disposal of waste including solid, hazardous and liquid; to ensure high level of air quality; to maintain our scientific knowledge base and their capacity in regard to both global issues and point and area sources of emissions; to ensure protection and rehabilitation of soil vegetation and wildlife; to ensure that effective and efficient support for public health programs is established.

Part of our strategic plan. The department has been developing long-term plans through a series of workshops. The department, when that is completed, will have an internal review of this plan to identify implementation opportunities and how it can be integrated into day-to-day operations.

Several programs under waste reduction and prevention will come into effect in fiscal year '92 to support The WRAP Act and our goal of 50 percent reduction in solid waste.

The fiscal support funding program such as the Innovations Fund will be made available to projects in support of the WRAP program objectives. Beverage container and packaging regulations are now coming into effect. This regulation will be to ensure that container recovery meets or exceeds levels achieved in other provinces. This will be done by filing of waste reduction plans by distributors, licensing the distribution of beverages, establishing target recovery rates, establishing a program to monitor the recovery, establishing penalties for not meeting those targets, retailers to either install recycling bins or inform customers of closest recycling depot, container processors to provide recovery information.

An information management system is being established to ensure that data are collected and evaluated.

Newspaper recycling. We have made a commitment of \$200,000 towards the improvement of newspaper recycling capacity in this province. Of that, \$100,000 has been earmarked and has been expended in rural Manitoba, and the balance is available for use within the city of Winnipeg. There obviously will be some further opportunity to discuss that.

Tire recycling and recovery. As we talk, there sits on my desk a paper for a request for proposal that we will be dealing with in the public sector in the next short number of weeks to start the capacity building and the ability to recycle tires out of the waste stream.

Oil recycling. We are developing regulations that will lay out the standards to be met for recovery and recycling, and the petroleum products industry has pledged its support with collection and recycling to take place later this year.

Regional recycling networks have seen a wide acceptance. There has been an expansion in the level of recycling and waste reduction activities carried out across the province. The priority up till now has been establishment of regional recycling networks through some support from the Innovations Fund to support technical and practical assistance to communities. The time has come to strengthen this co-ordination among regions so that the information may be shared. I can talk about that later on in my Estimates.

Regional waste management: In the fiscal year '91-92, the department organized a program to

promote regional waste management solutions as a very effective way to reduce the sheer numbers of waste disposal grounds that we have across rural Manitoba. That has been supported by the Association of Urban Municipalities and the Union of Manitoba Municipalities, and I am very pleased with the relationship that we have been able to develop with them. The challenge of achieving sustainable development means we must rely on new and effective ways to ensure our environment is protected. Regulatory strategies provide a critical set of tools, but the department is actively exploring ways to apply policy approaches that are based on the efficiency of marketing mechanisms in allocating costs.

One of the areas that has taken a considerable amount of time from a very small section of my department, I suppose, is the Ozone Depleting Substances program. The regulation will come into effect July 1. The act has been proclaimed, and this action is consistent with efforts being developed across the country and around the world.

\* (1910)

Our program is being viewed by a number of jurisdictions across the country as one from which they can pick up ideas and, to some degree, follow along. In fact, we are very much in line with the national standards and protocol. Very briefly, it requires mandatory recovery and recycling of designated CFCs, proof of training prior to servicing equipment, record-keeping requirements, record-keeping for wholesalers as well—servicing of refrigeration and air conditioning and fire extinguishers is prohibited unless recovering is available—and labelling to identify ozone-depleting substances, removal of certain hand-held Halon-based fire extinguishers and the use of ozone-depleting substances for flushing or leak testing is now prohibited in most circumstances. The use of a designated ozone-depleting substance as a solvent will be prohibited in the future, and the use of designated ozone-depleting substances for sterilants will be eliminated by 1994.

All of these steps are not without some difficulties, but I would point out that we have been able to second a person from the private sector to provide training. The numbers that have been trained are quite significant. I will have to get the details of the numbers shortly, but we actually have other jurisdictions coming to pick up on our training program so they can implement it within their own

responsibilities. We have found that private sector has virtually paid its own way in making sure that they are now trained.

The Innovations Fund: Through the fund, we have provided support to 37 projects, which include recycling, collection, composting, education and awareness, support for regional waste management incentives, Environmental Youth Corps, conferences, CFC training, Earth Day and network support involving the commitment of some \$737,000. We expect to substantially expand the scope of this type of funding consistent with the initiatives that were announced in the provincial budget.

The Youth Corps was a program that was designed for participation by Manitoba's youth. We were able to, with a very minimal amount of investment, I have to state, impact with some 65 projects that were funded under this program. A total of 6,510 youths were involved in the Environmental Youth Corps project. Including administrative costs, we were able to get that many people involved in community activities for \$200,000 in total.

We paid for supervision, which created a total of 264 weeks of employment. The projects that were carried out were of this general nature: rehabilitation of natural environment and local parks; tree planting; recycling; community enhancement; riverbank, lake shore restoration and rehabilitation; composting; fish habitat restoration; wildlife habitat restoration and rehabilitation or protection; flora and fauna protection; and wildlife conservation.

Manitoba and the Department of Environment have been quite active in the Canadian Council of Ministers of the Environment. A number of key activities that were accomplished over the past year—The Canadian National Packaging Protocol, where the Canadian Code of Preferred Practice was produced by a multistakeholder task force, I believe, is a good example of industry voluntarily becoming involved in a process that it is much better that they lead rather than be regulated into.

The criteria for risk management and cleanup of contaminated sites were produced in '91 to allow a nationally consistent approach to contaminated site management. Interjurisdictional agreements were developed to cost-share the clean up of high-risk

orphan sites and to demonstrate new cleanup technologies.

In '91 steps were taken to develop a comprehensive national approach to air quality management. These steps included a strong commitment toward the goals outlined in the Strategy on Global Warming. This will commit all jurisdictions in Canada to co-operate on improving air quality.

Co-operative principles for the harmonization of environmental assessment have been developed, and improvements were made in the strategic planning process to ensure that speedy action is taken on key environmental issues.

CCME has been the organizing centre for developing a national action plan for recovery, recycling and reclamation of CFCs.

We have been involved in federal-provincial joint panels and the establishment of those panels and co-operating with the federal government on two panels that are presently underway in this province, obviously the Conawapa and the North Central Transmission Line. In both cases, the panels will undertake extensive public consultations. The joint panel currently carrying out scoping meetings for Conawapa, participant assistance was to the total of \$250,400, up to this point, for eligible interveners. In scoping, the panel consults with the public to identify and prioritize the issues and to assess these issues. Information from scoping meetings is used to develop guidelines for the proponent.

Following the conclusion of the scoping phase, the Participant Assistance Committee will reconvene to consider participant assistance to review the environmental impact assessment and provide input into the hearing.

The North Central Transmission Line, which will serve several aboriginal communities in the North, is also subject to a panel review. This joint panel is preparing its community meetings and is currently confirming them for June and July.

With increasing concern for the environment, the department receives a growing number of requests for information. Our public outreach this year has continued to be expanded, particularly through the department's regional offices and will include materials such as the Be a Friend of the Environment series that we initiated last year and, of course, through the Environmental Youth Corps.

The objectives will be to improve knowledge and understanding of the issues, to increase public participation in departmental programs, to improve the department's capability to respond to information needs and to ensure that communication is a two-way communication with the public.

Targets of the outreach strategy will be schools, businesses, organizations, environmental and public, staff of municipalities and departments and as wide a range of the public as possible.

Shoal Lake has been one of the ongoing issues which I am sure the members will want to question me on later. The Manitoba-Canada Water Quality Monitoring Agreement is in place now and helped to collect data from approximately 50 locations. Souris River water quality monitoring is ongoing to protect our interests regarding any impacts from Rafferty-Alameda to make sure that we receive our proper quality and quantity of water.

Legislative amendments, the members are fully aware of. The Dangerous Goods Handling and Transportation Act, Sections 8 and 10 are proclaimed effective the end of this month.

Private sewage disposal system regulation is in a consultation process with various municipalities seeking their input on what its best structure should be. Some joint research is being done, particularly in the area north of the city of Winnipeg along the Red River. We are working on our next State of the Environment Report. The Clean Environment Commission's report on the Assiniboine and Red Rivers will be out very shortly.

We are very much involved with Natural Resources and the zebra mussel program, which is taking some considerable amount of time of some of the departmental staff and is causing a great deal of concern, because it is virtually impossible, in the eyes of many people, to totally guarantee that zebra mussels will never arrive in this province. Their arrival is probably imminent.

**Hazardous Waste Management:** We all know that the corporation has successfully found a site, has gone through what I believe were successful hearings and will help us to have safe collection, storage and treatment of hazardous waste.

The Clean Environment Commission expects to be involved in a number of public hearings, the Pembina Valley water supply project being one of them. They have now completed the Hazardous

Waste Management Corporation's review. They will be publishing a hearing process called A Process Guidelines and a Citizen's Guide to the Public Hearing Process later on this year.

\* (1920)

Sorry, that took so long, Madam Chairperson, I prefer to answer questions.

**Madam Chairperson:** Does the critic for the official opposition wish to make an opening statement?

**Ms. Cerlill:** No, Madam Chairperson, I will just move right into questions.

**Madam Chairperson:** Does the critic for the Liberal Party wish to make an opening statement?

**Mr. Paul Edwards (St. James):** Yes, Madam Chairperson. Very briefly, I want to get into the details as soon as possible, but I do think it is important to reflect on the past year for this department, and the coming year.

This department spends not a lot of money when compared to other departments, compared to the government at large. The truth is, Madam Chairperson, that its legislative and social utility as a department is far beyond what the dollars would suggest.

Its primary role, in my view, is to act as an enforcer. Part of enforcing, of course, is leading; you do not just enforce with the stick, you can enforce with the carrot. The department is called upon to put into place legislation and then to enforce that legislation. We can sit here and the minister can discuss all the wonderful things that should happen with respect to the environment, but if it is not enforced, it does not really mean a lot.

It must not only be the law, but it must in fact be enforced as the law throughout the province. My concern stems not just from lack of enforcement in the community at large, but I sense a lack of willingness on the part of the government itself to live within the standards it purports to set for the outside community.

Madam Chairperson, that has become a great disappointment to me in the past year. This minister's response to the Clean Environment Commission report on Abitibi-Price's logging in Nopiming Park, was an enormous disappointment to me and, I believe, to the community at large.

This government's inability to deal effectively with the recycling issue and to capture, I think,

sufficiently the public willingness to participate in these programs is a source of disappointment. Madam Chairperson, there are a whole host of issues on which I think this minister, while I do not doubt or question his integrity on these issues and his desire to do what is right in the area of the environment and environmental regulation, I really question the sustainable development rhetoric which comes consistently from many ministers in the government. I question it because I have not seen it put into practice in the world outside this Legislature.

Truckloads of contaminated soil were dumped at the corner of Inkster and the Perimeter Highway some months ago. Madam Chairperson, that is surely not leading. That is surely not sending a signal to the community that we want to deal responsibly with contaminated waste.

The Manitoba Hazardous Waste Corporation said at the CEC hearings that 80 percent of the adverse effects of the contaminated substances it was dealing with would come from the contaminated soil operation—83 percent to be exact. The department sanctioned dumping 10,000 cubic yards of this soil on a public highway with no signage, no posting, no nothing, certainly no treatment. Enforcement was stated at the CEC hearings recently into the Hazardous Waste Corporation. It was a statement from the officer of the department that enforcement was less than aggressive—I believe were the terms used. That I think is an interesting statement, because I think it belies that there are problems with enforcement.

I would suggest that is a gross understatement, but it is an indication that even within the department there are real concerns that enforcement is just not being done to the same level that other jurisdictions around the world and even on this continent are doing, and they are doing far more than we are in Manitoba.

So, Madam Chairperson, I sense a fear and I sense a foreboding in the department about the future and about, gee, if we let the environmentalists get their way too much, too often, we are going to be in deep trouble, even though we know that in time, of course, what they see now as necessary will seem like foolishness that it was not in place at this point. Ten years from now, we will be sitting here, I speculate, saying that things that the department is nervous about today are ridiculous and should have been in place years ago. I sense a desire to restrict

and constrict the effectiveness and the power and authority of outside groups like the CEC and like the joint environmental panels that are going to be reviewing Conawapa, Repap, North Central Transmission Line and Bipole III.

So, Madam Chairperson, I have an uneasy feeling about the department's real commitment to the environmental needs and desires of the community at large and that is no less so with the federal government, but I sense a general restrictiveness, a general approach towards these issues which is to try to contain them and to contain the need for the department to act. That is a concern.

In closing, I want to highlight for members here that when we come to the appropriation under the Manitoba Hazardous Waste Corporation, I will at that time—but I will indicate now—that I will be declaring a conflict of interest due to my employment, and I will not be in the Chamber for consideration of that appropriation. Thank you.

**Madam Chairperson:** Would the minister's staff please enter the Chamber.

**Mr. Cummings:** Yes, perhaps while staff is coming in, maybe I could usefully use a few minutes to again remind my colleague from St. James that the soil that he is so concerned about that was removed from the site where the Remand Centre is being constructed was of a low enough level of contamination that it did not fall into hazardous waste category. That does not mean that is a practice that we will be using on an ongoing basis, but it does mean that we did not check our brains at the door when we went into the minister's office. Some sanity and common sense has to be used as well in dealing with these issues.

I think Marianne wants to talk about Innovations Fund before she leaves.

**Ms. Cerilli:** While the staff is being seated, I had sent a note over about the appropriation for the staff for the Innovations Fund, which I understand is a Sustainable Development unit which is in the Department of Natural Resources, and I do not have the book for that department. I am just wondering if there is a way that I can just get that page from the Department of Natural Resources Estimates' book copy as we are proceeding.

**Mr. Cummings:** Madam Chairperson, the Sustainable Development unit is composed of a number of people. It is lodged with Natural

**Resources.** We are talking about the staff numbers. There is not a significant designation of staff for that unit in terms of handling the Innovations Fund. Each department that has been responsible for applications to the fund is required to do the paperwork and the administration or the management of the paperwork in terms of applying to the fund. The Planning & Innovation branch of my department handles the majority of the work because, primarily, most of the applications come through my department, through the Department of Environment.

The initial screening on requests that come in from the general public may very well start with Sustainable Development unit. They also co-ordinate the applications that are brought forward to the Sustainable Development Committee for a final approval after they have provided evaluation before they go on to Treasury Board and cabinet.

\* (1930)

To see whatever that figure is, and Natural Resources might be able to supply it, you would not gain any insight in terms of what happens with the Innovations Fund. I understood your question more about whether Natural Resources—or for that matter Agriculture or I, T, and T—used funds out of the Innovations Fund. They would sponsor certain applications. I, T, and T has specific allocations for industrial environmental innovations, a specific \$300,000 amount that is assigned to I, T and T to specifically apply to projects that may come up through their department, but if they accept those projects they then follow the same flow as all the rest. They come forward to the same cabinet committee and on to Treasury Board as all the rest, but there is a specific chunk that is provided there so that they know that they can apply that or encourage activities related to projects that they are dealing with.

**Madam Chairperson:** Does the honourable Minister of Environment wish to introduce his staff?

**Mr. Cummings:** Certainly. Norm Brandson, Deputy Minister; Jerry Spiegel, Policy; Wilf Boehm, Financial Manager; Larry Strachan, responsible for Licensing; and up in the gallery is Carl Orcutt.

**Ms. Corliss:** Madam Chairperson, I am interested in some of the comments made by the member for St. James and I, too, am concerned that the government is not doing near enough in areas

related to the Innovations Fund. I have with me materials from other provinces which talk about what is going on in other regions with respect to developing fees for emissions and taxes on waste material and all other sorts of economic instruments that can be used to generate money to create such a fund as we are dealing with today. It seems to me that the small amount that we are doing in Manitoba is just the tip of the iceberg.

I have a number of concerns with regard to the management of the fund. The comments the minister made were news to me, because the brochure that advertises the fund indicates that the Sustainable Development Co-ordination Unit is the organization that does some screening. Maybe that is where I can start off and ask the minister to clarify what kind of committee is it that is reviewing these applications. I have heard concerns from applicants and those who are involved with the fund that there seems to have been some problems with the screening.

So let us just start off with clarifying. What is the structure for how this is administered? Is there representatives from the departments that the minister has listed? Can he clarify that?

**Mr. Cummings:** I have no problem in answering the question about whether or not there is an ample screening process for the Innovations Fund. It is so ample that, in many respects, I find it seems to have perhaps more screenings than I might initially apply myself.

The fact is that the member may be hearing some frustration from groups that would consider themselves lobby groups, who feel that they should receive ongoing operating funding out of the program. That is definitely a nonstarter. There may be other ways that they can acquire support from the public, but it will not be through this process.

Secondly, in establishing the fund, we made a very fundamental decision as a government that we were not going to provide hidden taxes, or cream off in ways that would not be very obvious to the public, resources which would then end up being discretionary spending in this department or in other departments. Philosophically, I think we have to view that as something that was not an easy decision. It is always nice to have sources of money, and certainly the options that I am referring to were examined.

I can point to other jurisdictions where there is an environmental levy on disposable containers, for example. Saskatchewan just doubled theirs. The dollars that they are taking out of the beverage container industry and the support of environmental projects is quite enormous. Those, in fact, we believe are viewed, when you look at them critically, as hidden taxes. If you view beverage containers as a percentage of the waste disposal problem, they are about 1 percent. Yet in a lot of these jurisdictions they are probably contributing 50 percent of the cost towards remediating problems where there is discretionary spending allowed, in some cases more than that.

I think the figure in B.C.—and I invite staff to correct me if I am wrong here. It seems to me the figure that B.C. will be taking out of the beverage container industry this coming year is \$76 million worth of discretionary spending. You could argue that it would be nice to have that discretionary spending, but there has to be some principles applied on how we raise tax dollars as well.

We made the decision that dollars would be raised and they would be designated for programs that were identifiable, so there was no guessing about where we were getting the dollars or where they were going.

The other thing that happens is that—and we were criticized to some extent a year ago—they felt that there were some programs that were justifiably departmental programs that were getting funded out of the Innovations Fund. We have limited that to a very large degree. But in other jurisdictions there is a very wide latitude on a lot of things that have, in fact, been considered departmental responsibilities that have been funded through these types of environmental levies.

The approach that we were taking, and I referred to it in my opening comments, about the fact that there were two announcements in the throne speech. One was that there would be a tax on diapers and that there would be a tax against used tires. Both of those announcements will be in place this summer. Those dollars will be allocated to the Environmental Innovations Fund. At the same time, we will probably re-examine and review the criteria for this fund, because as you will see the figures that are in front of you, the dollars in the fund are somewhat reduced from the original dollars. That is a straight result of the Manitoba Liquor Commission increasing the amount of money that they are paying

out for the bottles that are being returned and pay more dollars to Manitoba Soft Drink Recycling to handle that increase to volume. The money that is available to the Innovations Fund is whatever is leftover after the five-and-ten cent environment levy that was imposed on liquor bottles.

As their costs rise, the amount of money available in the Innovations Fund has reduced, and we intend to deal with it in the way that I just talked about. But we have rejected the idea of imposing environmental levies at random, or imposing deposit fees and then scooping the unreturned deposits or activities of that nature. Because the same principle could apply for a tire system, where one could apply a \$5 tax on tires, find that it only costs \$4 to run the system and scoop the profits out of it. That would be nothing more than a hidden tax, and probably not really acceptable to the public as a whole.

\* (1940)

**Ms. Cerilli:** The minister, I think, alluded to one of the issues I wanted to raise, and that was the fact that in the two different budget documents, the one on revenue, the environment protection tax generation is \$1,800,000. Then, when we look at the line in the budget document for the Environment Innovations Fund, it is somewhat less, \$1,171,000. Can the minister explain why there is less money in the fund than is being generated under the tax on the liquor bottles?

**Mr. Cummings:** The difference is that the dollars that are sent to the fund are the dollars that are left over after the Liquor Commission runs its return program. The alcohol beverage container recycling program is expected to take \$600,000, so that would account for just about the difference of \$600,000.

**Ms. Cerilli:** Well, that is going back to the Manitoba Liquor Control Commission to cover the cost of the program. What kind of costs is it covering?

**Mr. Cummings:** The cost per pound or the cost per bottle of container that they are returning plus they have a contractual arrangement with MSDR which, I am guessing, but I think it runs in the neighbourhood of 6 cents a pound.

**Mr. Edwards:** Madam Chairperson, can the minister indicate how much of the Environmental Innovations Fund was paid out in the last year to other departments of government?

**Mr. Cummings:** I gave the critic from the New Democratic Party a breakdown of the list of

materials. I should perhaps get another copy of that and give it to the member for St. James (Mr. Edwards) as well. Direct payments to other departments would be zero, but there are programs that did involve other departments, and that is why I pointed out the \$300,000, for example, that is a direct allocation to I, T and T, which they then have to account for back through the fund.

**Mr. Edwards:** Madam Chairperson, how much went to the Department of Natural Resources or programs administered by the Department of Natural Resources?

**Mr. Cummings:** I wonder if the member would wait for a couple of minutes, and I will try and compile what that might have been. I think it is a little difficult to pull it together in terms of the precise dollars. I can say that if you are asking the question, did we fund anything that Natural Resources is doing that would replace what was a normal program line for them, the answer is no. The same thing is true of the Department of Environment. We did fund some educational material, but it was a function of—we just would not have published that material if we had not been allocated that money out of the Innovations Fund.

**Mr. Edwards:** Madam Chairperson, I recall that last year, when we went through this, some monies had been taken out of the Innovations Fund, I believe, to pay for some part of the Dutch Elm Disease program. Did anything like that happen this year?

**Mr. Cummings:** Not that I can immediately call to mind. We are looking at the list of projects, and there is nothing that falls into that range. I do not have a copy just in front of me. I am looking over Wolf's shoulder here. But the fact is, a moment ago, I referenced the Department of Environment. The figure that we used to publish some materials was \$700, so it was not that we were pillaging the fund in any way.

**Mr. Edwards:** No, I am not going to get exercised about \$700 for pamphlets, but Madam Chairperson, last year this fund funded things which could hardly be called innovations. They were essentially funding programs which had been funded previously by the government but that the government had decided for one reason or another not to fund to quite the same degree, and the Environmental Innovations Fund was tapped to make up for some of the shortfall. One of them was

the Dutch Elm Disease program, a very worthy program, but what I questioned was the appropriateness of taking funds from the Environmental Innovations Fund to cover it. I do not have the benefit of the list the minister has provided to the member of the New Democratic Party. What I am asking is: Was any funding given this year for the Dutch Elm Disease program through the Department of Natural Resources?

**Mr. Cummings:** The answer is no, there is nothing. I will provide the list. There is nothing of that nature. I should take the opportunity to point out on the record the nature of the projects that were involved. The member could, if he were in a mischievous mood, characterize the Regional Waste Management Fund as something that is not necessarily an innovation, but that is the type of projects or program initiative across the province that we involved. What that was was an offer to municipalities which were prepared to regionalize their waste disposal; in other words, close down a number of smaller waste disposal sites and put in a well-engineered central site or regional site.

We provided grants, up to a maximum of \$20,000, to help with that. The fund was established as \$120,000 to attract the interest and see what interest was there. It was paid out to the Solid Waste Area Management, Eastman regional development, The Pas, Virden, Gladstone, Neepawa, Interlake Development Corporation. All those areas are working on regional waste concepts.

The general projects envisaged, as I had said earlier, the Environmental Youth Corps, Elm Creek recycling, Killarney composting—St. Vital School Division had a special project—Residents Against Waste, Winnipeg Packaging, Mine Tailings Research Centre, which was to try to get some additional technology available here in the province, oil recycling. Earth Day received a small grant as well—primarily, though, directed at increasing recycling capacity.

I would have to indicate that having done this now for two and a half years, we are getting a building network across the province. Probably, there will not be such a draw on this fund for recycling projects in the future; it will be reduced somewhat.

**Ms. Cerilli:** The list that the minister was just referring to, how many of those projects that are listed were actually done by another body than the

group that is listed, they hired a consultant or another organization?

**Mr. Cummings:** There would be half a dozen. Some of the regional waste disposal ground applications, that was to support engineering and conceptual justification, a waste oil study that the Brandon Economic Development Board was involved in—and there is background to that, too, that the member might be interested in, because Brandon has long hoped to bring a re-refining capacity into the province.

\* (1950)

There is an obvious association with the fact that there is already a major oil company involved in Minnedosa producing ethanol, so it would seem like a logical extension of that possibility to continue to work. They have looked at a number of things through their study, of course, not just that. I cannot think of too many other examples where there would be anything that would fit in the category you described.

**Ms. Cerilli:** Can the minister then go through the list and point out for me specifically which projects were done by a third party and what the name of that third party was?

**Mr. Cummings:** I do not think I could go through and point out the name of the third party. I can tell you that on the regionalization of waste management there was one company that did maybe three of them, so they would have received a benefit more than once out of it. But the money did not go to them; it went to the community to assist them with funding of whoever won the contract to do the work for them. It happened that there was one company that won more than one contract.

Community recycling outreach workers, Waste Stream Management has received a grant, educational materials. None of these are fitting into the Westman Recycling Council. I am not sure that I can properly answer the member's question without going back and producing a detailed analysis, which we have further back somewhere in the department, of who is physically going to put the shovel in the ground. If the member thinks it is worth knowing, I could provide that, but you might fall asleep before you got through it all. It is quite weighty.

**Ms. Cerilli:** It is an issue that has been dealt with before. I do not know if it was this session, or it must have been the last session, where we had Moore

Consultants, Jim Moore, who received a grant, and there was some concern about that. I think that one was an example of a consultant. But I am interested, if not right now, to get the information of what third parties were receiving money under this program to do work on behalf of a community organization. I would ask the minister, at some point after we have finished the process, to provide that one for me.

**Mr. Cummings:** That is not a problem; we will provide it. But you probably will not get it for a few days, if the member can wait. The issue, however, of the variety of things that are involved here—for example, the putting together of the ICASE proceedings, that has gone to the United Nations conference as required reading, and has allowed Manitoba teachers to contribute on a global scale what information they were able to bring together during that conference. That is an example of where you are not going to—something you will never see happen again.

If you want to question the innovation, it has certainly brought together new information and a unique group of people. That is one large one where ultimately they had to pay to have an editor pull things together. A lot of these other ones, I do not think there was any third party that really received any benefit out of this. When you look at the community-based organizations that received the funds, they undoubtedly paid someone, but not as a result of that person soliciting more because they had work that they wanted done.

**Mr. Edwards:** Madam Chairperson, having looked at the list that the minister has provided, I do not have many more questions in this area, but I would like to know what the grants to the Town of The Pas, Town of Virden and Town of Gladstone were about.

**Mr. Cummings:** They were paid out under the Regional Waste Management Fund, which is the heading that they are listed under. That would be to deal with their regional waste management process, bringing together either more than one jurisdiction, closing at least more than a couple of disposal grounds or amalgamating them were mainly the criteria that the committee applied to this. This was not a hard program to get involved in, but it required matching dollars from the communities that applied. I think perhaps that is the missing link that the member is looking for when he questions whether those grants were useful or not. They are met by matching dollars on the other side, which

requires them to have some commitment to the project.

**Mr. Edwards:** I was not questioning the usefulness. I was just questioning what they were about. Well, just on that issue of regional waste management, I notice from a recent resolution of the Union of Manitoba Municipalities, which they passed recently, a resolution of their board of directors, saying—and this April 23, 1992, very recently—that current legislation does not provide for the formation of a multimunicipal incorporated regional waste management authority and they resolve to request the Minister of Rural Development (Mr. Derkach) to review the pertinent provincial acts and propose amendments if necessary. Now, they say the Minister of Rural Development—it is obviously an environmental issue though that this minister is very involved in, very interested in. Is there a move to put into place the legislation that the UMM speaks about to provide for the multimunicipal incorporated regional waste management authorities?

**Mr. Cummings:** Yes, there is a willingness to deal with this. I am told that there are other tools available to the various municipalities that would allow them to run joint ventures. They find them cumbersome and unattractive, and they would like to see a revision of the act. I am not unfamiliar with the problems of The Municipal Act.

It is an older act that needs a lot of overhaul, but it is an enormous undertaking. Whether it was myself when I was in Municipal Affairs or any of the subsequent ministers, it is not a task that anyone would relish. It would consume ministry for the better part of a year to get the job done. So minor tinkering with it has been avoided because it is an old bill that needs to be redone.

I think there are ways that we can deal with the problems, and I am not unaware of them, because I have got it right in my own back door. The R.M. that I live in and the Town of Neepawa have identified this is a problem as well. So, yes, we hope to be able to work our way through it.

**Ms. Cerilli:** As I look through the list I notice that the Fort Whyte Centre is not on here. I seem to recall seeing Fort Whyte Centre getting money in the Order-in-Council. Is that not from this fund?

**Mr. Cummings:** Their application for this year, I believe, was deferred. They have Composting Caravan, that Fort Whyte ran last year, was the fund

that was the dollars that they would have received. I am not sure if that is listed this year or a previous year allocation. I think it was the previous year allocation.

**Ms. Cerilli:** If we do the calculations for the amount—

**Madam Chairperson:** Excuse me. Order, please. The hour being 8 p.m., it is my understanding we are supposed to change departments now.

Shall we recess and call the other department in? Agreed.

\* \* \*

The committee took recess at 8 p.m.

### After Recess

The committee resumed at 8:03 p.m.

## NATURAL RESOURCES

**Madam Chairperson (Louise Dacquay):** Order, please. The Committee of Supply will reconvene. This section of the Committee of Supply will now be dealing with the Estimates for the Department of Natural Resources. We are on page 128.

Item 3. Resource Programs, (c)(2) Crown Lands Administration (a) Salaries. Would the minister's staff please enter the Chamber?

**Hon. Harry Enns (Minister of Natural Resources):** They are coming, Madam Chairperson.

**Madam Chairperson:** Item 3.(c)(2)(a) Salaries \$549,900—pass; (2)(b) Other Expenditures \$151,800—pass.

(3) Crown Lands Registry (a) Salaries \$300,700—pass; (b) Other Expenditures \$196,900—pass.

Item 3. (d) Forestry: (1) Administration (a) Salaries.

**Mr. Paul Edwards (St. James):** Madam Chairperson, I will wait till the staff take their seats.

**An Honourable Member:** Paul, do you realize we have one hour?

**Mr. Edwards:** Yes, we have one hour. I know that.

**Madam Chairperson:** Order, please. I believe the honourable Minister of Natural Resources (Mr. Enns) wishes to introduce new staff.

**Mr. Enns:** Just to introduce additional staff. Mr. Dave Rannard, Director of Forestry Branch, has

joined us. He has a bit more spare time this time. We are not burning quite as much of our forests up this year as we have in other years.

**Mr. Edwards:** The Clean Environment Commission issued a report a couple of months ago commenting on Abitibi-Price in Nopiming Park clearly indicating that they felt the direction of the government logging and parks had been wrong. Can the minister indicate—I am sure his department has had a chance to review the recommendations in that report—which, if any, of the recommendations with respect to forestry and forest management the department does not agree with?

**Mr. Enns:** Madam Chairperson, it is not a question of the department taking a position with respect to a specific recommendation of the Clean Environment Commission. This department has had the responsibility of managing the forests of Manitoba for some 60 years now, since the transfer of resources from the federal government was made to the provinces back in the '30s.

We believe it is not a question of defending departmental turf, if you like, it is simply a question of recognizing the mandate of this department. We have a Forestry Branch that has had the responsibility for many years to make the management decisions vis-a-vis the forests within Manitoba. It is from that general point of view that we will continue to make those management decisions.

We certainly recognize, and we are not oblivious to the fact that there has been concern expressed from different sources within the province with respect to not only logging activity, but any kind of activity within some of our parklands. I think it is important for the record to simply understand how it is that we have the conflict that the Clean Environment Commission with this recommendation tends to focus on.

The Forestry Branch was there first. The forestry reserves were there first. We had substantial lands set aside that came under forestry management. It was laterally in the '60s and in the '70s. For instance, it was my pleasure to be part of the government in 1979 that decided to create Nopiming Park largely on what was already and always had been for many years a forestry reserve.

Similar comments can be made for the area that my friend the member for Swan River (Ms. Wowchuk) represents. When Parks people came

to government at that time and said, look, we want to create an additional provincial park, the Forestry people said, fine, we do not mind you overlaying a park on top of an existing forest reserve. They did so because (a) the area was defined, (b) there was some access—forestry resources roads had been built through these areas, which made it attractive to Parks planners to look at these designated lands. There was a common understanding and a commitment that there would be multiple use of that piece of land.

That is how many of our provincial parks came into being. Indeed, it should be noted that in Manitoba we have a much higher number of acreage set aside in our provincial park system than do some of our sister jurisdictions, by that co-management, if you like, or that co-operative agreement between the Forestry Branch and the Parks Branch. What we are faced with now and what the Forestry Branch is faced with now, who, on the one hand, had the responsibility of assuring that available timber would be available to those 10,000 Manitobans who make their living from extraction of our forestry resources, logging and so forth, that we now find the goal posts moving on us with the suggestion being made that we ought not to be doing any logging in parks.

That is a fundamental and major policy question that not only this department but indeed the government is being challenged with, and we are accepting that challenge. We are doing so, we think, in a responsible way by, in the first instance, allowing Manitobans, ordinary Manitobans, many of them who live in the regions affected, to express their opinion about how we go about to try to resolve that conflict that has arisen and has been focused on by the Clean Environment Commission's recommendations that, ergo, we should cease and desist from all further logging in provincial parks.

\* (2010)

**Mr. Edwards:** It is just a bizarre concept to me that you would have a provincial park and allow logging in the provincial park. I do not understand what a provincial park designation means, if it means that the government can go ahead and grant timber licences and mining permits and everything else, to just go on as if the park did not exist. I mean, that is what we do in the rest of the province.

So what is the point of making it a park? What protection exactly is afforded to the flora and fauna of an area designated as a provincial park?

**Mr. Enns:** I suppose the most demonstrable way that I can bring that home to the honourable member, and indeed to the Val Weriens of this world, is to suggest to them that the area that this government, my department, is now being hard-pressed to stop all that unacceptable logging activity in Nopiming Park, for instance, to be specific—that is the specific park that is under question, I assume because it is viewed by the honourable member and others as being a desirable forested area, lending itself to park purposes and worth protecting.

I say that, I point that out to him, because that area has been logged for the last 60 years. If that area has been logged for the last 60 years, it tells you—with the kind of management that our Forestry Branch has exercised in that specific area, it should give you some confidence as to the sensitivity with which one of our major firms, Abitibi-Price, has logged in that area. The very area that I am being pressed to put immediately under protection or else it will be lost forever, has been logged for the last 60 years.

I say to myself and I say to members opposite that speaks reams of the kind of responsible management that not this minister, my predecessors, other governments before me for the last 40, 50, 60 years, that they have exercised a great deal of prudence, a great deal of caution, in applying responsibly a multi-use approach to parks. If the honourable member, on the other hand, says, let us just do away with it, he says that 10,000 jobs are not important, that if that results in a substantial decline in the Manitoba economy, then that is another issue.

I am simply saying that if Nopiming Park is being held up, if the Whiteshell is being held up, if it is being suggested—and I think it is being suggested—that we have beautiful parks in Manitoba, that we have a wonderful environment in our parks in Manitoba, well, I am saying to you that the policy that heretofore has been in effect has obviously not damaged them or else there would not be this sudden onrush for protection. I think, Madam Chairperson, my Forestry director, my Parks director, myself as minister should be cautioned, should be told to be prudent about how we continue to manage those areas, that we do not allow forestry

activity to take place right to the banks of a particular river, that we do not allow forestry activity to take place in selective portions of the park.

I remind the honourable member, fully 80, 85 percent of the park is not logged, but it has been told to us, and we have worked with these people over these last number of years, that information was also made available to the commissioners of the Clean Environment, that certain percentages, 5 or 10 percent, are extremely important to the ongoing viability of that particular forestry operation in the northeast part of the province. I have certainly received many hundreds, if not several thousands, of letters from individuals across this province indicating that we should exercise a great deal of caution before we move arbitrarily in changing the goal posts, in changing the rules.

Madam Chairperson, that is precisely what this department intends to do. We attach a great deal of importance to the up-and-coming hearings that will take place throughout the length and breadth of this province, including the city of Winnipeg, commencing some time in mid-September. We have not set a specific date, but the commitment is there for these hearings to commence this fall.

**Mr. Edwards:** Madam Chairperson, similarly the company, the environmentalists and I know this department took a keen interest in the Department of Environment, through its appointments to the Clean Environment Commission and its representation to those hearings, took a keen interest in the public hearings which took place leading up to the decision of the Clean Environment Commission on Nopiming Park and Abitibi-Price. That was a full and frank public discussion, and it was not on the many natural resource issues that the minister intends to have his discussions about. It was specific to that situation, on Nopiming Park and Abitibi-Price, and the decision happened to be against the government's interest.

They gave the CEC the back of their hand as a result, very, very definitively and very clearly. The fact is that the government has been called to account for what this minister terms multi-use, and what is in a sense, in essence, the same management practices inside a provincial park as anywhere else in the province. The question remains: What protection exactly does being in a provincial park afford in terms of the wilderness and the flora and fauna in the area?

**Mr. Enns:** Madam Chairperson, the honourable member needs to be corrected on two counts: No. 1, it is not the same business with respect to resource or logging in our provincial parks as anywhere else in the province. There are much stricter rules, zoning rules, supervision that apply to any of the logging that is done in our provincial park system. They are quite different.

It should also be noted that after the ruling, some of the very environmental groups that the honourable member refers to came to Abitibi, came to government, met with my colleague the Minister of Environment (Mr. Cummings) and suggested different ways of resolving this issue, and the honourable member raised issues here in this Chamber, among them—I do not wish to indicate something that he may not have said, but I can certainly refer to Hansard. I believe the honourable member also suggested, as did some of the environmental groups that were concerned about this area that consultation should take place, perhaps a redefinition of park boundaries should take place that would clarify and could separate the questions of where logging could take place and where it ought not to take place.

If a decision is that it ought not to take place, period, in our parks, simple. Then, obviously there is a challenge to the government to look very hard at the current boundaries of the parks system and see whether or not we cannot acknowledge the legitimate concerns of the many hundreds if not thousands of people that are involved that gain their livelihood from this activity.

Madam Chairperson, that is precisely what we intend to do. You know, I do not think we are that far apart. I appreciate, and it is a challenge within the different disciplines, within my department. That is what makes the Department of Natural Resources the interesting department that it is. Certainly, my Parks director is not unaware and brings forward in our internal discussions about today's concept of what should or should not take place in parks.

On the other hand, my Forestry director speaks, and has to speak forcibly for the responsibilities attached to his particular branch, in this case Forestry. So that makes for interesting professional, disciplined discussion within the department. That mirrors, quite frankly, what is taking place in the general public.

Because our current parks land legislation allows for multiple use, allows for resource extraction, for that reason, we get a failing grade from the park watchers, particularly from our more militant environmental friends, because that presumes that every acre of parkland is available for some form of development or forestry extraction.

Now, I am not happy with that as a Parks minister. That is why I want a new parks act drawn up, because I recognize that today is the 1990s. What seemed like a very good, common sense arrangement in the '60s and, indeed, in the '70s that facilitated both forestry industry and Parks interests is not necessarily flying today. On top of that, we have, of course, the further commitment that this government and my Premier (Mr. Filmon) has made to the Endangered Spaces Program.

We envisage, at least I envisage, that existing provincial parks along with the current federal park that we have at Riding Mountain along with the proposed parks such as Churchill and, perhaps, at Hecla, that they will be part of the Endangered Spaces areas that will be designated in Manitoba.

\* (2020)

To do that, of course, we have to resolve the issue with respect to logging and other resource extraction which is the criteria by which Endangered Spaces will be designated. So those are the issues that I look forward to having a full and frank discussion with many Manitobans during the course of these hearings that have been alluded to on several occasions now.

**Mr. Edwards:** Madam Chairperson, our time is very short so I am not going to pursue the issue except to comment that the negotiation process which was entered to, and I think was so productive for so long between the environmentalists and Abitibi-Price actually led to an agreement which fell apart because of unfortunate circumstances having nothing to do with the substance of their arrangement. Both parties were agreeable to the appointment of the mediator.

Unfortunately, the Minister of the Environment (Mr. Cummings) saw fit not to take them up on that, which I see as an issue of control, in which the Minister of the Environment was not wishing to relinquish control to parties that had come to an agreement on their own. It was very unfortunate in my view, but there is no question that the arrangement, as I saw it, and I did not see the fine

print, but it did include changing park boundaries to accommodate some of the logging desires of Abitibi-Price.

I have no desire to see job losses anywhere in Manitoba, least of all in the forestry industry. However, the balance does have to be struck and I am glad the minister indicates that he recognizes that a park must mean something, wherever the park is. This minister set up Nopiming Park, or his government did in 1979; that is good, I am glad about that. That should mean something.

The park should mean something other than the land outside the park in terms of protection. He says it means stricter regulations and zoning requirements. I would like to see what those are, and maybe he can provide them to me in due course. I would like to see exactly what distinguishes, in terms of the department's review of a logging application, a park today from nonparkland areas.

Let me move on briefly on the issue of Dutch Elm Disease and refer to the March 19, 1992, memorandum tabled in this House by the minister which was to Mr. Rannard, the director of Forestry Branch, from Richard Westwood, chief of Forest Protection. It was tabled in this House by the minister on April 10, during Question Period.

It indicated in the conclusion of that memorandum that the province was just maintaining the acceptable 2 percent level. They had to reduce the overall geographical extent of the program, cut out communities and buffer zones due to budget constraints. This is the final sentence:

At this time it is difficult to predict if the reduction in the program over levels established in the 1987 to 1990 period will cause an eventual resurgence of the disease and escape our 2 percent goal.

Essentially concluding that, budget constraints were calling into question this government's ability to maintain the 2 percent target. Is that still the case?

**Mr. Enns:** Madam Chairperson, we have confidence that the 2 percent level of disease or dead trees and their removal will be maintained with resources that are currently being applied by the city and ourselves. The fact that a forestry biologist within the branch raises the question, as he legitimately should, and raises the caution that we ought to monitor the situation closely, that we ought to be prepared if, indeed, that the mortality rate of 2

percent or less would be increased if additional funds were not made available in the future, is something that we will do precisely as suggested by Mr. Westwood.

I might say to the honourable member that we have been fighting Dutch Elm Disease since the early '70s or mid-'70s, '74, '75. It was contributed to at the provincial level, recognizing at all times that it is essentially in the city of Winnipeg, of course first, an immediate responsibility for the City of Winnipeg. But we recognize as a government, as have previous governments recognized, the importance of maintaining the beautiful elm shade trees that we have in our capital city and, since we have started fighting Dutch Elm Disease, have made a direct contribution to the city's efforts. That level of contribution I might say in the '70s was in the order of \$150,000, \$160,000. I say this not to appear immodest, but when I became Minister of Natural Resources in '78-'79 or '79-'80, I doubled that amount to \$350,000 under my stewardship at that time, and I put on the record that amount was not changed. It did the job of by and large working towards these guidelines of keeping it at the 2-percent level.

The 2-percent level, by the way, is not just an arbitrary level. Experts have said that is the optimum use of public money in controlling the spread of Dutch Elm Disease and, obviously, I cannot fault that decision. The fact of the matter is that here in Manitoba and in Winnipeg we have done an exceptional job of restraining and restricting the spread of Dutch Elm Disease. Many jurisdictions who have not, you know, acted as we have acted have lost their trees in a very few decades. That level, by the way, of funding of \$350,000 a year was deemed to be appropriate throughout the seven years of the Howard Pawley administration. Dutch Elm Disease was there as it is today, and I had no citizen's committee, least of all heavy-duty Tories leaning on me suggesting that \$350,000 was not an appropriate level. That remained unchanged for the first two years of the Filmon administration until it was my turn to come back in the ministry.

I was persuaded that partly, although I do not state this as empirical fact, but we did recognize, and certainly as a farm boy myself, that we had come through a four- or five-year, six-year period of drought. These were just gut feelings, if you like, and good advice from my foresters who said that

when you have a disease present, as with anything, any added stress could increase the odds.

\* (2030)

I was persuaded that to ensure that we maintained the 2 percent or did a bit of catch-up that we doubled that to \$700,000. I was also persuaded when faced with some serious budgetary questions when I had to examine when every \$100,000 spent in the department meant, in some instances, jobs for people. When I had to ask my manager in the department to lay people off, I examined every program as to whether or not the proper allocation of resources was being made. I was told that we could bring back—and I refused to accept the word "cutback." It was an accelerated program for four years.

We are now back to the same level that nobody criticized my predecessor government for for seven years during the '80s when they were fighting Dutch Elm Disease, and they were not under the same budget restraints that my managers had to work under in the spring of '90-91. So for those reasons, I am satisfied that the program that we are engaged in is an effective one.

I was further moved to, nonetheless, put some additional monies into it because, you know, although we can congratulate ourselves with maintaining it at the 2 percent level, the truth of the matter is if you do simple arithmetic, in 36 years we have lost half our elm trees.

I was not satisfied that although the City of Winnipeg was involved in a reforestation program, they were doing that solely on public property. I do not fault them for that. Their immediate responsibility was on their boulevards, on their land where they were cutting down elm trees and replacing it with their reforestation program, but we were losing more trees than we were reforesting.

That is why I decided to put the additional \$200,000 that we have added on top of the \$350,000 on a plantation program. Madam Chairperson, that plantation program is not just a matter of going around planting trees. We have a registry of homeowners who have lost beautiful elm trees, who have registered with us, who have registered with the city, and where they have lost elm trees. These are the people who, in a systematic way, are being offered and provided with a replacement tree.

I believe that is sustainable development. Just making sure that we cut down and remove the dead and diseased trees at the rate of 2 percent a year is not sustainable in itself. In a generation, in 30, 40 years, we will have lost a very substantial amount of our beautiful tree cover in this city. I take some pride in seeing that is not happening.

**Mr. Edwards:** Question on this area, Madam Chairperson. I appreciate the minister. It has grown, the budget has grown. It was under his administration that it grew. I accept all of that. The point is that costs do increase; the point is that the cost of not doing this is horrendous, not just in terms of the effect on the community of losing the trees, but when one takes into account the cost of removal which is horrendous. There are various estimates that have been given, but one of them suggests, and this is again by the chief of the Forest Protection, Forestry Branch, Mr. Westwood, that during the next decade Manitobans would be faced with a \$25-million tree removal bill, and a \$28-million bill for replacement of trees if the rate of 2 percent were even doubled to 4 percent. Now those are horrendous figures which come from the chief of the Forest Protection, Forestry Branch, Mr. Westwood.

Madam Chairperson, what I would like the minister to comment on is whether or not he takes any issue with Mr. Westwood's statement that, as at prior funding rates, that is the \$700,000 per year: We can manage the program with a 2-percent annual loss rate in terms of tree replacement and tree removal.

That is his statement that is the second last paragraph of the memo that the minister tabled. Under present budgets, that is the \$700,000.

He goes on to say: In our opinion our program sits on the bubble. We are just maintaining that 2-percent level with the \$700,000 again.

Then he goes on to say: If we lose another \$350,000 we have to cut out communities in buffer zones, and at this time it is difficult to predict if the reduction in the program over levels established in the '87 to '90 period will cause an eventual resurgence of the disease.

Does the minister dispute that the reduction back to \$350,000 has thrown the 2 percent level into doubt as an achievable goal, given Mr. Westwood's clear indication that it has thrown it into doubt?

**Mr. Enns:** Madam Chairperson, I am going to see whether we cannot reach some agreement with my

critic, because I did appreciate that sometimes when we have our differences they are compounded if we argue about fundamental facts. It seems to me, and certainly as expressed by the honourable member for Wolseley (Ms. Friesen) who often raised this matter on behalf of the official opposition, that there is a general acceptance both by city officials and by those who are elm tree watchers—and I would like to include the honourable member for St. James—that the 2-percent figure is acceptable as being the optimal management figure that we should strive for. At issue is—and that is the question that Mr. Westwood raises—whether or not that level can be sustained.

I refer the honourable member then to page 96 of his Supplementary Information for Legislative Review book where the statement is at the bottom of page 96, where we make a very understandable and firm commitment with respect to our policy: Dutch Elm Disease control through reducing tree mortality to 2 percent or less in urban centres and communities and through reduction of hazard and disease on trees.

That is our stated objective. We will carry that out. We are doing it now, and I have no quarrel with an official of my department that raises the question as to whether or not we will be able to continue that. We can certainly raise this next year or even if we have evidence mounting that in the fall cleanup we ought to raise it, then that will be done.

A commitment that I am making and I have made to the city and I make to the honourable member that that is the optimal management level that we ought to strive for and the department is committed to it. Now, I go on to say, because Dutch Elm Disease is not unique to the city of Winnipeg, we are engaged in some 40, 44, I believe, municipalities and communities throughout the province of Manitoba who have also suffered from the onslaught of Dutch Elm Disease.

In fact, when taken in total, our expenditures on controlling Dutch Elm Disease is in excess of a million dollars. It is in the order of \$1.5 million, I am told by my Forestry director—\$1.5 million. Now, I ask my honourable critics, when you are overlooking the overall responsibilities of this department as to the maintenance of our parks system, to the maintenance of our water control systems—this morning the honourable member for Interlake (Mr. Cliff Evans) was advised that our total capital spending on water drainage projects is \$1.7

million—well, we are spending \$1.5 million in fighting a disease that we cannot beat, but we are doing it because we believe, aesthetically, it is worthwhile doing it, because citizens of the province want us to do it, and because we are doing it relatively successfully.

You know, I am coming to the opinion that if we had any trees left in the city of Winnipeg, I would still be asked to spend \$700,000 to control Dutch Elm Disease when there was nothing to do anymore with it. I would ask you, if I were quarreling, if the department was taking issue with my critics on this program, if we were taking issue that, no, 2 percent is not an acceptable figure, 5 percent is acceptable to us, then you have got something to fight with.

But we all agree, the city foresters, our foresters, Dr. Westwood agree that 2 percent is the optimal management level in terms of trying to control this disease. So you are challenging me, and Dr. Westwood has raised the concern whether or not we can maintain at that level. I have to rely on the information that I have from professional staff that we can.

**Madam Chairperson:** Item 3.(d) Forestry: (1) Administration (a) Salaries \$604,100—pass; (b) Other Expenditures \$84,900—pass; (c) Grant Assistance \$26,000.

3.(d)(2) Forest Management: (a) Salaries \$732,700—pass; (b) Other Expenditures \$145,500—pass.

3.(d)(3) Silviculture (a) Salaries \$733,100.

\* (2040)

**Mr. Cliff Evans (Interlake):** Madam Chairperson, one question on this line. I notice in Other Expenditures, and the importance I feel of Silviculture and the minister has indicated how reforestry and such and maintaining our forests is so important—in his explanation he says, a reduction of \$555,000 reflecting a reduced requirement for seedling production. Can he explain that, and can he explain the cut in this portion of the department?

**Mr. Enns:** Madam Chairperson, the entire reduction is as a result of the reduced demand from those obligations that we had principally with Repap and to some extent with Abitibi, but I understand principally with Repap for considerably less seedlings, numbering upwards to three million. That has forced us to make the policy decision to operate the Clearwater Nursery up at The Pas on a summer basis only. We do that because it is

obviously less expensive to operate during that period of time, and we have essentially not planned for, and that is reflected in this reduction for operation during the winter months. We have been able to provide the necessary seedling amounts that we are under contract and otherwise obligated to provide through the nursery facility at Hadashville, as well as with the contract that is operable with the Sioux-McDonald Native people just south of Portage who grow about a million seedlings or 900,000 seedlings for us.

**Madam Chairperson:** Item 3.(d)(3) Silviculture (a) Salaries \$733,100—pass; (b) Other Expenditures \$2,481,500—pass.

3.(d)(4) Forest Protection (a) Salaries \$694,700.

**Mr. Cliff Evans:** Madam Chairperson, just a quick question here. Going back to the Dutch Elm Disease issue, I would just like to ask the minister, when municipalities and villages contract the pesticide control of Dutch Elm Disease through the Natural Resources department, the contractors who are involved in the actual work, are they under control of the Natural Resources department? Whose control are they under when they do apply the pesticide and whose responsibility is it at the time of the application, and how are the people who do the spraying monitored as to per the regulations and policy of the spraying itself?

**Mr. Enns:** Madam Chairperson, I am informed that the responsibility resides solely with the municipal authorities, just as it does here in the city of Winnipeg. We do, however, monitor the program. Inasmuch as these funds are specifically provided for Dutch Elm Disease cleanup and control, there is, in the normal course of business, no doubt, prior to providing the money assistance, we, in fact, do a check as to whether or not the work has been carried out satisfactorily.

In addition to that, I am advised that we do accept, as our responsibility, to control in some instances the buffer areas, if there is tree growth in around a community or municipality where it is applicable. The incidence of elm trees is not everywhere in the province. They are site specific, usually along river banks, communities that are in around rivers and streams that have a Dutch Elm population in the first instance.

But the responsibility, whether it is spraying, whether it is the work that is being carried out, is, in fact, directly that of the municipality. They hire

contractors—or do if they have their own public works people or wish to employ their own municipal staff to do that—to remove and cut trees. They have guidelines that are available. The honourable member is aware that we are concerned about not widely distributing the diseased woods, that the disease is spread in that manner.

We have fairly specific and restrictive guidelines as to how the cleanup is to be done. But that is the responsibility of the municipalities, and for the honourable member's information, some 621 over \$1,000, in excess of \$.5 million, is provided for this work, along with a sanitation crew who inspects the sites to see that the removal of the dead and diseased trees is done in accordance to the regulations the department has.

**Mr. Cliff Evans:** I am talking specifically about spraying—not cutting down, spraying. There are regulations and a pamphlet as to how they are to go about, when they do the spraying—conditions, criteria. I am asking the minister: Who is responsible to monitor that, the actual spraying?

**Mr. Enns:** Madam Chairperson, I am advised that the same answer applies, that it is the responsibility of the municipality. Indeed, it varies with respect to different by-laws and regulations that municipalities have. As you know, in the city of Winnipeg, the City of Winnipeg will not spray if individuals make that decision—in writing, I think; it is a procedure that they have to follow.

We are not directly involved in the operation, but again, we do monitor the operation and to that extent provide some direction. There are regulations and guidelines that have been established for the spraying operation by the Forestry Branch. But we do not have the jurisdiction in a municipality or in the City of Winnipeg, necessarily, to enforce them. We provide supervision, if you like, or monitoring, because we, over the years, have garnered some of the best information that we have in terms of how to most effectively control this disease, and we passed that on in the form of guidelines and regulations to the municipalities.

\* (2050)

I should add that the applicator, the actual contractor or the person doing the spraying, does have to have an appropriate licence from the Department of Environment. I would suspect, knowing those fellows, those fellows and gals—gals and fellows, those women and boys—that they will

put them through a pretty significant process before they get their licence. I like to be gender correct here, Madam Chairperson. I am having some difficulty here in learning the new rules.

**Madam Chairperson:** Item 3.(d)(4)(a) Salaries \$694,700—pass; (b) Other Expenditures \$1,293,300—pass.

3.(d)(5) Canada-Manitoba Partnership Agreement in Forestry \$2,773,100—pass.

3.(e) Fisheries: (1) Administration (a) Salaries \$431,700. Shall the item pass?

**Mr. Cliff Evans:** I know we are short in time here, Madam Chairperson. I have some specific questions in Fisheries that I am not going to go line by line on this, but just go to different areas.

Firstly, I had indicated in my opening that there had been applications or requests for hatcheries within my region. I would just like to know what the minister's department is going to do about and what he has been doing and how he has been negotiating or discussing the issue with the Dauphin River Reserve as well as the request by Falford Reserve for hatcheries in their areas.

What has the minister's department done about these two issues?

**Mr. Enns:** Madam Chairperson, I have to acknowledge that we have certainly had discussions with these people. There are ongoing requests from different sources with respect to further activity on the part of this branch, particularly in the business of operation of hatcheries. I was pleased that early on, on my return to the ministry, that we were able to revitalize a hatchery that had been closed for a number of years up at Grand Rapids. That hatchery operation is running, and we will be entertaining additional hatchery operations in the future. Again, it is a question of available resources. But I do not quarrel with the honourable member, there is a great deal of interest, particularly on behalf of those who watch the fishing industry, that this aspect of the department ought not to be neglected.

Madam Chairperson, perhaps you will allow me to introduce Mr. Joe O'Connor who has joined us, who is currently the acting director of Fisheries. As I indicated earlier, Mr. Worth Hayden, a long-time director of Fisheries, is being transferred or is in the midst of being transferred to accept the responsibilities as regional director in Gimli.

I am doing that because he expressed a particular desire to be closer to the honourable member for Interlake (Mr. Cliff Evans), and I am sure he will get along very fine.

**Mr. Cliff Evans:** I want to deal with one specific before some closing remarks. The minister is aware and had met and was lobbied by fishermen representing two areas: the Grand Rapids area and Area 6. The indications after that meeting—and the minister had indicated to me that at that time that he was in fact going to allow three and three-quarter inch mesh in the Grand Rapids area, and also indicated that he would not allow three and three-quarter inch mesh to the request of the Area 6 fishermen.

Also, I felt by his indication that at the time the three and three-quarter inch mesh in Grand Rapids was going to be on a trial basis. I would like to ask the minister why the people in north basin are under the assumption the three and three-quarter inch nets are allowed to be used by the whitefish fisheries? Is that true then? Has that come from the minister?

**Mr. Enns:** Madam Chairperson, the honourable member is correct on some of the information that he and I have chattered about. He is certainly aware of the request from the Grand Rapids people to, on an experimental basis, try the three and three-quarter inch mesh. Subsequently to my discussions with them and subject to the biological advice that I have received from my Fisheries people, we have met and agreed to extend the use of the three and three-quarter mesh to the Area 6 fishermen in Sturgeon Bay, as well as the Grand Rapids area.

It should be noted this is for the summer fisheries only. This is not the whitefish fisheries and that process will be carefully monitored. It is not an extension of the reduced mesh size to the white fisheries, but it is the belief and the best judgment on the part of our Fisheries biologist that we can do a trial run. That has been made very clear to the fishermen with whom we have met in the past little while, that they will co-operate with us, they will do some more intensive checking as to the results of the three and three-quarter inch mesh fishery at the end of the season and make future decisions.

This is an experimental run at the smaller mesh size in these areas for the summer fisheries only.

**Mr. Cliff Evans:** I would just like to get something definitely clear then. Only in these two areas has three and three-quarter inch mesh been allowed from the minister's department. Just in these two areas, not the north channel, not Bloodvein—I forget what area—Area 5, not in Area 3, not in any other areas for summer fishing has this been allowed by the minister. Two areas.

**Mr. Enns:** The use of the smaller mesh specifically to the two areas as defined by Area 6 for summer and fall only, which in essence precludes the whitefish.

**Mr. Cliff Evans:** In other words, any whitefish fisheries that do fish in Area 6 or Grand Rapids, then they are allowed also to use three and three-quarter?

**Mr. Enns:** I am advised that there are boundaries, as the honourable member is aware, that signify different areas and the white fisheries are not allowed to fish in these areas.

**Mr. Cliff Evans:** Just before my closing, I would appreciate and put on record that I would like to, at the minister's earliest convenience, speak with him on this matter, perhaps tomorrow even, on the allegations, hearsay, fact or whatever that I have had over the past four or five days on this issue. I think it is important enough that the minister and I meet along with Mr. O'Connor and the deputy minister to this, so that I can get what I am hearing straight because it seems to have created quite a stir. I do not know if the minister is aware.

**Mr. Enns:** Sure, I am willing to do just that. I appreciate that there have been—as always is the case, we have received representation not to make any changes, we have received representation to make the changes. We have not made final decisions, I repeat. It is a trial run, if you like, in these restricted areas for the smaller mesh size, but I will be happy to give the honourable member an opportunity to visit with myself and staff directly on this matter and afford him an opportunity to get a full understanding of what it is that the department is doing.

\* (2100)

**Mr. Cliff Evans:** I do appreciate that. It has been in the last three or four days a hectic time for me in my constituency, and I have stories coming from every which way, and I would like it clarified by the minister's office as soon as possible. Thank you.

**Madam Chairperson:** Item 3.(e)(1)(a) Salaries \$431,700—pass; (b) Other Expenditures \$89,200. Shall the item pass?

**Mr. Cliff Evans:** If the minister would also, because we are also out of time, we go page by page up to—[interjection] No, cannot do?

**Madam Chairperson:** Regrettably, we have to have on the record each item, each line passed.

Item 3.(e)(1)(c) Grant Assistance \$6,000—pass.

3.(e)(2) Fish Culture (a) Salaries \$635,400—pass; (b) Other Expenditures \$249,600—pass.

3.(e)(3) Fisheries Habitat Management (a) Salaries \$305,100—pass; (b) Other Expenditures \$75,400—pass.

3.(e)(4) Sport and Commercial Fishing Management (a) Salaries \$277,000—pass; (b) Other Expenditures \$80,300—pass.

3.(e)(5) Northern Fishermen's Freight Assistance \$250,000—pass.

3.(f) Wildlife: (1) Administration \$558,400—pass.

3.(f)(2) Game Management \$395,900—pass.

3.(f)(3) Habitat Management \$1,456,300—pass.

Well, I just want to confirm that Hansard indeed can hear me over the roar of the members in the House.

3.(f)(4) Endangered Species and Nongame Management (a) Salaries \$410,600—pass; (b) Other Expenditures \$121,600—pass.

3.(f)(5) Fur and Commercial Wildlife Management (a) Salaries \$559,000—pass; (b) Other Expenditures \$313,200—pass; Grant Assistance \$89,900—pass.

3.(f)(6) Canada-Manitoba Waterfowl Damage Prevention Agreement \$474,500—pass.

3.(g) Policy Co-ordination: (1) Salaries \$574,100—pass; (2) Other Expenditures \$35,300—pass; Grant Assistance \$5,000—pass.

3.(h) Surveys and Mapping: (1) Administration (a) Salaries \$330,500—pass; (b) Other Expenditures \$48,100—pass; (c) Less: Recoverable from Other Appropriations \$20,000—pass.

3.(h)(2) Field Surveys (a) Salaries \$692,400—pass; (b) Other Expenditures \$239,100—pass; (c) Less: Recoverable from Other Appropriations \$350,000—pass.

3.(h)(3) Mapping (a) Salaries \$466,100—pass; (b) Other Expenditures \$104,200—pass; (c) Less:

Recoverable from Other Appropriations \$60,600—pass.

3.(h)(4) Map Distribution and Remote Sensing (a) Salaries \$481,600—pass; (b) Other Expenditures \$371,400—pass; (c) Less: Recoverable from Other Appropriations \$185,000—pass.

3.(h)(5) Data Management (a) Salaries \$421,900—pass; (b) Other Expenditures \$143,100—pass.

3.(j) Sustainable Development Co-ordination Unit \$177,100—pass.

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

3.(m) Natural Resources Institute Grant \$20,000—pass.

Resolution 106: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,553,200 for Natural Resources, Resource Programs, for the fiscal year ending the 31st day of March, 1993—pass.

4. Expenditures Related to Capital \$5,639,300—pass.

Resolution 107: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,639,300 for Natural Resources, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1993—pass.

5. Lotteries Funded Programs (a) Special Conservation Fund \$250,000—pass; (b) Endangered Species Fund \$250,000—pass.

Resolution 108: RESOLVED that there be granted to Her Majesty a sum not exceeding \$500,000 for Natural Resources, Lotteries Funded Programs, for the fiscal year ending the 31st day of March, 1993—pass.

Item 1.(a) Minister's Salary \$20,600.

**Mr. Cliff Evans:** Madam Chairperson, I just want to put on record that because of the situation with the time element that we have with these Estimates this year, there are issues that we here on this side and myself in particular, did want to raise with the minister during the Estimates. We passed on certain things, like through the Wildlife section, more on the Fisheries I feel was tremendously important, there were lots of questions to ask. More on Forestry, game ranching, questions that if we had the time, I am sure we would have asked and the minister would have answered.

Hopefully, we will get the opportunity to ask the minister, in concurrence, a few more questions that we may have. I hope the minister will, in fact, be supportive and helpful in his answers. Thank you.

**Madam Chairperson:** Item 1.(a) Minister's Salary \$20,600—pass.

Resolution 104: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,107,100 for Natural Resources, Administration and Finance, for the fiscal year ending the 31st day of March, 1993—pass.

This concludes the Estimates for the Department of Natural Resources.

## ENVIRONMENTAL INNOVATIONS FUND

**Madam Chairperson (Louise Dacquay):** The committee of Environmental Innovations Fund will reconvene. We are on Item 1. page 157, \$1,171,000.

**Ms. Marianne Cerilli (Radisson):** One of the other questions I want to raise here is with respect to—have here—the other hit list, the list of other products that would become revenue-generating for the Innovations Fund.

I have here, besides liquor bottles, we could be considering diapers, disposable products, Safeway bags and newsprint—is it oil?—tires. What are the other items that are going to be brought in and how much revenue is expected to be generated from those?

**Hon. Glen Cummings (Minister of Environment):** Again, while the two that I indicated, diapers and tires would provide some revenue for the Innovations Fund, if you look at the long-range projections for the tire revenues, they are designed to self-destruct. In other words, when a process is up and running, when a system is in place with a recycling cycle complete, the dollars would be contained at arm's length, separate and apart from government. It would not continue as a tax. Present plans are that it would change to a WRAP levy which would be managed by a combination of industry and government officials, strictly to deal with cradle-to-grave management of tires, speaking of that specific item.

There always remains the possibility that some small unidentified amount might remain as a tax, but primarily we believe that the public looks to these types of levies to deal with the particular material that is involved. In other words, the cost of handling

beverage containers or tires should reflect the cost of handling them, not the cost of handling them plus 20 other products in the waste stream. We have the flexibility under the WRAP Act to levy in a number of different areas.

\* (2110)

Newspaper, I am presently reopening—I am not sure, if they have not received the letter, they will get it within the next 24 hours—the publishers, we are reinitiating discussions with them to initiate a WRAP levy which would provide some additional revenue for newspaper recycling.

If I could just expand on that a little bit, I believe that the market for old newsprint is growing. The capability of collecting it is growing, and initiatives that the city is considering at this point when all of those factors come together, I believe, now is the time, between now and fall, that we will see rapid development in that area as well.

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

To address the tax issue, primarily yes, those are all candidates, but I should warn the member that it is not our intention to simply make them candidates for revenue. They are candidates to generate revenue, a large portion of which will be used to deal with that material in the waste stream. Oil would be another example where we need to have a regulatory capacity, and a capability within the province to deal with the material for recycling. All of that will require some revenue but not choosing to use that product to price it through taxation at a level that might make it uncompetitive with other jurisdictions.

**Ms. Cerilli:** Is it too early to get some idea of the anticipated revenues?

**Mr. Cummings:** Well, yes. I would suggest the projected revenues of the two identified areas could be as much as \$3 million annually, given that we are already partway into the fiscal year and no tax has been imposed. That could be somewhat reduced for the first year.

I also indicate that in the long term the tire tax is not expected to be a continuous source of revenue. Those dollars will flow into dealing with the tire itself and closing the loop.

The other items, it would only be speculation. Again, we are not attempting to skim from recycling programs just to be able to produce additional

revenue for the government. That is about the best I can answer at this point.

**Ms. Cerilli:** It is interesting what is going on in some jurisdictions. I have a report from British Columbia of a waste discharge permit fee system, which has a number of fees and all sorts of waste streams and emissions.

One of the other interesting things that they are doing in B.C., and I do not know which city, if it is Vancouver or Victoria, where they have vehicle emission inspection stations throughout the city, and you have a computer printout and it tells you the carbon monoxide emissions of your car. Apparently, this is generating revenue which is supplementing a fuel tax.

Are there any considerations for things like that in the province in conjunction with the municipal governments?

**Mr. Cummings:** Any of those suggestions I suppose are possible. We have looked at a possible emission testing regime. The fact is that Manitoba does not have an emissions problem. That does not mean that we could not start doing more to regulate what is occurring in the province.

Interestingly enough, one of the positive aspects of emission control on vehicles is that, very quickly, operators who wish to haul into other regulated jurisdictions have to make sure that their equipment is capable of meeting standards. There may well be economic opportunity in the next few years for people who wish to assist with testing and certifying. That is not yet available to us.

Emissions trading is always a possibility, but it is not a really popular idea. It certainly has its downsides. I can tell you that in terms of water quality we have said it is either suitable to be discharged or it is not, based on the receiving waters.

It should be indicated that Manitoba, through CCME, is sponsoring a national workshop on economic instruments later this month, which addresses and tries to address in some uniform way the questions that you are raising about whether taxation or economic instruments of another nature can be used to impact on what is happening in the environment. Also, I think it is useful to have some standardization across the province in that respect, or across the country, pardon me.

**Ms. Cerilli:** The minister must be aware through the environment committee nationally that B.C. is

going to implement an entire emissions scheme starting July 1, I think. I just want to press a little bit the position, the policy that the government is undertaking, of not considering these to be appropriate for generating revenue. I do not understand it. This is not something new.

I think I was reading in here that France has been doing this since 1969 and there are jurisdictions in the U.S. that have these similar programs. This, to me, is sustainable development. You may talk about some of the other small initiatives that go on in the province, but this to me would be the kinds of steps that we need to be taking, getting a little more bold perhaps. I appreciate what the minister said earlier about trying to weigh the percentage of emissions between industries and make sure that you are not unduly taxing one kind of industry more than the kind and the amount of pollution or waste that they are generating just because they are easier to tax.

I would hope before too long we are going to see these kinds of economic instruments as something that will be considered just part of doing business, and that is the way it is. I would maybe like to have the minister comment just to see what has happened with our Manitoba booklet, *Harnessing Market Forces to Support the Environment*. When I was reading the back, the back is fairly limited when it talks about the action plan, even though it went through a lot of the measures that are being used in other provinces. Maybe just ask the minister to describe more of the reasons for the position that he has given regarding these kinds of programs.

**Mr. Cummings:** First of all, we have the capability to deal with the issues that the member raises. The question is whether or not choosing those types of instruments to deal with our environmental concerns is the best approach. B.C. has a high density traffic problem in the lower mainland and prone to inversions, as I understand it, and has to deal with its emissions problem because that is there every day and a very obvious concern. They also impose a tax on downtown gasoline as opposed to suburban gasoline to pay for their monorail and other transportation innovations.

\* (2120)

That may well work in their community, but I think there would be hell to pay if we imposed a tax on gas sold within the Perimeter in Winnipeg and not

on the outside in order to encourage people to use mass transit here in Manitoba. All that would happen is that Winnipeggers would buy their gas outside the Perimeter. So that, in itself, does not indicate that what works in one jurisdiction is necessarily a suitable economic instrument in others.

We have also seen the national taxation that occurred of gasoline a few years ago which was to impose conservation on us. To some extent it worked because vehicles are more efficient today, but there are also more vehicles on the road. So there are a number of different ways that you can use economic instruments. I believe the principle that should be behind those that are problems is that the cost that is imposed against them be the cost of dealing with them in the waste stream if they, in fact, produce waste, or to direct people towards less polluting and more efficient sources of fuel for energy.

Those are the kinds of discussions that will have to come out of a long-term discussion and plan for the use of economic instruments. I suppose you could also look at taxes on gas versus natural gas. We have a very obvious problem at the national level in dealing with that because Alberta's emissions are up as a result of production of natural gas and propane. If you, across the board, impose penalties related to that, Alberta will be penalized for producing cleaner burning fuel, but Ontario and Manitoba, to some extent, and Quebec and some of the American states will ultimately use in order to keep their emissions down.

So it is not just a simple formula that can be applied when you get into those types of taxation issues. The market forces have to be combined with the environmental problems that are out there in order to achieve the ends that we both believe need to occur, but you cannot make blanket statements on what will work. Emissions trading, for example, Manitoba has two of the spot sources for sulfur emissions, and we are reducing our emissions within the global requirements, and yet, we are probably not helping the areas where they are having trouble with acid rain very much, because tests do show that probably where our sulphur is falling is not creating the problems that are evident in other parts of the continent. So there are also reasons to reduce emissions just so you do not have the overloading in a particular air shed, as

they refer to it, as opposed to just doing across-the-board removal.

You can even look at a global argument, whereby, if you want to, overnight, reduce the amount of emissions and global loading in the air, the most efficient use you could make of that opportunity would be to go into some of the Third World countries and spend the same amount of money that you would spend here in increasing what are already some fairly high-efficiency operations. The last 20 percent of those are very costly. The argument can be made very soundly that foreign aid to countries that have emission problems—and help them with the first 50 percent, rather than the last 50 percent we are trying to get out of ours, will do more to reduce the emission of global warming gases than any other thing that can be done. That is one of the major topics of discussion at Rio.

**The Acting Chairperson (Mr. Rose):** Item 1. Environmental Innovations Fund \$1,171,000—pass.

Resolution 133: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,171,000 for Environmental Innovations Fund for the fiscal year ending the 31st day of March, 1993—pass.

## ENVIRONMENT

**The Acting Chairperson (Mr. Bob Rose):** It is my understanding we are moving into Current Operating Expenditures for Environment, page 53. Is that correct?

Item 1. Administration and Finance (b) Executive Support: (1) Salaries \$291,700—pass; (2) Other Expenditures \$84,100—pass.

1.(c) Planning and Innovation: (1) Salaries \$475,400.

**Mr. Paul Edwards (St. James):** Mr. Acting Chairperson, I am sure the minister will appreciate that we may ask questions outside of the particular scope of the line we are asking, but we are trying to get through this with as little disruption as possible.

I have received a number of pieces of correspondence from people who would like this government to participate in the Pitch-in week, in the Pitch-in program, which the government, heretofore, has not joined in. I see the minister and his staff smiling. I assume they have heard this question before.

I wonder if they can indicate what is holding them back from joining with this group, which seems to have garnered support in other provinces. I am not an expert on it, but I would appreciate the minister's comments.

**Hon. Glen Cummings (Minister of Environment):** One of our concerns about the—first of all, let me preface my remarks by saying I do not wish to degrade or speak against the Pitch-in process or the Pitch-in program, but we made a decision, after some considerable thought, that we would not see that as the best use of our dollars, even though there was some leveraged activity. Primarily what we saw ourselves buying was a very good promotion package, and there is nothing wrong with that, but we made the decision that our dollars would provide more net benefit if they were used in another manner.

We do not have a lot of discretionary dollars. There are dollars in the Innovations Fund for certain one- or two-time opportunities, but we did not choose to go that route. Winnipeg has a—I cannot remember the name—what I am trying to remember to answer the member's question is about the same time as Pitch-in was approaching us with the project, the City of Winnipeg implemented its own antilitter program and that more or less finalized our thinking that perhaps there were other ways we could put our dollars to work without putting it in that program.

As I said at the start, I am not out to denigrate the program, but it was a promotion program and we have a lot of people out there promoting today. We have a lot of local recycling organizations, a lot of schools, and we made the decision by prioritizing that this is where we would spend our money and focus it through the community organizations and the Environmental Youth Corps would be another example of where we have had a lot of action.

**Mr. Edwards:** Mr. Acting Chairperson, how much money were they asking for?

**Mr. Cummings:** It has been quite a while since I dealt with this issue. I am going strictly by memory, \$50,000, in that range, or \$35,000 to \$50,000, something like that. That is strictly by memory.

**Mr. Edwards:** Yes, I appreciate that it is not an exact figure, but the minister indicates there is some other kind of antilitter program he mentioned in his first response. What is he replacing this Pitch-in program with, if anything, in terms of provincial initiatives to do the same type of work?—which is

important to get people involved in an organized way in cleaning up litter wherever it be outdoors.

If I can say by way of comment, I think the minister is right. It is probably a very good promotional campaign, but he is also right when he says that is important, and if it is structured in terms of time, a week, or a month, and it gets every Girl Guides group and every Boy Scouts group and school kids and everybody else involved in cleaning up outdoors, that is worthwhile.

Is there a similar program that the minister is envisaging putting into place, or supporting as a more effective use of those dollars or, indeed, less dollars?

\* (2130)

**Mr. Cummings:** I do not think it was a matter of either/or. It was a matter of allocating dollars that were somewhat scarce. Frankly, I think at the time this decision was made, we were talking about sponsoring a major ICASE conference here in Winnipeg, where we were in-servicing, hopefully, hundreds of different teachers.

Not exactly a trade-off of litter cleanup, but in terms of a trade-off of having access to influence the future generation, it probably was equally as valuable a direction for dollars. Again, it is not a direct trade-off, but those are the kinds of decisions that we have to make when there are not a lot of dollars floating around. I do not regret making them; I just do not think I can characterize this as a direct trade-off.

The community organizations—and perhaps there is a difference between city and rural. As I indicated earlier, the city had instigated its own litter cleanup program through City Council—quite successful; local BIZ is involved as well.

Across rural Manitoba we have had a real upsurge of volunteer and workshop-based recycling and cleanup programs that we have supported by other means. I think they have been very successful on a year-round basis.

It simply was a decision of priority.

**Mr. Edwards:** Mr. Acting Chairperson, the Department of Environment recently advised the Manitoba Water and Waste Association that they were going to further reduce their role in organizing and administering the Annual Water and Waste Water School.

I see, again, the minister probably has had this question before. He seems to find—

**Mr. Cummings:** About 50 times.

**Mr. Edwards:** About 50 times, he says. Well, maybe he can put on the record here today what was wrong with the Waste Water School that merited withdrawing the funds.

**Mr. Cummings:** Yes, when I say 50 times, I think I probably had that many different plant operators who contacted their council all saying, well, we are going to lose our school. All of which is wrong, all of which was based on the premise that we indicated to them that yearly the Department of Environment has to apply quite a bit of staff time, albeit probably one person, but quite a significant chunk of their workload for preparation of this school.

We are quite prepared to support it with resources, with training personnel, and so on. We asked them, through their organization, to accept more responsibility for their own technical improvement in terms of planning the program. Now, we were talking about planning the meeting rooms and organizing the general approach to the school.

We also indicated, but it apparently fell on deaf ears or someone out there has an agenda that they simply want things to stay the way they were and are either unwilling or reluctant to look at change. We are also seriously interested in looking at standardizing some kind of training, perhaps some kind of a certificate course through one of the community colleges, something that an operator could nail on the wall and point to if somebody questioned the way he was operating the plant or if he went looking for a job. That is the kind of approach that we were taking. It may be a misunderstanding. Certainly, they have had letters from us indicating that we are not withdrawing support for them, but we are looking to reorganize it, that there will be a Waste Water School this year, a similar format as there was before.

But as all professional groups evolve, I think it is time that they have a little bit more independence and they will still have the support of the Department of Environment, albeit we are the regulators and we will eventually come around to see how well they are operating in the end. So it is not a lack of support or commitment, but we are looking at some changes.

**The Acting Chairperson (Mr. Rose):** Item 1.(c) Planning and Innovation: (1) Salaries.

**Ms. Cerilli:** I appreciate that we are going to be able to ask questions throughout the department, we are not going to have to go line by line. I just want to ask one question about WRAP and then I would like to go on to some other sort of local concerns. Is that what we are doing?

There was some concern expressed to me that when the regulations came in for the beverage containers that the target reduction for 65 percent was somewhat lower than what people had hoped for and I think which was even proposed in some of the government's own documents. If we are trying to achieve a 50-percent reduction in total waste by the year 2000, we are not going to do it by having that kind of a target on one of the waste stream items that is probably one of the most easy to collect. To have the minister explain what happened, why are we only shooting for 65 percent?

**Mr. Cummings:** Well, to begin with, the industry thinks it is unachievable, given the time frame that was imposed. It is a definitive one-year time frame, and industry is very concerned that they will not be able to make it. I believe the number was arrived at after a considerable amount of discussion and looking at what was happening in other jurisdictions. I am reminded that I actually added 5 percent onto what the industry thought was possible. They felt they could only achieve 60 percent. I arbitrarily added five, and that is in fact higher than the target rates in Ontario right now, believe it or not. I find that—the head of my policy section is nodding his head. I am taking his word for it. That is higher than what they are achieving, I am told, in Ontario today with their blue box program and everything else

\* (2140)

So I agree that when you look at beer bottles, for example, where they are getting 95 percent return, that it appears low, but it is within the realm of reasonableness when you look at what is happening in areas where you supposedly have a good return system. If I am not mistaken, Saskatchewan has not hit 70 percent yet, even with their Sarcan program. I stand to be corrected on that one, but I know they are not really high. They might be around the 70 percent range.

It was not a sop to the industry, nor was it intended to let them off the hook because there are deadlines behind it. I have to say though, if you want to put it

into the context of 50 percent reduction by the year 2000, you could leave—your beverage containers are a small portion. You want to hit the big numbers, that is in newspaper, cardboard, tires. I agree that we have to get the beverage containers away, because they are a litter and waste problem and there is valuable material in the aluminum, but the big numbers are in the other materials, as I mentioned.

**Ms. Cerilli:** Just to stay with this then, what are the negotiations going with the major newspaper companies with respect to having them develop some program for taking some responsibility in this area?

**Hon. Harry Enns (Minister of Natural Resources):** The WRAP program envisages distributor responsibility, which means that there would be a levy that they would pay towards a fund that would ultimately go to encourage reduction at some part of the system. One of the things that has always been a problem is availability in markets. We have seen a low over the last year, starting to see a stronger market again now, as I understand it. So there is availability to move the material. The collection system today is not totally paying for itself. I would envisage that they would consider some sort of a levy on a per-tonne basis that could then aid either the collection or the ultimate shipping to a suitable recycling process. Abitibi-Price Pine Falls operation hopefully will be a part of a provincial system.

Our regional recycling programs in rural Manitoba, some of them are shipping into Saskatchewan on the west side of the province. It is going for pulping into egg cartons, that sort of material. There are a number of markets locally opening up here in Winnipeg, plus there are brokerages that are brokering it into de-inking facilities further away, and as the price has risen they have been able to demand more paper. I am hoping that the newspaper publishers in this province plus the flyer components will contribute towards the cost.

I am deliberately not talking about a figure, because there have been figures talked about before, but as I reopen discussions with the publishers I want to leave that an open book until we have a fair discussion with them.

**Ms. Cerilli:** The minister says that he is hoping. I am hoping for a little bit more specific indication of

what is happening in this area, what kind of commitment is there from the paper publishers to get involved in this kind of initiative.

**Mr. Cummings:** I guess I probably did not choose my words correctly. I have the ability to regulate it, and I will, but I intend to sit down with the publishing community and hear their input. I do not think they are reluctant to enter into that discussion.

They are voluntarily paying \$10 a tonne to the Pembina Valley Recycling Corporation to assist them with their paper, the amount of ends off the rolls of the unsold newsprint. All of those things that have come to the attention of the publishers in the last couple of years as a result of our WRAP program. Those are all actively being recycled, and they were not before.

So there has been some small movement, and I do not anticipate that we will have too many editorials condemning the government for increasing newspaper recycling through whatever means we ultimately settle on.

**Ms. Cerilli:** I want to raise a few local issues. One has to do with cottage development in Lac du Bonnet. I have been told that there are approximately 1,000 cottages approved for this area on both sides of the river. [interjection] Yes, the Lee River. There are sewage problems for both the Winnipeg and Lee Rivers. There has been no environment study done.

One of the questions I have with respect to this, is there a policy that limits the number of cottage developments that can be zoned, given an area like this?

**Mr. Cummings:** I would ask you to repeat the last part of that question.

**Ms. Cerilli:** There are a number of issues surrounding this. There are the sewage issues, the septic field issues, but there is also the density, and I am concerned, and residents around there are concerned about the density of the development in what should be a cottage area, and it is being developed like a subdivision, or even more densely I think. I have not been there, but this is what has been described to me. So one of the policy issues that arises from this is, are there are limits to the way that these kinds of areas can be zoned for cottage development?

**Mr. Cummings:** Well, part of the question is a land-use issue as much as it is an environment issue. Obviously, any activity that occurs there will

not be allowed to violate our act, discharges as an example. But density of development—albeit it might alienate some of the local cottagers who were there before and do not want company, it is the responsibility of the local authority to decide what location they are prepared to allow development in and then justify that development through the regulatory bodies; if it is Crown land, getting the original permits for land use and then all of the appropriate zoning and regulatory permits that they would require for any kind of development.

If you are talking about taking pristine wilderness—and I do not think you are, because part of the area that I have been in has been populated for years, albeit not very heavily. So, to some extent, the land owners in the area, if they object, have to deal with their local councils in terms of what is planned for that area. Some of the subdivisions that I have been aware of there are well-planned and contain all of the elements of protection from the environmental point of view.

I can well appreciate that if—and I know there are people who have had cottages there for two generations now, and all of a sudden see a subdivision of 50 cottages going in somewhere not very far away from them, that they could be upset. But I do not think this department, in and of itself, would stop it nor necessarily should it.

**Ms. Cerilli:** I realize it is a zoning issue and currently that is held by the local council. What I am wondering though is, if this is not an issue of sustainable development and of developing policies in consultation with those agencies that are going to deal with density in these kinds of regions.

I would think that some of the problems that they are having with respect to the impact of sewage are going to be compounded by the big increase of development. If there were not as many cottages there, that does not excuse improper storage of sewage.

Does the minister see room to develop some policy, from an environmental point of view, to ensure that there is a sustainable use of land in areas such as along the Winnipeg River? I do not know how close this is to the Seven Sisters area, let us say, an area that I am familiar with, but does the minister agree that there is not a role from an environmental point of view in trying to develop zoning policies that are going to reflect sustainable density in these kinds of areas?

\* (2150)

**Mr. Cummings:** We are represented at all aspects of decision making on these types of situations, as I suggested, through provincial land-use appeals, interdepartmental discussions where there are subdivisions that are brought to our attention.

I am told by the department that there has been some improvement in the planning of the subdivisions, and that, in fact, there has been an attempt to have some of the cottagers—this may be the area you are referring to, I am not sure—moved to lower density locations in order to not overstress the facilities.

This has been going on for, I am told, more than a decade, and we have not identified any, from the environmental control side, problems that we cannot deal with.

I do not disagree, however, from a broad policy issue, with people wanting to have the opportunity to cottage or to have a second residence if they wish, or to camp and get out and enjoy what is one of the greatest aspects of this province. It has to be done with some delicacy so that you do not have an environment problem.

You only need to look at this province on a map. We are one million people in one of the larger provinces in this country. It is certainly above-average size, and if we cannot have cottaging under these circumstances, then our world has gone crazy, frankly.

It is more a planning issue, and planning has to have an environmental component to it. We believe we have a handle on that, but complaints that you were raising about density, we are aware of some density problems and there has been some work done on that, as I understand it. But, again, I think it is probably the old versus the new in some respects as well.

**Ms. Corliss:** I guess what I am suggesting is that there is a role for the provincial government to play in these areas with respect to having some kind of assurance that there is going to be policy considerations in all the municipalities, but I want to ask if there has been an investigation of septic fields running into the river, or the sewage in this development on the Lee and the Winnipeg Rivers area.

**Mr. Cummings:** We can ask if there has been any contact made with us. No one at the moment recognizes that area as a problem. I do not

recognize the name of that development, frankly. We will look at it if that is your request.

**The Acting Chairperson (Mr. Rose):** Item 1.(c) Planning and Innovation: (1) Salaries \$475,400—pass; (2) Other Expenditures \$105,900—pass.

Item 1.(d) Financial and Administrative Services: (1) Salaries \$757,200—pass; (2) Other Expenditures \$198,400—pass.

Item 2. Environmental Management (a) Environmental Operations: (a) Salaries.

**Mr. Edwards:** Mr. Acting Chairperson, for the minister, part of the job of this Environmental Management area is enforcement in some way or other of the environmental laws and regulations that we put into place in the province. As I referenced in my opening comments, I have a lot of concerns about this department's enforcement and its vigilance and aggressiveness when it comes to enforcement of the regulations and laws we have put in place.

I also referenced some comments which were interesting at the CEC hearings in Letellier last week. Under questioning from Mr. Pannell, a representative of the department at those hearings made what I do not think was an untoward admission but rather reflected his feeling, which I think, if anything, underestimates the lack of aggressiveness with which the department pursues enforcement. Does the minister share those views that there is a lot more that could be done in terms of aggressively enforcing the laws and regulations for which this department is responsible?

**Mr. Enns:** Mr. Acting Chairperson, I suppose that the member could continue asking me until I put something on the record that somehow says that we could do a better job of enforcement. I am sure there is not a policeman in the country who would not say that he could do a better job of enforcement given additional resources, given additional equipment, given additional time, et cetera.

We can always do more. I will not shy away from that, but I do not think that there is a situation developing where we have an out-of-control industrial scene out there that we are not properly following up on or regulating. The City of Winnipeg, through its own enforcement of The Environment Act or its own regulations that fall under The Environment Act, has done an increasingly good job. A number of their people are, I guess, former

Department of Environment employees that they have upped the ante on in terms of salary and hired them away from the province. I do not know if we have a number, but it is not insignificant that that has occurred.

If you were to ask me as minister, or ask the department, I am sure that we would say that if we could have more personnel, we could do more. Almost every department in every province would say that, but I am not apologizing for the system that we have in place. If Sections 8 and 10 are proclaimed in The Dangerous Goods Handling and Transportation Act, I would a lot sooner be in the position to know that we have the regulatory authority and the act behind us so we can move when we have to, than to be in the other position which is that you have lots of personnel but you do not have the regulatory regime with which they can work.

\* (2200)

So, from the positive perspective rather than the negative, I believe that we are positioned so that we can move toward the type of regime that is envisaged, for example, by the Manitoba Hazardous Waste Management Corporation to make sure that we are able to identify and make sure that they are handled properly, the wastes in this province.

I do not view our problem as having a large act of underground sector that is dealing with hazardous waste. Some people feel there is activity out there that is illegal and unlicensed. If they are prepared to provide us with evidence, we are prepared to deal with it.

**Mr. Edwards:** Mr. Acting Chairperson, I guess I would feel more secure if in fact we had a more aggressive enforcement and there were no charges. Then I think we could say, we have checked, we have looked, and there is not a breach of the laws and regulations. My concern is if there are problems, we will not know about them. I had just asked the minister in the last year how many prosecutions have there been under The Dangerous Goods Handling and Transportation Act or The Environment Act, and I believe there is also some provision for provincial offences under The High Level Radioactive Waste Act. I am not sure of that, but how many prosecutions were laid in acts under the responsibility of the Department of Environment in the last year?

**Mr. Cummings:** I guess this total figure here, 431, is the total number of warnings, common offence notices.

**Mr. Edwards:** Well, the member mentions 431 warnings or Crown offence notices. I am confused. Is that 431 offence notices that were taken to court or can he break that figure down?

**Mr. Cummings:** Okay, there were five prosecutions, there were 49 fines and 431 warnings. I did not total the other 54 in, so that would be a total of 485.

**Mr. Edwards:** Is it five prosecutions?

**Mr. Cummings:** Yes.

**Mr. Edwards:** Of the five prosecutions, were any carried through in the course of the year to a trial, to a conviction?

**Mr. Cummings:** Five.

**Mr. Edwards:** What were the fines in those cases?

**Mr. Cummings:** The department says, their view of them was that they were small. I do not think I have the figure here, but I think one of the aspects that this reflects is the severity of the violation and the way that the courts viewed it. I might differ with that, but I guess, as the member well knows, that might be my opinion, but the courts have ruled.

**Mr. Edwards:** The way around that, if the minister disagrees, to my knowledge, is just to put in a minimum fine which judges then have to respect. Just so I am clear, there were five prosecutions last year. Is that up from the year before or down?

**Mr. Cummings:** I am told, roughly the same. There is a subnote on this note that says that there are a number of charges pending that would probably impact on this total if you were to refer them all back to the period in which they were laid. But I am not aware of what that number is.

**Mr. Edwards:** With respect to the proclamation of Sections 8 and 10 of The Dangerous Goods Handling and Transportation Act. There is a section in that act that talks about the Crown being bound; there is a section that requires, in Sections 8 or 10, those who were transporting dangerous goods have a certain period of time to apply for the licence and receive the necessary licence from the department. Will government departments who are transporting dangerous goods be required to apply under the act for licences just like other people in the private sector?

**Mr. Cummings:** Any transportation of goods always was covered even without proclamation of 8 and 10. So nothing changes in that respect except that we will have a better invoice manifest system for all the products that we can enforce under 8 and 10.

**Mr. Edwards:** Will the government departments have to comply with Sections 8 and 10 within that specified period of time that is set out, I believe in Section 10? I do not have it in front of me, but there is a grace period, as I recall.

**Mr. Cummings:** Mr. Acting Chairperson, I do not think that government departments will be getting any grace period even. We expect them to comply.

**Mr. Edwards:** With respect to my earlier comment, with respect to the soil for the Remand Centre north of Portage, the minister indicated that it was not at a level that required a licence. That is very strange to me, given that I have visited the site at the Remand Centre and the workers there said to that it was absolutely saturated soil.

I would have a hard time understanding how that soil could have been saturated to a point that it did not require a licence. Is he saying that the entire soil that was put at those locations was tested and was found not to be contaminated sufficient for a licence? Maybe he can explain at what levels it would have been and what level it was at.

**Mr. Cummings:** It was tested and it was not contaminated at a level that would cause it to be classified as a hazardous waste. As I indicated, I believe in the House a couple of weeks ago or a week ago, we proceeded with some caution to check the soil, to contact the municipality and to do a few other things that indicated that we wanted it treated with caution at least.

What you probably would have here is a situation that I think would not be uncommon in a number of cases. You might have found a hot spot that could be classified as hazardous material, but you would not find very much of it. That is probably where the separation of material will ultimately break down in the way this waste is handled in the future. The more heavily contaminated sites or portions of sites will be identified and probably treated much more carefully in the manner in which the Hazardous Waste Corporation is prescribing, but some of the more likely contaminated materials may be suitable for some sort of a soil farming process.

If you would just wait a minute, I think I have a note coming.

Mr. Acting Chairperson, if I can just finish the answer on that. This will be a situation—and I should have thought of this earlier—I believe that there needs to be some review of waste regulation, that we can designate materials that are sort of in this gray area more clearly, so that there is a definite description, whether it will be classified as a special waste or whatever. It is the same argument, only in reverse, that we had over pesticide containers, where if it was a fraction over, we considered it a hazardous waste, and yet when the pail was full—the empty container is considered a hazardous waste but the full container was not. That type of regulatory regime does not lend itself to easy management in my opinion.

\* (2210)

I believe that management of these varying types of contamination that you will find in excavating contaminated sites is also—an example would be if you took a hundred truckloads of dirt, which might well be what we are talking about here, out of a site, you are going to get extreme variations within the site itself as to what is contaminated. If those hundred truckloads are in Thompson or Flin Flon or Brandon you are going to haul them all to one site to be treated when they are a very, very low level of contamination. In my view, what you need to be able to do—and some kind of practical application, and I am virtually blue-skying here, so I hope the member realizes that—but in viewing this material, are you going to truck that hundred truckloads of very lightly contaminated material? You will burn more diesel fuel in the trucks, and spew it out into the air than what will come out of that soil, hauling it 200 miles to have it treated.

But if there are a half a dozen or a dozen of those truckloads that could be identified as the heavily contaminated part of the site, they can be hauled to an area where they can be more specifically treated for the type of remediation that they require. Then some of the lightly contaminated materials can maybe be treated in another way.

I do not have the answers. There are people out there who are suggesting some very good answers, from the Hazardous Waste Corp., from the petroleum industry, from the department. Ultimately we will have to make a decision on what is the best way, and we will put a regulatory regime

in place, but we do not have the facility even to deal with it today. We are on the way to getting one, so I think that is only appropriate that we answer those questions as we move in that direction.

**Mr. Edwards:** Mr. Acting Chairperson, was the quote in the local paper correct with respect to the volumes that someone indicated was quoted from the department as saying a hundred times the 10,000 cubic tons which were dumped at that site comes out of the city of Winnipeg in any one year. Is that correct? I mean, is this that big a problem in the city?

**Mr. Cummings:** I think the member has put his finger on the enormity of the problem that we have with petroleum-contaminated soils, and why there has to be some sensibility in how we deal with it. I am told that figure could conceivably be correct. There is no way of confirming it, that is for sure. It also indicates why there are people out there who are promoting remediation onsite by putting ventilation and forced air circulation into contaminated sites and vaporizing the material right onsite without having to take it away.

Now, there are a lot of locations where you cannot do that. We know that. You would not want to do that next to a residential area, not likely—that sort of thing. When you start talking about volumes, that is the kind of problem we have to deal with as a department.

**Mr. Edwards:** Mr. Acting Chairperson, in this case, where admittedly the minister indicates or appears to indicate that there may have been some portions of the soil which were more heavily contaminated than others, of that we are really clear, although overall I gather the impression was that it was not that heavily contaminated to necessitate a licence.

But would it not have been prudent to, at least, have posted some warning to the public, put some sort of barrier around it, whether that be a simple rope or some way of identifying this as contaminated soil, albeit perhaps minimally contaminated? I mean, it is rather shocking, and it was to the R.M., I might add, that this was dumped and there was no indication at all that it was anything but pure soil that the Department of Highways was going to be using.

In fact, it was contaminated soil. It strikes me that, while the minister may make a claim that it did not necessitate a licence, to go the second step and say it required no warning, no identification at all. There was essentially for the public's view a complete

denial that this was contaminated at all. There was no indication that it was, and it was publicly accessible property.

It was at the Perimeter and Inkster Boulevard, not at Portage and Main, but that property was publicly accessible. There was no barrier around it. Would the minister not consider that environmentally prudent to have at least given some indication to the public that this was contaminated soil?

**Mr. Cummings:** I suppose it is like safety for school buses. You can never say that anything is perfectly safe or that you have done everything imaginable to protect the public or, in the case of school buses, students.

Certainly, you could argue that perhaps we should have put up some signs. I am not sure what you would put on the signs.

**Mr. Edwards:** Contaminated soil.

**Mr. Cummings:** Well, true. But then do you put down the level of contamination? Do we say, it is not hazardous, but this soil—you get into a description then of it being contaminated. The reason that I put it in that sense is that we had a number of dumpsters full of contaminated soil, I believe, a lot more heavily contaminated than this, in south Winnipeg, covered with tarps, a ventilation system under, presumably safely handled, protected from the public, but ultimately not accepted by the community.

Yet the gas station that was there previously probably emitted a whole lot more gas through its vent pipes into the atmosphere than that contaminated soil did sitting there in the dumpsters under a tarp, but it was the impression that was created that this was somehow going to blow up or burn. I guess that is the concern that I have.

The member is correct. We could have put up a sign. Perhaps I could even acknowledge it would have been the right thing to do, but at what point do you have an obligation to inform the public, and how do you inform them so that you do not create panic or undue concern? This material was not a hazard to the environment. By and large, if you walked in it—who would have a reason to walk in it?—the most important sign would be "keep out."

**The Acting Chairperson (Mr. Rose):** Does the honourable member for St. James (Mr. Edwards) wish to yield to the honourable member for Radisson (Ms. Cerilli)?

**Mr. Edwards:** I think that what might have been a good start would just to have been to put "contaminated soli, keep out." Because you cannot figure out what to put on the sign is hardly a reason not to put up a sign.

I appreciate the minister's acknowledgement that these things could perhaps be rethought in hindsight, but I certainly encourage him to not do nothing because it is not perfectly clear what should be done. What was clear was, I think, that something should have been done.

It is true. You can question, well, if somebody had walked through it, would there have been any risk? But, you know, for all the department knew, there were kids playing in that soil. I mean, it certainly could have happened. It was publicly accessible land. The public deserved to have some notification and some warning.

(Madam Chairperson in the Chair)

I do not intend to pursue this area beyond that, but I certainly leave that with the minister that standards are increasing. This stuff should be treated. It will be treated when we get a treatment facility. I acknowledge it is a developing field, but I do not believe that was a particularly wise choice in that sense.

Finally, if the minister maybe could clear up the misunderstanding with the R.M., because I have spoken to them recently; they have spoken to me. They deny having notification. I am not here to say who is right and who is wrong, because there are two different stories.

Is there a letter that the minister can table around about when the soil was taken out there? Is there any correspondence to the R.M. which might indicate, might conclusively show that they received notice?—because they say they got no notice.

**Mr. Cummings:** There may well be a letter. I am not sure whether I can produce a letter, but the information we received from my department was that they had consulted with the R.M. Perhaps it was the local councillor that they talked to rather than the reeve or the secretary-treasurer, or maybe it was the secretary-treasurer and not the councillor.

I guess I take some umbrage at this line of questioning, because it seems to imply that there was some sort of environmental or physical hazard that was associated with this. This is not very highly contaminated material.

To create the aura around something like this seems to me to be a little bit unreasonable. The member has every right to kick me around a little bit if we have done things less than meticulously every time, and I understand that, but I look at the myriad of materials that we deal with in everyday life, and I will bet you there are not too many back-yard garages in this town that you can go into that do not have a container of pesticide or perhaps a couple of gallons of gasoline for running the lawnmower, and it ain't labelled.

\* (2220)

One of the things that concerns me about all of these debates are that we tend to view things with a doomsday scenario-type approach. The member has been quite gentle about this, so I am not going to harangue him in return, but I do believe we have some obligation to the public to act reasonably in the face of the problems that we are dealing with. I have acknowledged that some kind of signage would have been an increased level of safety, if that is what it takes.

I do think, in all of these things, we have to acknowledge what the degree of risk is. Believe me, it was my opinion, on the advice of the department, that that was not a high risk that we were undertaking, that the greater risk was to have left it underneath the building and potentially have, at some point in the future, fume accumulation that could have either caused sickness or whatever else.

**Ms. Cerilli:** I would like to deal with a couple of local issues. One of them: I would like to start off by asking the minister if there has ever been a review of the city's transportation systems in Winnipeg, an environmental review.

**Mr. Cummings:** Not specifically.

**Ms. Cerilli:** If there were going to be a review of a highway, would it be a Class 3 development and would that mean that there would be some involvement by the provincial government? If there were a major four-lane boulevard highway that was being constructed, would there be a review of that within the city?

**Mr. Cummings:** Yes.

**Ms. Cerilli:** Even if the road were going to be constructed in pieces, sections at a time, at the beginning it may not be a complete, full-lane boulevard highway, but eventually the 15-year plan was to have that kind of access route?

**Mr. Cummings:** I believe, first of all, you would have to appreciate that a review of a major thoroughfare is done, first of all, in the context of the planning and the environmental impacts that flow from that planning or are identified as a result of that planning. If the member is talking about replacing or upgrading an existing roadway, it might get a different kind of review than if you are talking about a new development into a new section where there was previously no traffic. That would be, obviously, a different approach.

**Ms. Cerilli:** I am referring specifically to the highway that is on the books with the city that is going to join the new Kildonan Bridge with eventually, I think it is, the Trans-Canada, south of Plessis Road. Since working on this issue, it started off with local residents in Transcona-E.K. area trying to preserve the heritage prairie, and now we realize what we were being told initially was going to be an access road is actually eventually going to become this beltway.

The concern that I have is that it is going to be put in in stages, and that there should be an environmental review of the entire plan before they start constructing the initial stage, which would be the part that would affect the grassland. So, can we get some confirmation that there would have to be a complete environmental review as per a Class 3 development and this would have to be done on the entire plan that is on the books for the highway?

**Mr. Cummings:** In that specific issue we have already notified the city that they will have to file for a licence. In terms of the member's question about does there have to be a review of the whole as opposed to a review of the part, it depends what they bring forward as their plan for development. Certainly, I suppose that if the city said they were going to build part of it that would be what they would put in a proposal for. They might well choose to take a different route at some point in the future and therefore might not apply for the second part. The line becomes drawn where the city and the province or the regulators agree on what is classified as the development.

**Ms. Cerilli:** It has been confirmed at some point that this is going to be the thoroughfare which connects the bridge and the Trans-Canada Highway, and the concern is we would get down the road, so to speak, and the important part of changing the plan which for a lot of other environmental reasons, or a lot of environmental

reasons is not the best city planning for this area, that there should be a complete review of the entire proposal, which as I said is on the city books, before they can construct any part of it.

**Mr. Cummings:** Well, again, there is always this disagreement between those who are proponents and those who are opponents, in some cases, about whether or not planning or environment has the best plan of stopping a project. Many people approach The Environment Act with the view of using it to stop a project, without talking about this one specifically, rather than deal with the planning issue which says, first of all, do you even want it? Then if you decide you want it, under what conditions can you build it, and where? That is where the environmental concerns become considered as part of the overall approach.

Yes, environmental concerns could stop the project, but first of all there has to be a planning decision so that you then deal with the environmental aspects of the development as it is put forward and designated as a development. That term is used very specifically because that is a term in the act that requires them to have a licence.

\* (2230)

Geographically, every time you build a road—in fact, we frustrate the Department of Highways in many cases, asking them to prepare environmental statements and acquire licences in some cases for a lot of things that they do across the province. Ultimately, the planning decision and the environmental decisions have to be integrated, and that is exactly what you are talking about in this project. If the plan is that they want to build in that general area, and then bring forward the specifics of it under their development plan, then the environmental concerns have to be dealt with at that point. I suspect that we are overreaching a little bit if we say we want to know what you are doing with the next five miles before we give you a licence on the first four.

I cannot answer the specifics of your question beyond the fact that the city has been notified it must acquire a licence to start that construction.

**Ms. Cerilli:** Another concern is that part of the review would be the kind of access roads that region requires and that there would be some environmental consideration of all the different options. I have a copy of the map here which has all the proposed developments to surround the

thoroughfare in the area that is most concerned about this right now, and even the style of that development all predisposes the development of this highway and so everything has been constructed with that in mind. The options are being presented as being very limited. My concern is that we are starting from square one using an integrated approach, as you have suggested, and we are not going by proposals that have been sketched out from the '60s, which is where this has come from, as I understand it.

I think that there is a difference between suggesting that we should be not just allowing the additional assessment of five miles of road at a time, but to do a comprehensive environmental review of different options for highway construction or road access construction in a new area. Would you agree? Am I being clear at all?

**Mr. Cummings:** First of all, commenting on the specifics of this one, I could get myself hung until I have seen the specific proposal, but I have to go back to the original responsibility which is, first of all, there is a planning decision that has to be made. I suspect maybe it has been made, but the amount of development that is going into an area is going to produce a specific amount of traffic.

If they are producing a thoroughfare to handle that amount of traffic, that in itself was not an environment issue. That is a planning and management issue. Where they start to have an impact on whether there is endangered space or whether there is a river or whether there is prairie, they then have to deal with the—when they have that demand there, they have to then look to the Environment department for a licence.

An example, I guess, is that I do not view it as strictly an environment problem to study a whole transportation sector in that corner of the city. That is a planning responsibility. You could use the word "environment" and say that if there are twice as many cars going down the street, they are spoiling your environment. It is not the Environment department that is going to offer the citizens on that street very much protection. They will have to look to their city councillors as to the planning that funnels those cars onto that street on them.

The Environment department might well become involved if there becomes a noise level that exceeds certain concerns in that sort of issue, but again the planning has to be done so that you can then

address what impact it will have on the environment. Our basic responsibility, as I mentioned them in my opening comments, can be boiled down to dealing with emissions to soil, water and air.

The Environment Act does have other aspects where it talks about when you are doing studies to look at social and economic aspects of them. So I really think the important part is that if the city or any other jurisdiction is doing planning, that before they start moving they have to deal with the environmental aspects of that.

We are moving some considerable distance in that respect. The city and the province have had a long-standing disagreement over the Charleswood bridge, as an example. I have always maintained that at the start if the city planners had addressed the questions that were expected to be addressed, that issue would be long forgotten.

**Ms. Cerilli:** I wonder if we do not have the same case here, where the issues are the proximity of this kind of highway being planned to be put through a major, new residential development, and the consequence with safety and noise and the implications for transportation, transit. Those are all the kinds of things that I would hope would be considered in an environmental review of this kind of highway.

By the comments you just made, I am wondering if the need for the licence is more dependent on those factors or if it is dependent on the prairie being there, or if it is both?

**Mr. Cummings:** I do not think I will venture to answer that question, because again we have not seen the specifics of their development. I do not intend to wade into a dispute between, perhaps, the city planners and the local residents until I have seen the parameters that they are concerned about.

**Ms. Cerilli:** So that was one of the other questions I was going to ask, if they have asked, if they have filed any kind of application yet for the licence, and it is pretty obvious they have not.

**Mr. Cummings:** No.

**Ms. Cerilli:** This is very difficult because we know, and I have in front of me maps that show what the proposed development is, so I would hope that when the application is made we will be able to compare it to the entire construction of what is on the books. City officials have confirmed that it would hook on to Fermor. As I said earlier, what started out with a small access road through the

Regent prairie has turned into much more concern about the other problems with safety and noise and vibration so close to these residents.

Maybe we just could ask if the minister would consider keeping me up-to-date on this issue if he gets information as things proceed, if he would let me know.

**Mr. Cummings:** Yes, I have no problem with that. I also would ask the member, therefore, to talk to those citizens who are concerned to remember that their first avenue to look to for redress is the planning.

**Ms. Cerilli:** I also want to deal with another local issue, and that is the Domtar hazardous waste near Devonshire Drive, just down the road from the proposed highway. I want to ask the minister if there has been any progress on dealing with Alberta to ensure that we can ship the soil there so it can be tested.

**Mr. Cummings:** We still expect it will go. There is no problem in completing the shipment, but we have not been able to do it yet.

\* (2240)

**Ms. Cerilli:** I am sorry. Did you say there has not been an agreement?

**Mr. Cummings:** I do not think we have an agreement in hand. It is not because we do not think we will have one shortly or be able to do it. We do not anticipate a problem, but the shipment has not been cleared to go at this point.

**Ms. Cerilli:** Is the agreement just waiting for the passage of Bill 53 or is there something else?

**Mr. Cummings:** As I am sure the member knows, the gentleman who is dealing directly with it is not here this evening, so I am going to have to do a little digging here.

We expect it to go late June so that is where we are right now. That is the anticipated date of shipment. Alberta environmental approvals have been somewhat delayed, but the anticipated shipment is very shortly. I suppose if it does not happen in the next ten days it will be the first week of July, but I and my deputy have certainly not had any indication that it is likely to be a problem in the end.

Alberta does have good opportunity—perhaps if the member will allow for me to be a little bit philosophical—and as much as Alberta does have a situation, whether it is this material or others where

they simply do not want the importation of any hazardous waste, that is one of the concerns that gets run up a flagpole out there. The opposition questions the government every time they think there is anything that even resembles hazardous materials coming across the Alberta border.

One does not want to be a repository for hazardous materials, but there are a lot of advantages to regional management of these types of materials. That was the original concept 10, 12 years ago that western Canada would deal with its hazardous materials and other materials on a regional basis. That has never come to fruition, and we are probably reaping a little bit of the results of not having a regional concept in place.

**Ms. Cerilli:** I understand that the air monitoring in that site has been set up. Have there been any results from samples taken, and can you share that with me?

**Mr. Cummings:** The sampling was and I believe has begun, but we do not have any results with us here tonight. I suspect that if you have activity on a site you are not going to have a problem. Now I think there is some activity that has started there so that we should have some results, but I do not have them with me tonight.

**Ms. Cerilli:** Is the minister saying that there has not been enough activity on the site, because the last time I was there there was an awful lot more concrete that had been churned up. [interjection] Oh, there has been.

**Mr. Cummings:** The local committee, I understand, is working with the sampling and literally helping with the input as to what sampling is being done and helping in the choice of locations, I suppose. So the advisory committee is quite closely involved and we intend to keep it that way.

**Ms. Cerilli:** Does the minister have a revised time schedule that they are aiming for at this point?

**Mr. Cummings:** We do not have a time schedule other than the original time objectives that were laid out, and we know that we have not been able to maintain them. Bill 49, however, will give us some of the leverage that will strengthen any orders, or give us the authority we have been looking for, for orders. I have to indicate that Domtar still accepts their responsibility. Part of the delay in getting these soil tests approved is what is holding up taking direct action on putting the equipment in place until they have at least run a few samples. It would be a little

bit foolhardy to start moving the equipment, but yes, we are behind schedule.

**Ms. Cerilli:** Have the other work orders all been complied with?

**Mr. Cummings:** I believe so. I am not aware of any that are outstanding.

**Ms. Cerilli:** I think I had questioned before if there is any more certainty about the success of what they are going to try to do with the soil. I am quite concerned that if the tests are not successful, then there is going to be another long time before we know what is going to happen next, and people have gotten quite excited about what is going to take place and they are prepared to have the structure there. I am concerned that if this does not work, then we are going to be going through another year of just trying to figure out what to do. Is that something that is a possibility, or are there other alternative plans that could be looked at right away?

**Mr. Cummings:** We are not convinced that they would not be able to use other technologies if they decide against this one.

There are other possibilities. I have at least once or twice mentioned that there are processes in the States that might be adapted. In fairness to the community, the task force or the advisory group, at least unofficially, some of them had indicated that if worst came to worst that they would not be opposed to a mobile incinerator if they knew it was only going to be there for a short period of time.

I am not advocating that at this juncture, but what the company has indicated is that they are not advocating it either because they do not think they could satisfy the community. Wherever they have tried to site an incinerator before near a community, it has been rejected. That is why I mention it, in fact, as a compliment to the local residents that they are saying, we are prepared to tolerate some of the work that might have to be undertaken as long as it is going to result in the conclusion of these cleanup sites. I think we will stand behind the TACIUK process until it is proven that it will not work.

**Ms. Cerilli:** I want to raise a different issue with respect to legislation that is before the House, The Farm Practices Protection and Consequential Amendments Act. There is an indication that this legislation should only be brought in with a review of livestock regulations under the Environment Act, and there has been concern, as we have seen in the number of issues that have been discussed in the

House, that we know that these regulations with respect to the siting of lagoons, procedures dealing with effluent are quite weak.

I am wondering if we can expect that these things are going to be dealt with soon after this bill passes the House, and why it is that those things are not happening at the same time when the government's own preliminary review of the agricultural bill was developed and circulated that indicated that?

\* (2250)

**Mr. Cummings:** The issue that the member raises is legitimate. There is a committee reviewing livestock regulations. As a member of the agricultural community, I know I concur wholeheartedly with something the Minister of Agriculture (Mr. Findlay) said not very long ago, and that is that the agricultural producers have come a long way in recognizing what impacts they are having and in wanting to deal with them, whether it is through pesticide use or agricultural practices or conservation practices.

The problem is that today municipalities could set their own standards and require livestock operations to live by them. They are reluctant to do so. They could do that with the support of our department and the advice of the Agriculture department but they would probably incur some significant problems. They would get some willing compliance; where they had unwilling compliance it would create some difficulty for them.

Their leverage is through the planning act. They could agree to developments, subject to certain conditions, that we could help them develop if they chose to, or with the combined knowledge of ourselves and consultants in the Department of Agriculture, they could very easily establish base-line requirements, but then require the proponent to do all of the monitoring and produce the results, knowing that they would have the strength of The Environment Act to follow it up if the operation ended up being in violation of the act.

I have no indication at this point that that is likely going to happen. Some municipalities have indicated that they want The Environment Act implemented on agricultural activities. I am not anxious to move wholeheartedly in that direction. That is why I am looking at what advice may come from a committee of cross-sectoral responsibilities.

I think we need to recognize that compounding the regulatory regime in rural Manitoba is not very

conducive to the expansion of livestock, which, in many parts of Manitoba right now, are seen to be one of the bright lights in the agricultural scene. We had a misfortune this past summer to have three or four livestock operations that found themselves in violation of The Environment Act. They were dealt with appropriately.

We have seen the industry, particularly the hog industry, voluntarily moving to inform their members and to encourage their members to meet or exceed all relative standards. Given the volume of hogs that is produced in this province, I am not unhappy with the changes that are occurring out there. But this government will only move after we have had considerable consultation and try and make it so that it is a situation that benefits everyone.

The agricultural community is trying to work with rural residential situations today that they did not anticipate 10 years ago. So the mood of the agricultural community is much different in recognizing their own responsibilities. But you have got a lot of existing situations out there that are going to be very difficult to change. It is the new ones that we need to be working with, first of all.

**Ms. Cerilli:** I fail to see the advantages from an environmental point of view—and maybe there are not any; maybe these are regional considerations—but to see the advantage of having this dealt with at a municipal level, I would think that this is an issue for development of provincial standards. Can the minister explain what would be the advantage of going to the municipal approach?

**Mr. Cummings:** Frankly, we have a problem very similar in rural Manitoba to what we were just discussing in the city of Winnipeg. The difference is we are talking about hog lagoons as opposed to a roadway, that very likely the Pur-A-Tone hog proposition that was put forward in the Dauphin R.M. very likely could have met all environmental standards. The neighbours just did not want them there. So, no matter what the environmental regulation said, if that was the only criteria upon which it was judged, they would have had a hog operation for neighbours. It was a planning issue. They just did not want them there, and that is why one has to be very conscious of how you deal to put regulatory regimes in place that maybe do not even address the question. Again, I am reluctant to see The Environment Act used as a cudgel when it is not

the environment that is at risk; it is people's sensitivities that are being upset.

The same thing is true in a number of other situations that I could, I suppose, enumerate across the province. We always hear about the bad things that happen. We do not hear about the success stories, but we also do not hear about the properly planned rural communities that say: Once you are two miles out of the local town, you are going to have to live with the country air. It is not zoned conditional for feedlots or hog operations. It is zoned agricultural first, livestock operations permitted, and I was shocked when I found that there are some R.M.s in this province who darn near have the whole R.M. listed as agricultural conditional. It shows the change in our society where agriculture is in the minority and, while everybody wants green, it is all right if it is somebody else's green, but then it does not smell.

So I am being somewhat defensive inasmuch as I do not want to see environmental regulators moving into rural Manitoba, deal with a problem that is not only an environment problem, it is a rural residential and an agricultural planning problem that needs to be dealt with at that level as well. If we only have The Environment Act to depend on in terms of where we might locate hog barns or chicken facilities, which can be even more obnoxious in some cases, if The Environment Act is the only protection that the public thinks is good for them, they may very well find that they can meet The Environment Act, it is The Planning Act or the fact that they just do not want them for neighbours that will be the problem. I recognize the issue of prior approval versus violation after the fact, and I think that is one of the questions that we need to deal with in terms of standards for construction of new facilities.

\* (2300)

**Madam Chairperson:** As previously agreed, the hour being 11 p.m., what is the will of the committee?

**An Honourable Member:** Committee rise.

**Madam Chairperson:** Committee rise. Call in the Speaker.

## IN SESSION

**Madam Deputy Speaker:** Order, please. The hour being past 6 p.m., this House is adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

## **Legislative Assembly of Manitoba**

Thursday, June 18, 1992

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