



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

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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42 Elizabeth II

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

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. 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
GRAY, Avis	Crescentwood	Liberal
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
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	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
<i>Vacant</i>	Rossmere	
<i>Vacant</i>	Rupertsland	
<i>Vacant</i>	The Maples	

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 5, 1993

The House met at 8 p.m.

### ORDERS OF THE DAY

(continued)

### COMMITTEE OF SUPPLY (Concurrent Sections)

#### CIVIL SERVICE COMMISSION

**Mr. Deputy Chairperson (Marcel Laurendeau):** Will the Committee of Supply please come to order. The Committee of Supply is resuming the consideration of the Estimates of the Department of the Civil Service Commission. When the committee had last sat, it had been considering item 1.(a) Executive Office on page 19.

**Ms. Avils Gray (Crescentwood):** I am just wondering if the minister has the material on appeals?

**Hon. Darren Praznik (Minister responsible for the Civil Service Commission):** Yes, Mr. Deputy Chair, I would like to just correct the information. I was advised earlier there were nine appeals. In fact, there were 12 appeals heard last year. Nine were denied; two were granted, and one was dismissed on time limits.

So the information, to the best of my staff's ability today, I have available.

**Ms. Gray:** I am wondering if the minister could give us an update on the Hay audit and the implementation committee and where that is at.

**Mr. Praznik:** My understanding from the committee—and I am sure the member can appreciate the very untimely death of the committee's chair created some difficulty no doubt when the Honourable Gerrie Hammond passed away last year, last fall. The work of the committee, however, continued on, and I am advised that they have just about completed their work and within the next number of weeks will have a completed report for myself as minister.

**Ms. Gray:** That completed report, now just to clarify, does that report include basically recommendations for implementation of changes? Is that what the report is? Does the minister have a

time frame that he himself would like to see such recommendations implemented as part of his ministry?

**Mr. Praznik:** As the member, I am sure, is aware, the purpose of the implementation committee was to do a number of things, one of which was to assess where these recommendations under the Hay audit report had already been implemented, but also to make recommendations for how we can implement many of the findings of the Hay audit report.

So I am looking forward to receiving that report. It would be premature for me to give a detailed analysis or a detailed answer to the member's questions simply because I have not read the report and recommendations yet. I have not received them. When I do that, in terms of timetable, then I will be able to make a better assessment.

**Ms. Gray:** Mr. Deputy Chairperson, I know the minister, when he first undertook this project and set up the implementation committee, was quite concerned about the fact that some of his initial time frames for having things in place were not met for a variety of reasons. So even though the minister has not received the report and has not had a chance to analyze it yet, I am wondering if he has some sense however as to when he would like to see at least some of the recommendations in this report implemented since this entire project is quite overdue?

**Mr. Praznik:** Mr. Deputy Chair, just to let the member for Crescentwood know—I know she has a great interest in this area, which we share—but a number of the administrative changes, a number of the recommendations that flowed out of the Hay audit committee have already been tackled by the Civil Service Commission. A number of them have been implemented, so it was areas that were somewhat more difficult or broader based that I am awaiting the recommendations of this implementation committee.

I share the member's concern. Needless to say, we want to ensure that opportunities are provided and that we are advancing the cause of promoting

and seeing more women in our public service and have opportunities for advancement within our public service.

So I have not yet seen the report, the final recommendations. I know I have been briefed on occasion by members of the committee. Many of the Hay audit recommendations have already been implemented by the Civil Service where they were able to do that, where there were administrative changes that could be made. Some of the larger changes which require strategy for implementation, I should have that report within the next number of weeks. I hesitate to put an exact time on it because it is not within my control, and there are a number of factors that could get in the way over which I have no control. But when I have that, I will want to look to some sort of speedy implementation of those recommendations where that is practical.

**Ms. Gray:** The minister speaks to a number of recommendations from the Hay audit that are already in place. I know that one of the issues that came up in the Hay audit was the issue of waivers, and there were some suggestions within that report as to how to deal with waivers. I am wondering if, first of all, the minister could provide us with some background information, some statistics on the number of waivers that currently occur within the Civil Service Commission and some of the reasons. I will leave my question at that for now on waivers.

**Mr. Praznik:** Mr. Deputy Chair, there was one problem that staff had flagged with me and I share with them in the use of the term "waiver" in the Hay audit report, because the term "waiver" obviously refers to waiving the competition to fill the position, and the implication certainly was there that it is used many, many times to the disadvantage of the promotion of women in the civil service, and I think that has some validity. But there are many occasions when the waiver in fact is used in a very appropriate manner: re-employment, acting status, career development initiatives, succession planning, interchange arrangements, affirmative action initiatives, et cetera.

So there is good purpose for the waiver. I do not fault the Hay audit committee. I think that was something that women in the civil service had flagged when the audit was being done, the waiver as a problem, because that term comes up many times when people see opportunities that have been given to specific individuals.

It is not an elimination of the waiver. If I recall correctly, there was some suggestion of that, not the entire doing away with the waiver system, but certainly a very restrictive use of waivers. One has to balance a host of objectives, but I think the point is made, and I look forward to their recommendations and working with the commission generally in how we deal with waivers.

I can tell the honourable member that I think the waiver system generally, from my limited experience with it, there is certainly a recognition that it should not be overused, and that it is not necessarily a tool that should become commonplace by any stretch of the imagination. We are very cognizant of that concern about use of waivers.

**Ms. Gray:** I am not sure whether the minister was stating that there should be different terminology used other than the term waiver or he is concerned about the perception of the definition. Be that as it may, does the minister have some statistics in terms of the number of times waivers have been used and the reasons as well?

I certainly concur with the minister that there are very appropriate occasions when there is a waiving of a competition, and I have no difficulty with that at all.

\* (2010)

**Mr. Praznik:** First of all, we do not have that data for '92-93, because we are in the process of revising our data collection system and our ability to monitor in response to the Hay audit. We are in the process of doing that, and I do not have that data for the member, or the commission does not have that data for the member today.

But with respect to 1991-92, which would be a similar situation, there were approximately 275 direct appointment waivers, approximately one-half of those resulted from redeployment and workforce adjustment measures. Of the other direct appointments, and I do not have a specific breakdown, but they were used for such things as term conversions, reorganizations, technical appointments, term appointments, reassignment following LTD or workers compensation claim, acting status, career development initiatives, succession planning, affirmative action initiatives and interchange arrangements. So I do not have the breakdown specifically, but I do not think we had many appeals resulting from or complaints

resulting from that use at all. There might be one or two from time to time, that happens, but I think generally speaking the vast majority of those have been used for the purposes that I have outlined.

Mr. Deputy Chairperson, I would just like to table for the benefit of the member, so she appreciates the change in data collection, the new form that came out of the Hay audit which obviously provides a much greater bit of information as to the purpose of direct appointments, so I table that for the benefit of the member.

**Ms. Gray:** Does the minister have any breakdown of the 275 direct appointments, or actually the one-half of those, the ones that were made not as a result of redeployment? Does he have a breakdown of that one-half of the 275 in terms of number of positions that were at a, what I would call, director level or above? Does he have any breakdown in terms of classification?

**Mr. Praznik:** No, I do not, because as I have pointed out earlier, our data collection system did not allow for that detailed a breakdown. That is why we, in fact, have changed the data collection system. So we should start to have that information in greater detail for next year.

**Ms. Gray:** In regard to the waiver system, just if the minister could briefly explain: What is the process, or more importantly who makes the final decision as to whether a waiver of a competition will be allowed?

**Mr. Praznik:** Firstly, in the case of all departments, the Civil Service Commission's authority for hiring is delegated to those departments, so consequently it is the department who makes the decision. They are required to document the reasons for the direct appointment, or waiver of competition, and that documentation is subject to both an appeal and the audit of the Civil Service Commission.

**Ms. Gray:** I notice in the appointment summary for direct appointments that one of the types of direct appointments is temporary acting status and temporary casual. I can appreciate the minister does not have any statistics, but can the minister's staff give any idea of those direct appointments, the percentage of direct appointments that might be in those two categories? I ask that because I would assume that may be where a lot of the direct appointments occur.

**Mr. Praznik:** Mr. Deputy Chair, in answer to the member's question, as the member may be aware, I believe that we require that type of appointment after you have put someone in to temporarily fill a position for 11 days.

I think the member's assessment is probably fairly accurate from the feelings of the staff of the commission in that many of them would be filling vacancies, many of which would be because of maternity leaves, for example, where people have been brought up temporarily to fill a position because of a maternity leave, or where someone has vacated a position. Anywhere where you must fill in for more than 11 days, one requires that direct appointment to be made.

**Ms. Gray:** Can the minister tell us, even though he has not seen a final report of an implementation plan as a result of the Hay audit, has the Civil Service Commission, because of that issue raised in the Hay audit, have they dealt with their policy on waivers at all or made any changes in the interim?

**Mr. Praznik:** Yes, Mr. Deputy Chair, I think in keeping with the Hay audit report or some of the commentary of the Hay audit report, the Civil Service Commission staff has been working with a departmental committee to, I think, give people in the departments where the authority has been delegated a greater sense of definition of the reasons why one would use the criteria by which you would use direct appointment. I think one of the problems we have experienced in the past, or I get a sense that it has been a problem in the past, is that lack of real knowledge and understanding of the reasons why you would use a direct appointment and what is appropriate and what is not.

So this committee, of which the Civil Service Commission is a part, has certainly been working with the departments to, I think, give greater definition to the purpose, and that is one of the reasons why this particular forum has been developed and the lines between the categories are clear, et cetera, for tracking.

If I recall the Hay audit report correctly, one of the great concerns is if you are going to use this vehicle, let it be used according to the rules and be used correctly. You cannot really track that if you do not have the data, and you cannot get the data if you do not have the right reporting procedure, and it does not work if people are not aware of the rules

and the procedures. So all of those are slowly coming into place.

**Ms. Gray:** I want to bring up the one situation; this is a deputy minister position that Loretta Clarke has filled. I bring that up as an example actually, and I know my colleagues in the NDP caucus have raised it a number of times, and I use it as an example because perhaps the minister could explain to us, was there a waiver of a competition in that situation?

**Mr. Praznik:** Mr. Deputy Chair, first of all, I should point out that the individual that has been raised by the member for Crescentwood has been appointed temporarily until March of 1994, at which time a competition will be held. The position has been vacant since July of 1992. The individual was considered qualified to be appointed on a temporary basis until a competition is held: a long-term resident of the North; recently general manager of the Communities Economic Development Board; president of the chamber of commerce; chair, Norman Regional Hospital Board; past owner-businesswoman of a pharmacy in Lynn Lake; public relations work with Calm Air; a Bachelor of Science, I believe, and a certificate in education. [interjection]

**Mr. Praznik:** Well, members speak about past political affiliations. For some of us who come from Selkirk, we remember Terry Sargeant; we remember Phil Eyer; we remember Bill Shead, who is a federal Liberal candidate, who is now with the Department of Veterans Affairs. I am sure one can look for these kind of parallels in virtually every province of Canada and every government, people who have run for all political parties, in fact, but I think the member would agree that the individual is very well qualified for the job. I am advised that there has not been an appeal in any way filed to date.

\* (2020)

**Ms. Gray:** In response to the minister, I do not really care how qualified the individual is, because the question that I am asking, and I do not care how many people have been appointed by Liberals, NDP or Conservatives in the past. I thought that this government wanted to see a change in terms of how things were handled and that we started to depoliticize the civil service as opposed to continuing to politicize the civil service.

I would ask the minister if he could indicate to us, in that particular competition or position that was filled on a temporary basis, what would the reason have been for a waiver in that instance of this situation we are referring to.

**Mr. Praznik:** I am advised that the reason why it was filled temporarily is that there was a backlog of work to be done; consequently, it was necessary to fill the position temporarily, to deal with the backlog of work, with the commitment, of course, to go to a competition.

**Ms. Gray:** Well, can the minister tell us—certainly one of the issues about waivers of competitions is not only in positions which are hired or filled on a permanent basis, but certainly positions of a temporary or acting basis. Oftentimes individuals will say, whether they are outside the civil service or within, that they do not get an opportunity to even apply for competitions for a temporary or acting status position. Therefore, someone else appointed into position has an opportunity to learn the functions of a particular job. Then, when the position does come up for filling on a permanent basis, they feel that these individuals who are appointed into the positions with no competition actually have an advantage.

So I would ask the minister: Why was there not a competition held, even for an acting status for this position, even within the civil service which, as the minister knows, can take less time than a full-blown competition and certainly might deal with the backlog/time issue?

**Mr. Praznik:** Mr. Deputy Chair, I say to the member that the department had a backlog of work that it had to address and felt that it had a qualified individual, I might indicate, in the affirmative action category who could do this work. I would point out to the member for Crescentwood, I know, in my own department, we have, over the last number of months, been rotating people through management positions when Mr. Farrell was acting chief executive officer of the Workers Compensation Board, and there were a number of people that we put into temporary acting appointments. A couple of women in our department, for example, moved up to fill roles as we moved people up the ladder. I do not think she is suggesting that we should have posted all of those competitions as well, all those positions to competitions. We used some of them to develop opportunities for management skills in

people in our department. So I guess it is a balance.

**Ms. Gray:** Mr. Deputy Chairperson, the minister's answer in regards to a backlog of work, I would imagine that every single employing authority could use that reason for every single position they might need to fill within the 26 departments of government. So I find that reason quite flimsy. I guess my question, and I ask this question so that any employing authorities in government can hear it and know what they can use it when they want to put someone into a position that they choose to without a competition. Is this reason quite readily accepted by the Civil Service Commission and the minister as a reason for waiver?

**Mr. Praznik:** Obviously, there has to be in fact a backlog of work. I just point out to the member for Crescentwood that the same criteria or similar criteria is presently being used by her federal leader to appoint candidates in certain constituencies. I seem to recall reading in The Globe and Mail just yesterday that a candidate appointed in a particular riding was done so because he was so busy he did not have time to campaign for it. The point of the matter is, of course, the department truly has to have a backlog of work and has to justify that particular appointment.

**Ms. Gray:** Mr. Deputy Chairperson, I would ask the minister in his heart of hearts does he really support these types of appointments, where in fact there is not even the opportunity for people within the departments to apply for even these positions on a temporary or acting status basis?

**Mr. Praznik:** Yes, first of all, I say to the member within a variety of departments, including mine, where we have had opportunities to move people through and give them opportunities to do management positions on a temporary acting basis, we have made direct appointments to those. In some cases, they have been to give female members of our staff management opportunities that they otherwise may not have.

So, quite frankly, there is a purpose for them. They should always be used sparingly, and there must in fact be some logical reason for it. I think the Minister of Northern Affairs (Mr. Downey) has answered questions in this area with respect to the individual being certainly well qualified, certainly in the affirmative action category, and certainly the

need for the work to be done which did not allow for permanent competition.

So, again, it is a balance. There are circumstances where it potentially could be abused. There are circumstances where it is very justified. It depends on the individual case. I will support it or not support it on a case-by-case view, but ultimately the Civil Service Commission has the ability to review those decisions.

**Ms. Gray:** I agree with the minister that these positions should be looked at case by case. As I already mentioned, I concur with the fact that there are circumstances where there is good reason for a waiver of competition. The minister uses the example of redeployment as one of those.

I would ask the minister: Is he not concerned and is it no wonder that the Women in Government organization and a number of individuals were concerned when the Hay audit came out when one of these issues of waivers was raised, when we have here in committee tonight the minister using backlog of work as a reason to have a waiver for a competition?

I mean, really, no wonder there is extreme concern about the Civil Service Commission and what goes on in terms of people being hired to positions. I had really thought and had hoped that this minister, and I heard him speak at a Women in Government meeting a couple of years ago when he first became minister, would bring a different flavour to the ministry, to the Civil Service Commission, and that we would really see some changes in terms of how things are done.

I see this as direct political interference. It is nothing different than what has gone on for the last 10 years, but I had hoped we might see some changes, particularly with this minister.

\* (2030)

**Mr. Praznik:** Mr. Deputy Chairperson, I think that if you look at the circumstances of this particular case, if you look at the individual involved and her qualifications, who is certainly a female, an affirmative action category, very, very capable. I just say to the member that I think perhaps the member has difficulty with this situation in which it is used because of the politics of the individual, but in other circumstances where the politics of an individual may not be known, I have not yet heard the member raise it as an issue.

I think one has to appreciate the circumstances. I appreciate her concern that one should use these waivers sparingly, be cautious of the reason, but there are many cases where, under similar circumstances, waivers have been used to provide to women and other affirmative action candidates an opportunity for management experience, which was certainly one of the thrusts of the Hay audit report.

**Mr. Steve Ashton (Thompson):** Mr. Deputy Chairperson, I just want to finish off this part of the discussion, because I know there are quite a few people I have talked to who are quite curious about the particular appointment in question. I just want to ask the minister: Was this approved by the Civil Service Commissioner in the Civil Service Commission?

**Mr. Praznlk:** Mr. Deputy Chairperson, first of all, the Civil Service Commission does have to give an approval. Their criteria is that, one, a competition does have to be held at some point, that if you are filling on an acting basis there has to be a commitment to hold a competition at some future date, appropriate date, and, secondly, that the individual filling the position is qualified.

I am sure that the member would not want the commission to disqualify candidates simply because of their political affiliation. If they are qualified for the position and a competition is going to be held at a date that is acceptable to the Civil Service Commission, they give their approval.

So in this particular case, I am advised that the approval was given.

**Mr. Ashton:** Mr. Deputy Chairperson, I was rather amused by the minister's suggestion that surely we would not want to disqualify the particular individual from further consideration. The individual was just appointed to the job, a \$75,000-a-year job, a senior job within the department, assistant deputy minister's job.

Am I to take it then from the minister's answer that approval was not given from the Civil Service Commission?

**Mr. Praznlk:** Mr. Deputy Chairperson, as I indicated to the member for Thompson, approval was given by the Civil Service Commission for this to be a temporary appointment with a competition to take place as committed in March 1994.

**Mr. Ashton:** Can the minister indicate exactly when the competition will take place?

**Mr. Praznlk:** It must take place by March 1994.

**Mr. Ashton:** I am just curious as to why—the minister talked about work piling up in the department—no action was taken, in going back to July, to ensure there was a competition made available, why the government waited a year and then—and I love this word, Mr. Deputy Chairperson—said it was impracticable to have a competition. I mean, one year after the position has been empty for that period of time, it was impracticable. Why?

**Mr. Praznlk:** Mr. Deputy Chairperson, as I indicated, the application was made, the Commission approved it. If one wants to question why there was a backlog of work in the department or what administrative circumstances led to the position being vacant for a period of time and a backlog growing, then I think that question is best put to the minister in his Estimates, and I believe the members have had an opportunity to do that.

**Mr. Ashton:** The member for The Pas (Mr. Lathlin) did attempt to get some answers out of the minister, and as usual the minister was rather on the evasive side. I just say that to anyone that looks at this, it is very, very clear that the minister made a political appointment, and the intent was very clear. If the intent had been to advertise the position and get someone to deal with that backlog of work that the minister referred to, the government had a year.

I must say that, when one issues Orders-in-Council, talking about it being impracticable to hold competitions, I would appreciate some—[interjection] Well, I am sorry if my pronunciation is wrong. Quite frankly, it is a word that does not appear in most people's dictionary when you have had a year to fill the appointment.

I want to ask the minister in terms of his role: Did the minister ask the Minister of Northern Affairs (Mr. Downey), when the Minister of Northern Affairs presumably came forward with this name that just happened to come to the minister's mind, no accident that the individual was the Tory candidate in Thompson in 1990 or had previously worked for the minister as I believe a special assistant, executive assistant, worked in the minister's office? Did the minister in any way, shape or form ask if there might be other qualified people within the department or many people within the North?

I know of many people, and given the fact that you are dealing with many aboriginal communities,

many aboriginal people that certainly would be eminently qualified for a senior management position within government. Did the minister raise that question with the Minister of Northern Affairs.

**Mr. Praznlk:** Yes, Mr. Deputy Chair, just to point out by way of process to the member for Thompson (Mr. Ashton), when applications are made for a waiver or direct appointment, or they go through the process, the Minister responsible for The Civil Service Act, which I am, is not part of that loop. My approval is not required in any way, and so the matter does not come to my desk, quite frankly.

It is dealt with in the commission which has a degree of independence from the minister, which we have discussed on other occasion. So, if the member is asking me specifically, was I part of that loop of approval? No, I was not. The commission independently reviews those applications, assesses whether or not the individual is qualified for the job in question, which the individual, I am sure the member would agree, is qualified for the position, based on the information that has been provided.

The commitment was made to hold a competition within a reasonable time period, given the position, and the Civil Service gave their approval just as they would deal with any other application from the department involving any other individual who had not run for any political party.

**Mr. Ashton:** Mr. Deputy Chairperson, I think there would be no doubt if a fair and open competition had been held during that one-year period, but that has not happened. We now have someone in an acting position.

I think the minister has to recognize that some of us are a little bit suspicious of the correlation between the individual who received the "acting appointment" and talk about being qualified. Perhaps that individual might have the qualification of that little blue card that other northerners might not have in the way of qualifications, quite a few northerners. I realize that the Tories are in a minority in northern Manitoba, but I was quite amazed when the minister before talked about affirmative action. Affirmative action in the North does not mean hiring Tories for government jobs.

In fact, I hope the minister, when he was talking about affirmative action being a criterion in this, would indicate that there was really no attempt, because there was no open interview process to

ensure that anything took part in the decision-making process here, including affirmative action. So I find it rather interesting. We shall see, Mr. Deputy Chairperson, where this matter rests.

I would like to ask the minister a follow-up question in terms of if the minister can indicate if there are any other hirings in the Department of Northern Affairs that have not gone through the normal process, and if the minister has ensured himself that all jobs in the Department of Northern Affairs where hiring has taken place in the last couple of years have been conducted within normal civil service practice.

**Mr. Praznlk:** Firstly, the member talks about reluctance and some skepticism on political names. Let me tell you I can sympathize with that position, because I had the same skepticism when Mr. Terry Sargeant was hired by the provincial government following his defeat as my member of Parliament for Portage-Interlake in 1984, the same skepticism when we saw a host of other individuals brought into positions, the same skepticism with individuals that we find from time to time who are former political staff people for the Pawley administration who are in the civil service. One could have the same skepticism, ask the same questions, and wonder if a little orange card had not helped them out.

But we will not get into that in great detail, because that is a natural skepticism, and I can certainly appreciate where the member is coming from. I know there are plenty of occasions in the past years, particularly between 1981 and 1988, and 1969 and 1977 when one could have had the same skepticism if I were sitting in his seat as an opposition member. So I certainly appreciate where his question is coming from.

\* (2040)

With respect to the Department of Northern Affairs, my staff advise me that they are not aware of any other waiver applications coming forward from that department, and I do not believe—I look to them for advice—that there were any appeals of any competitions held in that department that were successful.

**Mr. Ashton:** But there were not waivers, and we shall see. I do indicate to the minister again that, when we have appointments that are obviously being made in what is not a normal process to anybody—any outside observer would not suggest

that the one-year delay and this supposed temporary appointment was anything other than a direct political appointment.

Be that as it may, let the Minister of Northern Affairs (Mr. Downey) and the minister of the Civil Service Commission (Mr. Praznik) recognize it, Mr. Deputy Chairperson, a political appointment in this case being a political appointment instead of trying to work around the civil service system. As I have said to the minister, I would hope that the many other northerners who are at least as qualified, without getting into relative qualifications for the position, will have the opportunity to apply for the job.

I want to ask the minister a follow-up. I mentioned in terms of affirmative action, and I gave notice prior to five o'clock, what are the current figures in terms of target groups, in terms of affirmative action this year, and how do they compare to the previous year?

(Mrs. Shirley Render, Acting Deputy Chairperson, in the Chair)

**Mr. Praznik:** Madam Acting Deputy Chair, in providing that information for the member for Thompson (Mr. Ashton) in terms of the identified affirmative action categories, in respect to their growth, if I may provide that by comparison of data, and I will compare to their numbers in the civil service in percentage in the civil service as of March 31, 1987, compared with March 19, 1993.

In terms of females—remember I have to put the caveat on this information that it is all the result of self-declaration, that there may be other individuals who have chosen not to declare an affirmative action category. I know the member is familiar with that, but I think it is worth noting the caveat. In terms of females, as of March 31, 1987, 45.6 percent of the public service were females compared to 49.31 percent today.

On the aboriginal side, in 1987, 3.81 percent of our civil servants had declared themselves to be in that aboriginal category. That is 5.28 percent today.

In the disabled category, March 31, 1987, 2.01 percent of the public service had declared themselves to be in the disabled category. That is 2.69 percent today, and in terms of the visible minority category in 1987 it was 2.26 percent, whereas today it is 2.63 percent. Again, from 410 in this category to 472.

I would point out to the member as well that, although we may not be exactly where we want to be in terms of targets, we have gone through a fairly significant reduction in positions in the last number of years, and so the opportunities to bring new people into the civil service have been considerably reduced, as I am sure the member appreciates.

**Mr. Ashton:** Madam Acting Deputy Chairperson, I asked in terms of '92-93. I am quite aware of the historical data. I am wondering if the minister could provide information on the current situation in terms of both numbers and percentage as well as the current target figures for the various target groups.

**Mr. Praznik:** Yes, Madam Acting Deputy Chair, with respect to 1992 just by those same categories, females represented 48.8 percent in March 21, 1992 compared to 49.31 percent in 1993. Aboriginal represented 5.04 percent in March of 1992; it is increased to 5.28 percent in March of 1993. Disabled category represented 2.66 percent in March of '92, and that has increased just slightly to 2.69 percent, an increase of actually three individuals. On the visible minority declaration, we have dropped just slightly from 2.7 percent to 2.63 percent.

**Mr. Ashton:** What are the comparative numbers for those two years?

**Mr. Praznik:** Yes, by category again, female, 8,927 compared to 8,856, again pointing out to the member that the size of the civil service has decreased in the last year. On the aboriginal side, 922 in 1992 to 948 in this year; it has increased. On the disabled side, 486 in 1992 to 483 in 1993, and visible minority, 493 in 1992 to 472 in March of 1993.

**Mr. Ashton:** And what are the current target figures?

**Mr. Praznik:** Madam Acting Deputy Chairperson, the target, which is to be over a 15-, 20-year period if I recall correctly from my information from staff, in terms of females it is to be 50 percent. So we are just about there.

On the aboriginal side, it is to be 10 percent, although the 5.28 percent in terms of the labour force, the aboriginal communities say accounts for about 5 percent of the labour force. So we are on target in terms of labour force availability but not according to percentage of population. I think that is reflective of a very large number of younger

people in the aboriginal community who are not yet in the labour force age.

Of the disabled community, our target is 7 percent, and in the visible minority, about 6 percent.

**Mr. Ashton:** I thank the minister. I point out in terms of aboriginal people that the labour force would hardly be a fair measure. Aboriginal people have had much lower participation rates in the labour force—adults, those over the age of 16—and it is largely as a result of the lack of job opportunities. Many people just simply do not register in communities for job opportunities.

I am just wondering if the minister has any concerns about the fact that—and the minister is correct, this is a 15-year program that was put in place by the previous government.

Is the minister not concerned about the fact that, in terms of visible minority representation within the civil service, this is the second year in a row, as I recall, where there has been a direct reduction in the number of visible minority people, both as a percentage and as a total number of employees within the civil service?

\* (2050)

**Mr. Praznik:** Yes, Madam Acting Deputy Chairperson, I am sure the member for Thompson—we have had this discussion both inside this committee room and privately before, and I think he appreciates some of the conflicting principles that come into play here.

One of the reasons obviously for some of the decline in the last year was, under the terms of the collective agreement and the bumping provisions, obviously, that those who were hired, the seniority provisions do not favour those people who are our newest hirings, particularly if they are in term positions, et cetera.

So the principle of seniority, which is part of our collective agreement, sometimes conflicts, when you are in a downsizing situation, with retention of your latest hirings. It is a dilemma I am sure the member appreciates because they are both valid principles.

Another concern that I share with him as minister responsible is the ability to provide not just opportunities in the civil service for our target categories, but also the opportunities for the development of role models in more senior positions, having people in senior positions who

can appreciate and recruit, et cetera, and assist in recruiting, be role models—and one gets again into the conflicting principles.

I know in discussions that I have had with the Manitoba Government Employees' Union, their position has been pretty firm in dealing with affirmative action, that it should only be applicable, of course, to the entry level positions and not to affirmative action within the promotions within the civil service.

But I would point out to the member, as well, that although we may have disagreements on Bill 22 and some of the conflicting principles that come into play there, the fact that we were able to avoid a further 500 or so layoffs in the civil service this year has certainly benefited our category groups because, as our more recent hirings, they are likely to have been—and I do not have a data because we did not have to identify 500 positions to eliminate, but the odds are that they would have been more heavily affected by those 500 layoffs or so than other categories. So, although we may disagree on some of those conflicting principles in Bill 22, one of the side benefits to that legislation is certainly some protection at least to our more recent hirings in the affirmative action categories.

**Mr. Ashton:** Madam Acting Deputy Chairperson, I am concerned here that for two years in a row, and I think that the minister confirms that—I know he covered a number of other issues—but last year the same situation arose, there was small, if any, progress—relatively small progress—in the case of a number of the other target groups which would be expected over time. In this case there has actually been a drop in terms of the physically handicapped, disabled. In terms of absolute numbers, it is basically very similar, but there has been a drop in terms of visible minority once again.

I would like to ask the minister, and I note under Employment Services that one SY was eliminated in the area that deals with identifying barriers and issues related to affirmative action, delivering affirmative action programs and activities, and consults with departments on affirmative action plans, strategies, to achieve objectives and reviews progress, if it is not somewhat inconsistent to be removing the administrative support position in this particular case from an area where there is obviously some difficulty.

While the minister can talk about the impact of layoffs, and we are all aware of the layoffs and the positions that have been eliminated, the impact that is having on the civil service, it would seem to me that, if one is serious about affirmative action and identifying for two years in a row that there has not only been no progress in terms of visible minorities but that there has actually been a decline, perhaps not only should there not be a cut, but there should be some renewed emphasis in trying to deal with that particular problem. Does the minister not feel that there is some inconsistency in taking that action within the department?

**Mr. Praznlk:** Madam Acting Deputy Chair, first of all, the one position that the member refers to that has been eliminated, that one particular SY, was an Administrative Support position, as the member appreciates. We were able to handle that by the amalgamation of a variety of offices that allowed us to eliminate that position and still provide the administrative support to our officers. I know some of the work that has taken place by commissioned staff, and working with the various groups that we have organized, the consolidation of our affirmative action programs and career development has certainly been refocusing our efforts, and I think attempting to improve our ability to recruit.

I say to the member, I agree with him that there is certainly some difficulty here, and there are a host of conflicting principles that have come into play that have made it somewhat more difficult to deal with affirmative action hiring. I must admit, I can appreciate the arguments when we have met with the MGEU and their position, but it certainly is not one that allows us to develop at the more senior levels the kind of role models and individuals that provide the opportunities that see people in those categories move forward.

I respect the principles. I respect where they are coming from, but there are a host of conflicts here that do make it somewhat more difficult. Ultimately, the main problem, of course, is that we have not had the positions coming open in the last couple of years, because of budgetary restraint, that would have allowed us to provide those kinds of opportunities. That is regrettable from the affirmative action point of view. So we have been in somewhat of a holding pattern, as the member can appreciate. We just have not had the opportunities.

Regrettably, I cannot do anything about that. We do not have those positions, and I cannot create them. So we try to do the best with what we have available.

**Mr. Ashton:** Unless, of course, it is impracticable to hold civil service competitions. One has to have direct appointment.

(Mr. Deputy Chairperson in the Chair)

**Mr. Praznlk:** Affirmative action.

**Mr. Ashton:** Well, the minister says affirmative action. Perhaps the minister might want to look in northern Manitoba where there are many other people that would be involved with any of the Tory groups in terms of affirmative action, that had no opportunity or have had no opportunity up to this point in time to apply for the particular position.

I want to deal with a couple of other questions in terms of the process in terms of civil service hiring, and I gave notice of this earlier, Mr. Deputy Chairperson.

I would like to ask the minister what the current number—and I asked this question last year. I think, perhaps, in the shuffle it was not a communicated follow-up in terms of number of employees, but I am wondering if there has been any analysis of the number of employees after the most recent round of layoffs in the Departments of Health, Family Services as of last week.

What I am looking for is the number of civil servants outside of the city of Winnipeg and inside the city of Winnipeg over the last number of years, and particularly comparing, prior to the much ballyhooed decentralization announcement of the government before the election and the reality of the number of job losses that have taken place since that time. I am looking, again, for numbers of positions, because that is the key thing that matters to the communities involved.

**Mr. Praznlk:** Mr. Deputy Chair, first of all, I say to the member, if I recall the discussion last year, and the staff and I were discussing why the member did not get the information that he believed he was to get, I think if we go back to last year there was some difficulty with the request because we did not keep information in the kind of manner that the member requested it.

All that I could provide the member, quite frankly—and this is not really fair to the question that he asked—is really a snapshot of the

geographic location of our employees throughout the province, not the positions available.

So, if there were vacancies, I understand that would not show up in this list. So it is not a listing of provincial government positions outside of Winnipeg and inside of Winnipeg. It is a list of where our employees would be at any given time.

So the form in which the data, in fact, that the member requested last year was, quite frankly, not available in that form. That is why I believe we even discussed that at committee last year, if my memory serves me correct, and it may be wrong.

But, again, I do not have that kind of exact numbers for the member. All I have is the snapshot which would not necessarily be accurate for kind of purposes that I think he intends.

**Mr. Ashton:** I do not care, Mr. Deputy Chairperson, if the minister has Polaroids or Kodaks or whatever. I am just asking for the information. I would point out that information has to be available somewhere. I mean, the government had a policy of decentralization. Surely it knows, and has known the last number of years, where its jobs are, where its people are employed.

I asked this question last year. My understanding was I would receive some information, given any difficulties within the system.

If the minister does not have that available now, I will stress again that I would appreciate, at a follow-up time, to receive a list of the jobs and whatever explanatory notes, in terms of the methodology used, both in rural, northern Manitoba and within the city, the numbers of jobs and going back to 1989, to look at what has happened before and after decentralization. Because I know in my own community many people are concerned that, despite the talk of decentralization, there are actually fewer jobs now in the civil service than there were before, and I think people need to know the bottom line.

\* (2100)

I have a further question, Mr. Deputy Chairperson, just to ask the minister as well, or a concern to raise, and that is in terms of training and retraining.

I have been contacted by a number of people affected by the announced layoffs, particularly recently by those in the Children's Dental Program,

who expressed some concern about the difficulty in receiving commitments to follow through on proper retraining. I would like to ask the minister to perhaps give an update in terms of that to the committee and raise the concern that was expressed to me about the fact that there are a number of people now who feel that the commitments that were put in place have not been followed. So if I could get the information on decentralization, rural and Winnipeg, either at this point in time or at some later date, and an update on training and retraining.

**Mr. Praznik:** Mr. Deputy Chair, to the first part of the member's question, with respect to the data that he asked for: positions in a community, quite frankly we do not have that. That is available on a department-by-department basis in their breakdown in the Estimates.

All that we can provide him is on a given day the number of people who are actually employed, not the positions available, and there is a difference. If there are positions being filled, it may be very close, likely is very close, but we will endeavour to give him some of those snapshots in time and with the appropriate caveats.

The second question with respect to retraining. As the member can appreciate, we have been fairly successful throughout the reorganization of government in being able to find other opportunities for people whose positions had been eliminated in the budget process, but there has been one area that has been most difficult, and the member has hit upon it: those who were employed in the dental program. I admit that fully, simply because their skills are so unique they are not easily transferable to other aspects of government if they want to continue in that dental area. If they want to have a complete career change, it is much easier.

I am pleased to indicate, I believe last week an announcement was made that an unprecedented agreement between the federal government and the Manitoba government has been made to purchase, at a negotiated price, a block of eight seats from the Wascana Institute this year and approximately another eight seats next year to allow unemployed dental nurses to become dental hygienists, a career very much in demand in the rural areas.

The price per seat is approximately \$17,000. The federal government pays \$10,000 per seat

plus the UIC benefits. The province covers the remaining—\$7,375 to be exact—per student. The total provincial commitment for '93-94 is \$59,000, approximately the same for the next fiscal year.

A retraining package has also been offered to the dental assistants. Red River Community College will develop a refresher program of approximately 50 hours to be delivered this fall. The program will enhance the dental assistants' abilities in the area of adult dental treatment and computerization, allowing them to make the transition to private dental work. The estimated cost to the Province of Manitoba for development and delivery is about \$15,000.

A third choice is also available to either dental nurses or assistants, that is specifically an orthomodule offered by the Manitoba Dental Association to prepare for work in an orthodontic practice. The cost is approximately \$500 per student for 40 hours.

Finally, for those dental employees who wish to pursue re-employment within the government, consideration will be given to individual retraining on a case-by-case basis, example, computer training.

So we have a multifaceted training program. I am very hopeful that we are going to be able to, by and large, have the same success with the 49 or so individuals who are affected by this program elimination—reduction as we had with other areas.

I believe in the case of the Queen's Printer, for example, where there were 49 individuals, a number who chose to retire were of that particular age, but of the majority who were affected, all but two, as of a few weeks ago, had been placed in other positions throughout the civil service.

So we have staff in departments and staff in the commission who have worked very, very hard to ensure that we have found other opportunities for most of the people affected by those budget decisions. It has not been our intention to put individuals out on the street, and by and large we have been successful at that.

**Hon. Linda McIntosh (Minister of Consumer and Corporate Affairs):** Mr. Deputy Chairperson, I just have one quick question. It was a follow-up to a comment that was made earlier. I am interested to know if the minister has any concept of how many people might not declare.

I am personally aware of three females and one handicapped person who absolutely refuse to declare that they are female or handicapped. They just want to be treated like anybody else. Do you have any idea on how many might not fill out that section or choose to report?

**Mr. Praznik:** Yes, in answer to the member's question, we have no way at all of knowing the number of people who have not declared.

That obviously presents a problem in determining the reliability of your numbers. We have really no way other than our own anecdotes to assess that problem.

**Mrs. McIntosh:** A further clarification, if the person specifically asks for that kind of privacy and wants to be treated as equal rather than special status or affirmative action, the employer and the immediate supervisor would not break faith with that privacy and report that that person was in a particular category?

**Mr. Praznik:** Mr. Deputy Chairperson, the only exception to that rule, I am advised, is the male/female breakdown, because that we get from standard information. But in terms of the other categories, we have no way of knowing. Of course, the information is collected centrally, so in the case of visible minorities, et cetera, there would be no way of accumulating that data unless one did a complete check of every manager, and they do not even know whether a person is declared or not.

**Ms. Gray:** Mr. Deputy Chairperson, I have a number of questions in the areas of the Civil Service Commission and appeals, staff training and development, the Affirmative Action Program and also French Language Services.

Going back to the appeals, and I thank the minister for handing out the information on the appeals, I am wondering if the minister could help clarify for myself. One of the appeals, the appeal, Win—I do not know how to pronounce the last name—Torchia, T-o-r-c-h-i-a—can the minister explain what exactly technical officers are?

**Mr. Praznik:** Mr. Deputy Chairperson, I believe the member's question is: What is Section 32 of the act?

Section 32 of the act indicates, and I just read it to the member, as we both work through this: Unless they are appointed by act of the Legislature, the Lieutenant-Governor-in-Council shall appoint (a) deputy ministers, the clerk of the Executive

Council, the Clerk of the Legislative Assembly, and other technical officers; and (b) the members, or members of the board of management or boards of directors, of agencies of the government with respect to any provision of this act that is brought into force.

\* (2110)

I believe the issue was the definition of technical officer by regulation? [interjection] That is right, and the recommendation of the board was for us to have the more appropriate regulation in place to finding those technical officers. I believe I have that recommendation, and we are working it through the process to correct that deficiency.

**Mr. Deputy Chairperson:** Is there something some honourable members would like to put on the record? We are having trouble hearing it at this end. If we could just tone it down a little bit.

**Ms. Gray:** Mr. Deputy Chairperson, the minister then is indicating that as a result of this appeal, with the recommendation that the regulations be changed, the department is currently working on that now. Is that correct?

**Mr. Praznik:** Mr. Deputy Chair, traditionally, technical appointments have been what the member, to sum it up simply, would be what people refer to as political appointments, political positions, special assistants, executive assistants, Executive Council staff, and other appointments that would not have civil service status.

One of the things that this appeal discovered was, oh, for a long time, a deficiency in this regulation that has, in terms of the specific definition, been around for a number of administrations, and they have made recommendations on how this should be corrected. I am waiting for that to work its way through the legal process, et cetera, to give me a recommendation that I would then consider taking forward to cabinet. As I am sure the member can appreciate, it is to define those positions that do not carry with it the protection of civil service status.

**Ms. Gray:** Mr. Deputy Chairperson, can the minister tell us: Does he have a sense of which type of positions he would like to see as part of the technical officer, to be considered as part of the technical officers, if that is the correct way to define that? I can appreciate that there has been past practice over the last number of years, but what

other positions might then be inclusive of technical officers?

**Mr. Praznik:** Mr. Deputy Chairperson, if the member could repeat her question.

**Ms. Gray:** If I have this correct, I am just wondering what type of positions is the commission or the minister or the department looking at to be inclusive as under a technical officer or under a technical position.

**Mr. Praznik:** They would be positions that do not carry with it civil service status as the acts indicated; they include deputy ministers, can include assistant deputy ministers from time to time who would be part of the management, would not be part of the bargaining unit or within the civil service. It gives the ability to make a direct appointment to a person who basically is at the pleasure of Lieutenant-Governor-in-Council without any of the protections of the act, very senior positions that the Lieutenant-Governor-in-Council would so choose, as I am sure the the member can appreciate, and as well as the positions that are traditionally viewed as political positions like staff of Executive Council and ministers' assistants.

**Ms. Gray:** To clarify, is the minister saying that with this change in regulation they would be looking at all positions that are considered management, i.e., that do not have status under a union agreement? I would hope that is not the case.

**Mr. Praznik:** Yes, Mr. Deputy Chairperson, although there is some difficulty in defining this, specifically because it gives cabinet the ability to make an appointment under this section, it can include assistant deputy minister, senior management, not career civil servants in those positions. This is outside of that vehicle. It gives government the ability to make an appointment as a government decision to fill a senior management position, in addition to the regular political staff-type positions.

I think, if the member recalls the Hay audit, as I know the member is very familiar with it in some of the discussions we had, this is the type of vehicle traditionally used for government to fill a particular position that they wanted to fill; senior management lives and dies with that government in essence, not protected through The Civil Service Act, not a career civil servant. It flags that individual as someone who is the direct appointment of the government in that specific position.

I know that, when we had discussions with the Hay audit implementation committee and with Manitoba Women in Government, I think the suggestion was made to flag those appointments as people who come in specifically because the government of the day wants them in that senior position to do the job in that senior position. Of course, as for their appointment, they are not career civil servants. They have been slipped into the civil servants, but they live and die with the government of the day.

**Ms. Gray:** Is the minister suggesting, though, that we want to move to a system where in fact we have positions such as director positions and assistant deputy ministers, be given the opportunity to be not filled through civil service competition, that we want to move that politicization of positions down from a deputy minister and political staff level?

I mean, I have no difficulty with deputy ministers being appointed by ministers of the Crown, and I have no difficulty with political staff being appointed. But I thought one of the concerns that was mentioned, I think by the Minister of Labour in discussions with Women in Government, as an example, is that you wanted to move toward the depoliticization of the civil service. Unless I am missing something here, I see this change of regulations, even though it has been done in past practice, that it is really just accommodating that politicization, so I would ask for a clarification on that.

**Mr. Praznik:** Yes, Mr. Deputy Chair, first of all, I do not think the issue was the politicization of the civil service. I think, for those of us who have worked in the capacity of ministers or worked within the civil service, I think the member would agree that large "P" Politics in the civil service is—I mean, it is there to some degree, but I do not think it is by far a large-bred practice in any administration. I think my experience is, with the vast majority of public servants, they do their job. They may have their political beliefs and political activity outside of the office, but they do their job. I do not think our civil service in Manitoba is, by and large, a politicized civil service. I think that people do their job.

What this provision does, and it has been there in the act for many, many years, is it allows a government to make some senior management appointments and flag those people as their appointments.

\* (2120)

I know when we had discussions with Manitoba Women in Government, my recollection of part of that discussion was: Do not bury people you want to bring into government in the civil service process. There should be a mechanism where you clearly say we are bringing this person in to manage a particular area or to do a particular job and they are identified as such. They are being brought in by cabinet which wants a specific job done by that individual. They are not afforded the protection of The Civil Service Act. They are not necessarily career civil servants, but they are there to do a job that the cabinet has chosen to want done.

I think that is a prerogative, quite frankly, that you have to leave to any cabinet of any political party: the ability to make some, from time to time, important management appointments that they feel comfortable with, to implement the policies that they wish to implement. It is the balance between not politicizing the civil service and still having the ability as government to bring from time to time into administration the people you specifically want to do a job and, as Manitoba Women in Government seemed to indicate at the time, having a mechanism to specifically flag those individuals, do it up front was a good thing.

This provision is in the act. It requires some further clarification by regulation, which we intend to do. I say to the member, although one could say it is there and you could make every appointment under this section, the reality of it is that these types of appointments are very, very rare indeed and probably will continue to be no matter who is in power in Manitoba.

I do believe you have to have this type of provision so that the cabinet of the day, the government of the day has the ability up front to bring into service from time to time people it wishes to take on senior and important administrative roles in the government. Clearly, a new government coming into power has the ability to reverse the Order-in-Council and eliminate that person very quickly. So it is one of those balance issues, and I think it is a fair provision. It has been used for decades sparingly.

**Ms. Gray:** Mr. Deputy Chairperson, well, given the minister's comments whether I agree or disagree with him, but given what he has just said and

explained then, does he then concur that the example we used previously of Loretta Clarke, is that an example that falls into that category that the minister has just referred to?

**Mr. Praznlk:** Mr. Deputy Chairperson, first of all, with the individual in question, one difference, of course, between the two vehicles is there is a commitment to, within nine months, hold a competition for that position, which is not the case when these types of appointments are made, but the individual involved is a very well-qualified individual who will, if she chooses to, compete for that position later on in the year. I say this to the member, it is easy always to flag an individual who may have some known political support for a party or have been a candidate for a party, but I think if the member goes through the annals of governments of all political stripes, we could all point to examples where individuals have been hired who have been qualified for positions and the accusation is made that it is a political appointment.

In her own political party I can think of a number of individuals who over the years were given senior appointments after they either lost a seat or were unsuccessful candidates. I am sure if her party wins the next federal election those types of appointments and things will happen from time to time, and they may be very well-qualified individuals who properly go through the system, and they will be tagged as the member is tagging this individual in Thompson because they have stood for office in a political party. That is always going to be part of the process.

I am sure the criticism is going to be made, but in this particular case I would remind the member that the individual in this department is a very well-qualified individual and had the approval for this by the Civil Service because there will, in fact, be a competition for this position. Whether or not that individual competes is a different question. They may or they may not, but there will be a competition, whereas this other vehicle is a somewhat different circumstance.

**Ms. Gray:** Mr. Deputy Chairperson, I still would ask the question whether the example of the assistant deputy minister in the Department of Northern Affairs, is the minister clear that is simply another waiver of competition because of backlog of work or is that to be a position that could be tagged, as the minister uses the term, to force someone that the government, rightly or wrongly,

wants to bring in to do a particular job? I am just asking for clarification on which is it.

**Mr. Praznlk:** I would advise the honourable member that if the Department of Northern Affairs was to choose not to hold a competition for this appointment they would be forced under the act and by the commission to make a technical appointment.

They intend to go forward with a competition, and we will have to await the results of that competition. But the regrettable thing here of course is no member of this committee has raised any other circumstance where a female or a visible minority has been temporarily appointed into an acting status position for a number of months, what have you, to give them experience or ability or opportunity to fill that position except this individual in Thompson.

I guess when you stand for office for a political party you are always going to be open to that type of accusation just as members of my party will make it about the member for Crescentwood's (Ms. Gray) party or the New Democratic Party when they were in power. That is part of the political game.

But ultimately the individual has stood the test set by the commission for this type of action of being qualified, and the department has made a commitment to hold, within what the commission deems a reasonable time, competition for the job. We will just have to await the results of that competition.

**Ms. Gray:** Well, the issue of whether the person is qualified is not an issue in the sense that obviously when people are hired into a position, whether it is by competition or whether it is a waiver of competition, one would assume, one would hope and we expect that person is qualified and is competent.

I certainly have no doubt in my mind that the individual, in this case the Assistant Deputy Minister of Northern Affairs, Loretta Clarke, is competent. That is not the issue. The issue here we are discussing is a waiver of a competition and the reasons for it. So competency of the individual is not the issue.

Now, the minister asked for another example. Unfortunately, I do not have examples available to me of all the other departments, but you can look at the appeals that were handed out this evening by the minister. Again, we have an example of

the—was it director or ADM of Status of Women where there was an appeal in regard to the technical classification?

Basically, my question would be to the minister on this particular case, and, again, with all due respect to the individual who is in the position and, yes, certainly she is a qualified individual, but, again, the question remains in this particular situation, there was a competition, a bulletin, and then a decision was made later on to have a waiver of the competition.

So I would ask the minister, in this particular case, as another example, what were the reasons for the waiver of competition?

**Mr. Praznik:** Mr. Deputy Chairperson, my understanding of that particular issue was that the competition was in fact cancelled. The department made a technical appointment pursuant to the act which they have the authority to do.

If I recall the minister's answer to statements in the House, after reviewing candidates in the competition, the minister felt there was not a suitable candidate coming forward and decided to make a technical appointment which is her right to do under the act as long as the proper procedures are followed. That is what in fact happened.

**Ms. Gray:** Mr. Deputy Chairperson, I know that in a number of competitions which are held and sometimes for a variety of reasons, including the competency of the candidates, an individual who is suitable for the position is not found. Oftentimes, the usual course of action is that the competition or bulletin is repeated.

Can the minister indicate why that was not done in this case?

**Mr. Praznik:** Because the minister responsible chose to make a technical appointment. That is why it was not bulletined again, because that decision was made.

\* (2130)

**Ms. Gray:** Can the minister tell us—I do not know if he has these statistics—how many times within the civil service that there have been competitions held, a suitable candidate was not found and then it was decided by a minister or ultimately through the authority of a minister, even if it was an employing authority underneath, that there was an appointment made directly through a waiver at that point? I do not imagine you have that.

**Mr. Praznik:** Mr. Deputy Chairperson, we do not have that specific data for the member. It is not something that occurs often, but it does occur from time to time and has occurred under a variety of administrations.

**Ms. Gray:** Mr. Deputy Chairperson, I will not belabour this point anymore, but again suffice it to say I think there are a number of examples, again, where people within the civil service, whether they are women, whether they are individuals of an affirmative action group or otherwise, oftentimes feel they do not have opportunities to duly apply for positions and compete because of the number of waivers of competition.

I hope, as the minister has said, that he will be looking at that and making some recommendations and bringing forth some real changes in that area.

I would like to move to the area of staff training and development. I know that in the staff training and development there has been a shift over the last couple of years where the staff training and development branch negotiates with various departments and looks at a business plan or a plan for the staff training and development.

Does this section of the department have a fiscal plan or a financial plan as to what types of revenues they may receive over this coming year from the various departments, and is that an increase or a decrease from last year?

**Mr. Praznik:** Mr. Deputy Chairperson, first of all, I understand that about 50 percent of our expenditure there is cost recovered currently from departments at the present time, and the staff are in the process of working on a longer term plan for our operations. It is in the process of development by our staff, and we do not have that to table today or provide to you for that reason.

**Ms. Gray:** Mr. Deputy Chairperson, can the minister tell us, is it anticipated that there will be an increase in revenues recovered from other departments, i.e., that this branch will have more business from the other departments in regard to staff training and development?

**Mr. Praznik:** Well, quite frankly, one of the difficulties we have is our budgets are very tight within departments, as I am sure the member can appreciate, so our expectation is not for increased expenditure in this area. We hope for a steady continuation of where we are, certainly, not a

decrease of any significance, but likely no increase of any significance.

I would say to the member that one of the—I make this observation as Minister of Labour more than Civil Service minister. I know from our own department's experience, when one has to pay for the cost of the training program, and I have to add this to it, when you have put the authority to make that expenditure with your managers, as we have in the Department of Labour in our test program with the Treasury Board, then you have a much greater focus on what training courses are being taken.

I know from our own experience in Labour that I think we have been more effective in our employee training for those two reasons. If it is simply, you know, the cost element and the decisions are being made at a higher level—I am not sure if that entirely is the case—but certainly where you have given managers control of that budget in their department, then they can sort out what training is really needed by their staff, with their staff, and it is made at a very local level. So I think you can be more effective.

I hope eventually that happens throughout government. So we do not expect increases. We expect to hold the line over the next few years.

**Ms. Gray:** With the staff training and the courses that are through the Civil Service branch, can the minister give us a sense that, with the civil servants who attend the various training programs, whether they be one day or four days or a week long, is there any sense as to, if those staff are there on government time or do they go on their own time?

**Mr. Praznik:** Mr. Deputy Chairperson, it varies. There are many who are there on government time during the course of their work, and there are others who from time to time take training on their own time, depending on the types of courses that they want.

I know in my own department we have had requests from staff, particularly administrative staff, to take certain courses they felt would be very useful to them, to which we agreed. In order to be able to take them, they said they would take them on their own time, and we would pay the particular cost of the course, and we worked out those particular arrangements. So it varies.

**Ms. Gray:** Would the minister concede that by and large the vast majority of individuals taking the

training through the staff training development branch would be there on government time?

**Mr. Praznik:** Mr. Deputy Chairperson, I would indicate that there are probably a large number who do. I do not know if it is the vast majority.

I do know, as well, that there are, from time to time, people in the civil service who do additional career development on their own without any support at all from government, on their own time, and they do not show up in our statistics. So I really cannot give you one way or another a firm answer to that question. It varies.

**Ms. Gray:** Does the minister have any statistics on the number of requests for educational leaves that there have been in the civil service?

**Mr. Praznik:** Staff advise me that it has been under a dozen a year for the last quite a few number of years.

**Ms. Gray:** Mr. Deputy Chairperson, are there any circumstances where there are leave of absences for educational leave with pay as, say, part of an affirmative action program or individualized plan?

**Mr. Praznik:** Just to clarify the types of leaves that we are referring to, in terms of that, under a dozen or so would be for paid leave.

**Ms. Gray:** I want to move to French Language Services. I do not know if that requires that we do some switching of staff here.

I am wondering, to begin with, if we could have an idea of the various projects, perhaps the number and the nature of the projects that have been funded through the Canada-Manitoba agreement on French language services?

**Mr. Praznik:** Mr. Deputy Chairperson, as I just sort out the information for the member, these are the projects that have been approved for '93-94.

I am advised that there are over 20 applications that have been made that are in the process of being assessed and approved at the current time. For last year, we would have had about 15 projects that were approved.

**Ms. Gray:** Mr. Deputy Chairperson, can the minister give us an indication, without necessarily going through all of the projects, are these projects limited to a certain number of departments or are they widespread? I am particularly interested in Education, Family Services and Health.

\* (2140)

**Mr. Praznik:** Mr. Deputy Chairperson, I will endeavour to provide the member with a copy of the information. We have one here—but we will get it to you—which is a matter of public record and lists last year's projects.

I can tell the member, those that are coming forward and are being considered for this year involve bilingualization of computer programs in certain departments that have to be done, bilingualization of fire and farm safety materials, for example, in my own department and Workplace Safety and Health materials where we are somewhat short, promotion of our French Language Services, the act of offer option that the Premier (Mr. Filmon) announced where we are promoting the fact that we have these services available, training sessions and materials for staff in the Department of Education, for example, some language classes, skills program for the management of volunteers, again, for people in the French language, some new initiatives in translations and interpretations, some heritage publications—a host of applications, as I have said, that have come through, a full variety of them.

I think there is a need currently, I recognize, in ensuring that a lot of our government material, for example, and I speak from my other hat as Labour minister in Workplace Safety and Health and fire, et cetera—are not available in the French language. We have a fair bit of work to do to bring that up to speed.

**Ms. Gray:** Mr. Deputy Chairperson, does the minister have the amount for the '93-94 projects, the current amount of dollars that the provincial government would be putting into these types of projects? I recognize they have to budget for it on a full-dollar basis even though they receive half back, but could he give us an indication of the dollar amount?

**Mr. Praznik:** I am advised that it is likely to be in a total somewhere around approximately a million dollars.

**Ms. Gray:** Mr. Deputy Chairperson, I do not know if the minister can do this more quickly than I can, but one million dollars—what percentage of that is out of the total provincial budget?

**Mr. Praznik:** Mr. Deputy Chair, since history was my favourite subject and not mathematics, I can tell the member it is \$1 million out of \$5.2 billion and I will leave the math up to her.

**Ms. Gray:** Can the minister tell us, is that an increase or a decrease from the budget from last year?

**Mr. Praznik:** Depending on the number of projects that are ultimately approved, it is likely to be just a slight decrease from last year.

**Ms. Gray:** Does the minister have any more details on the process of active offer, again, particularly in—let us take the Department of Health as an example. What kinds of projects are there that would be there to ensure that the policy of active offer is in fact implemented?

**Mr. Praznik:** I am pleased to indicate that 20 designated institutions, obviously 20 that service Francophone communities in Manitoba, are currently working on the implementation of their plans to ensure that services are provided as best as possible and practical to their communities and their clientele.

**Ms. Gray:** Mr. Deputy Chairperson, when the minister indicates institutions, is he referring to hospitals and personal care homes?

**Mr. Praznik:** Yes, hospitals. I believe personal care homes, as indicated in the Gauthier report.

**Ms. Gray:** Can the minister tell us, within the Department of Health or even using his department as an example, the Department of Labour, what specific objectives are being looked at or what specific policies are put in place to ensure that active offer is present? Let us use the Department of Labour as an example.

**Mr. Praznik:** We have identified in our department staff who have a capacity in both of our official languages and are able to provide services. I know in the Fire Commissioner's office, for example, we have made sure we let it be known to those communities and departments that would feel more at ease in dealing with our branch in French that we have that capacity.

We are also looking at this year if we are able to have some influence on the French Language Services minister to move toward the bilingualization of a lot of our material because that is an area we feel we are definitely weak in. That is going to take on a priority. We have a fair number of staff currently who are able to provide service in two languages where we have a need, but it is in the materials area that we are short. That is one of the reasons those applications are currently there for funding this year.

**Ms. Gray:** I suppose one of the obvious areas for French language services at least within the city of Winnipeg would be the St. Boniface area, not that people who are wishing service and who are Francophone do not reside in other areas of the city, whether it be St. Norbert or St. James.

I would ask the minister, in the area of St. Boniface in particular, have there been any specific projects that have been undertaken by the department or through the Canada-Manitoba Agreement that would extend French language services in the St. Boniface community?

**Mr. Praznik:** Yes, obviously, probably the largest institution in that particular community is the St. Boniface General Hospital, which is currently implementing its plan to ensure that they have services available for that community.

As well, each government department that is located in that community provides services to those residents as currently part of developing the plans that they are working through. Specifically, St. Boniface Hospital, because it is located there; generally, the departments of government that service that community.

**Ms. Gray:** That is all the questions I have under the area of French Language Services. Just suffice it say that certainly I think it is a very important service that the government provides. The fact that there have been a number of staff who have been dedicated to the extension and expansion of French language services throughout the province, I think, is progress and very important.

I know we probably have a long way to go in that area, but I think it is very important that at least that staff have been dedicated to look at this, and so we look forward to more projects being approved in future years, and the government looking at more creative ways to ensure that those French language services are available to citizens of Manitoba.

\* (2150)

I had a question, moving back into speech and hearing clinicians. This was a question that came up actually in the discussion of the Estimates for Education, but it was related to the speech and hearing clinicians who had received letters, I believe, from their personnel department or human resources department in regard to the employment issue of whether, in fact, if once they were let go

from their positions with the government, should they be rehired by a school division, they would be, and I am going by memory, eligible for severance pay, but were not eligible for enhanced severance pay. I think that is the issue.

I was not able to get quite a clear answer in the Department of Education, and I thought it was probably best to bring that question here to the Civil Service. So I am wondering if the minister could tell us what the reason is, why they would be eligible for the severance pay, but not the enhanced severance pay, and why a school division employer, if it was their future employer, would be considered different than if they were hired in another employment situation.

**Mr. Praznik:** Mr. Deputy Chairperson, under the collective agreement, our employees are entitled to a severance package under that particular agreement. When their positions ended with the civil service, they were offered that severance package as defined by the collective agreement.

The enhanced severance package was designed for those people who were leaving the service of government or government-funded agencies primarily. Since they were going to work—these individuals were picked up by other school divisions, where we in fact were providing funding for those positions, then the enhanced severance package was not made available to them. So that is why that occurred.

**Ms. Gray:** So government-funded agencies I suppose would be other agencies, as well, such as Child and Family Services or a hospital or an institution. Would that be correct?

**Mr. Praznik:** No, the loss or not providing enhanced severance was where we funded specifically a position for the clinician, which we did with school divisions. If they happened to leave the service of government and three months later retire, then six months later or a month later pick up a job in another government-funded agency and we had not specifically designated or targeted employment for them in that area, then they would have been entitled to the enhanced severance package.

It is just that the Ministry of Education provided funding to school divisions for those clinician positions, and if these clinicians took jobs in those positions, were offered and accepted them, because they were specifically funded by the

provincial government, we did not provide the enhanced severance package to them.

**Ms. Gray:** Mr. Deputy Chairperson, I thank the minister for that answer. A number of the clinicians had asked, and so I had wanted to get on the record what exactly the reason was.

Going back to some of the comments and some of the questions by the member for Thompson (Mr. Ashton) on affirmative action, I am wondering in the area of affirmative action, I know that now in competitions, they talk about affirmative action will be considered. I forget the terminology that is used.

I am wondering if the policy on affirmative action has changed at all over the last couple of years or been tightened up or if there has been any changes in the policy of affirmative action. Is the plan still that there will be statistics kept on, if we can use the word "quotas," in the affirmative action program, and I ask that only because it can be and has been a controversial issue sometimes.

**Mr. Praznik:** No, the policy has not changed, but the Civil Service Commission has issued guidelines for affirmative action in the recruitment and selection process. This was to clarify a number of issues and ensure that everyone was operating from the same song sheet, so to speak.

I note the member's comments regarding how sometimes these can be difficult situations, and I know from one's own experience with constituents, et cetera, that affirmative action is not something that necessarily has wide appeal from those who feel that they have been eliminated from a competition because they are not in one of the categories. One has to appreciate that concern, but the policy certainly has not changed. The guidelines have been issued to departments to provide that common playing field for implementation so that people know in fact what the rules are and they have been clarified. We want to ensure that all personnel managers are dealing with the same information.

**Ms. Gray:** For the minister, is there any discussion or plans to rethink or look at the Affirmative Action Program in terms of how we keep statistics and the fact that we do look at percentages and at a quota system, shall we say? Are there any thoughts on that, or are there any other jurisdictions in Canada or in North America that have perhaps found a better way to address employment equity?

**Mr. Praznik:** First of all, the nomenclature that we surround or put to this issue obviously has some difficulty with. We do not, in fact, have quotas as the member uses the term. I do not say that to be critical. We have long-term targets, but there is a certain emotive effect, I think, when you use the word "quotas."

We have recognized, as I indicated to the member for Thompson (Mr. Ashton), that in a period when you are downsizing the public service, you do not have the opportunities and new positions coming up for competition to bring in a large number of new people. So our emphasis has changed somewhat within the Civil Service Commission to providing more training and employment opportunities for those people in the target groups who are already in the civil service because that is an area where we have people to work with.

I know the aboriginal committee that has been formed, a group that has been formed to provide a network throughout the civil service. It has published a directory for use of its members across the civil service. I have met with them, and we are exploring ways of providing more opportunities in management, more opportunities to learn how different parts of the civil service work. We are hoping that when we have more vacancies come forward at some point, by that time we will have more people in our target areas in managerial positions as role models and to provide advice and experience.

As I indicated, these are not easy times in terms of expanding affirmative action because we do not have the new entry positions, we do not have the vacancies. We are trying to do what we can given the circumstances that we are currently in.

**Ms. Gray:** Mr. Deputy Chairperson, picking up on that comment of the minister, are there any programs in particular for individuals within the civil service, particularly at the entry level of the civil service, programs whereby those individuals may wish to move up in the system and receive promotions but where there are not promotional opportunities due to their lack of skills or, in particular, educational background? Are there any specific programs where individuals have an opportunity to have a plan developed with their supervisor and they can actually move up in the system?

\* (2200)

**Mr. Praznik:** Specifically, our Career Development Program has provided us with a bank of unfunded staff years so that departments wishing to assist an affirmative action candidate in developing skills and other opportunities can work out arrangements. We have the staff here if they can provide the funding, and we will provide the training as well to give people those opportunities where we can work out arrangements to develop their skills and training and expertise to be able to compete for and win other positions in the civil service that are more mobile to their careers and advancement in their careers. We have used that program. It seems to be relatively successful in giving people opportunities. But, like in all things, of course, it is dependent upon working with a lot of people to make that come about.

**Ms. Gray:** Madam Acting Deputy Chairperson, how many unfunded staff years would there be available for this program?

**Mr. Praznik:** We currently have eight unfunded staff years in the bank.

**Ms. Gray:** And can the minister tell us how many of those are currently being utilized in any particular type of program?

**Mr. Praznik:** Yes, we have three that are currently being used, so we have five vacant staff years in the bank which we have available to work with.

**Ms. Gray:** Could the minister give us a bit of detail on those three positions and the nature of the projects?

**Mr. Praznik:** Yes, the information that is available to me at this particular time indicates that one of those positions is working as a program policy analyst trainee in the Women's Directorate. Another is an individual who is from the visible minority category who is working in the Citizenship section of the department of multiculturalism and citizenship, in an antiracism co-ordinator type position, working in that particular field.

**Ms. Gray:** Is this type of program well advertised within the civil service so that staff and supervisors are aware of the program and how they might go about having someone apply for projects such as this?

**Mr. Praznik:** Mr. Deputy Chair, on a year-to-year basis we have used the program somewhat differently, I am advised. From time to time we

have used it strictly internally to government to give people inside government opportunities to do other things and develop their skills in government. There have been occasions where we have used it externally to bring people in from outside of the system to give them experience in working in governments. We have used it in both ways, and we have advertised it accordingly depending on the plans and the needs and the information that has flowed to the staff who operate the program.

**Ms. Gray:** Still on the line of Affirmative Action, does the minister happen to have the numbers of the—and I can appreciate that with deputy ministers they may be political appointments or they may not be—but the breakdown of the affirmative action target groups and the number in relation to the number of deputy ministers?

**Mr. Praznik:** Mr. Deputy Chair, in terms of deputy ministers one has to be careful because, of course, I am not sure who has made a declaration and who has not, but I am advised that two of our deputy ministers have made declarations as being part of visible minority communities, and we have one deputy minister who is a woman. We had two who were women. My former Deputy Minister of Labour, who is here tonight to cheer us on, has since left her deputy minister position to take up a promotion as the president of the Economic Innovation and Technology Council and has obviously used her experience in that portfolio well to catch the attention of the Premier and be appointed to what is an obvious promotion to do some very important work in the province. So the deputy ministership in this case was good training ground for a very fine individual.

**Ms. Gray:** Mr. Deputy Chairperson, I thought when the minister started his remarks, he said one has to be careful, and I thought you were going to say we never know from one minute to the next who the deputy ministers are because then they change.

Just one final question for the minister. I am wondering if he could indicate to us as Minister responsible for the Civil Service Commission, as one of his responsibilities, over the next year what would he like to accomplish in terms of three or four reforms or goals within his department. If he could perhaps give us an indication of what he would like to see accomplished over the next year, everything willing, I would leave the Estimates with that question for the minister.

**Mr. Praznlk:** Mr. Deputy Chair, that is a very intriguing question in the Estimates process. I think a couple of things. One is, we have worked very, very hard as a department. Our staff have put out just above and beyond the call of duty in ensuring that in the Workforce Adjustment process we have managed to find opportunities for those people whose positions have been affected by budget reductions.

We have no idea what next year's budget holds for us, but I certainly consider, as a priority, maintaining that type of service so that ultimately at the end of the day, when we are going through whatever kind of reduction process in government that all governments are going through at this time, we are able to ensure that as many people who still want to be employed by government are at the end of the day, even if it is in other positions.

I am particularly proud of that effort, because one asks the question always, whenever you go through a downsizing and people's lives are affected, and I know my colleagues the Premier (Mr. Filmon) and other members of cabinet always have that concern. When you are reducing government, you are affecting individuals. If you are eliminating those positions, you are depriving them of their livelihood potentially.

When you are able, through such good work as we have on the part of our staff, to know that the vast majority of those people still have a job at the end of the day, and you have accommodated several hundred people who have wanted to leave government to retire or do other things, and you have accommodated them with the VSIP program, when you go home at night, at least you are able to look yourself in the mirror and say, yes, we have had to make some tough decisions. Yes, we have had to eliminate positions, but we know that we have really truly minimized the effect on many, many people. So I am proud of that, and I always want to ensure our civil service is able to maintain that kind of service.

\* (2210)

A longer haul, a more positive issue I think though is, as Civil Service minister, I want to ensure that we provide within government plenty of opportunities, as many as we possibly can, to develop amongst our employees opportunities to learn more about the operations of government in

service delivery. I think this is an area where we have a lot more work to do.

I have managed with my other hat as Minister of Labour with my deputies, both Roberta Ellis-Grunfeld and now Tom Farrell, to give people in our department opportunities for career advancement, opportunities to have management experience, but I think more importantly to develop, and I know some may have trouble with this word, a corporate view of government in the sense that one has to look at government from the whole perspective, not just the perspective of a narrow part of one's department.

I know that there has traditionally been a tendency in bureaucracies over the last number of decades, as people stay in one department of government, one branch of government, particularly if they are manager of that branch, to view that branch as their terrain in which they have a responsibility to protect it, to look after it, to fight on its behalf, without fully appreciating the larger view of what government or their department has to accomplish. What are the larger goals? Where are we trying to move and how are we going to get there? What is my part and my branch's part in achieving that goal?

So one area that we have discussed somewhat, and we want to get more into next year, and we certainly want to encourage departments to pursue is the ability to give people, particularly our junior managers, people moving in the system, the opportunity to see other parts of government operation to gain that larger perspective and to have that ability, when they do see that, to ask the questions about why are we doing things, have that larger objective.

So that is an area we certainly want to work towards. I say this to the member from Crescentwood (Ms. Gray) because I know her very sincere interest in seeing more opportunities for women in government. But if I would offer one bit of advice, and I have done this to Manitoba Women in Government, I have said this to Manitoba Women in Government, that to get more information, to be exposed to the basis on which government and policy decisions are made, to be able to learn the facts, in essence, and see the kind of numbers that we have to deal with at a cabinet level, to be able to adopt or adapt to changing circumstances, to be innovative in program delivery

becomes a great asset, I believe, in promotion in government.

Because we as ministers, our deputies are continually looking for people in management roles to come into management roles, who can be innovative, who can take on new challenges, who are prepared to rethink the way we do things, find new ways of doing them and deliver, ultimately, better service to the people of Manitoba, people who are not caught in the old ways of doing things, are not reluctant about viewing new ways of doing things and new challenges.

So that is a particular objective that we want to be encouraging and working towards, and I think that builds a stronger and better public service for the people of Manitoba. I know my colleagues in cabinet wish to pursue that in their particular departments and build that sense of very innovative leadership within our staff.

That is a goal that I think serves the people of Manitoba well, and we have moved a long way towards that in the last number of years. We have seen some excellent managers come through the system who are using their talents to that end. I think we can have a pretty exciting public service in Manitoba as that develops.

So that is a large goal. I think it ties very much in to the kind of goals I know the member for Crescentwood (Ms. Gray) shares of more opportunities for women, for visible minorities, for others, because in that kind of dynamic, there are always opportunities for those who wish to be innovative, for those who wish to work hard, for those who wish to work towards the larger objectives of the body of government which we now have to take on.

So it opens things up somewhat, I think, and that is exciting. I look forward to more work being done in that area over the next year. [interjection]

**Ms. Gray:** Mr. Deputy Chairperson, if the Minister of Health (Mr. Orchard) would just wait a couple of minutes, he will have his opportunity. I basically just want to thank the minister for his comments and thank the staff, as well, for their participation. Thank you.

**Mr. Deputy Chairperson:** 1. Civil Service Commission (a) Executive Office (1) Salaries \$233,700.

**Hon. Rosemary Vodrey (Minister of Education and Training):** It is very important that we have an

opportunity to talk a little bit about some parts of the Department of Labour and Civil Service.

**An Honourable Member:** Is this going to be 60 hours worth of questions to make up for 60 hours worth of answering?

**Mrs. Vodrey:** Seventy. I am particularly interested in the French Language Services Secretariat which has moved now into the Department of Labour, under the direction of the Minister responsible for the Civil Service.

I wonder if the minister could begin by telling us a little bit about his plans with that move now being put within his responsibility, certainly opens up some, what I would believe to be opportunities, and as a minister who works very closely with the French Language Services in this province, I would be interested to have the minister provide us with a little information and his view on that move.

**Mr. Praznik:** Well, Mr. Deputy Chairperson, I know we are all so busy as ministers there are not a lot of opportunities for us to speak, and this certainly provides an opportunity for us to exchange some views on some of these issues. I am very excited by that opportunity.

I can say to the Minister of Education and Training (Mrs. Vodrey), firstly, I was very excited by the opportunity to serve the people of Manitoba in that capacity as the Minister, Minister responsible for French Language Services. It is a very challenging area as we move towards the implementation, as the minister is very well aware, of governance for the Section 23 parents of Manitoba in the school area, a very exciting area, I think, the redress of a long-standing grievance in our province.

We are also, I think, excited by the Premier's commitment to the active offer option for the provision of French language services throughout the province of Manitoba where there is a need for those services. What I think is so exciting about where we are today is that we are able to achieve, I think, some major progress in the provision of those services to our Francophone community in Manitoba, without the division and divisiveness of previous days.

We are able to do it in a spirit that Manitobans have always been able to demonstrate, when left to settle their issues on their own between communities, one I think generally of good will. We are able to provide in a very meaningful way to the

Francophone community of this province and will be providing to them a host of government services that were never before available to that community.

So it is a very, very exciting time to be in this area of responsibility because we are fulfilling not only a constitutional obligation, but I think for those of us who have some sense of the history of this province, and members may want me to review a little of that history—I see some members nod—where we are in some ways righting some historic wrongs.

In the history of this province one should not forget that French-speaking Manitobans were clearly a majority of the population, at least half the population at the time that Manitoba was founded in 1870. In fact, it was many Franco-Manitobans, the Metis community, Louis Riel, who were instrumental in petitioning Ottawa to create a province in the northwest and ultimately petition Parliament, which resulted in the founding of the Manitoba Act.

So it is exciting, despite a history that did not allow for many of those obligations to be met. We here in a Progressive Conservative government led by Premier Gary Filmon are righting many of those wrongs in a positive way in which I think the vast majority of Manitobans concur and indeed are very proud of. So I am very excited at this time.

**Mrs. Vodrey:** I am also interested, as I see described in the Supplementary Estimates, that part of the minister's role is liaison and a contact with the Franco-Manitoban community. Certainly as Minister of Education and Training, that regular contact with the Franco-Manitoban community has been very important. Certainly the major initiative that we have underway now moving into a system of francophone governance, which is an historical event in the province of Manitoba, has really led us to have many meetings and opportunities to discuss the goals of French language education, particularly French first language education on behalf of Manitobans.

\* (2220)

Our discussions have focused not only on some of the technical issues which, creating that, would lead us to, but it also has allowed us to focus on, again, the wider issues of hopes and dreams of those Franco-Manitobans for their educational system on behalf of themselves and their children.

What I am interested in from this minister is perhaps how he would see with the community itself his ongoing contact and liaison. He might like to speak a little bit about some of the contacts that have already occurred. Some of the messages maybe he has received from the community about how they think and what they hope may be achieved.

**Mr. Praznik:** Mr. Chair, I know there are some specific bits of information that I would like to provide in that way to the minister, which currently are in my office, and I would ask if the committee may grant me a brief recess of the committee perhaps or leave to obtain that information, and I understand our House leader has some comments on that particular point as well.

### House Business

**Hon. Clayton Manness (Government House Leader):** Mr. Chairperson, as has happened many times in the past in committees, for one reason or another, ministers cannot always be at the table until the completion of their Estimates. I understand that the minister has some pressing business, and I am wondering whether or not there would be a will of the committee, because this is very unprecedented, to start another committee realizing that we cannot complete the Civil Service Commission at this time, but we will come back to it tomorrow—whether or not there is a willingness to entertain another department at this point in time? I am thinking of Industry, Trade and Tourism.

**Mr. Deputy Chairperson:** As the honourable House leader is aware, under Rule 64(1), "The Rules shall be observed in a Committee of the Whole House insofar as they are applicable, except the Rules as to of seconding of motions and limiting of number of times of speaking."

Also within the rules, under 65(9)(d), the committee cannot refer to another committee, but seeing as we are dealing under 64(1) which says we are dealing under the rules of the House at this time, I would ask if there is unanimous consent at this time to revert to the Estimates of the Department of Industry and Trade. Is there unanimous consent?

**Mr. Steve Ashton (Opposition House Leader):** Mr. Deputy Chairperson, if we can track down our critic, we certainly have no problems. I would be interested in hearing the comments of the Liberal Party at this point in time. If we are operating under

the rules of the House, we cannot make reference to the absence of any members.

**Mr. Deputy Chairperson:** Is there unanimous consent at this time?

**Mr. Praznik:** Yes.

**Mr. Deputy Chairperson:** Yes?

**Mr. Ashton:** On the condition we can track our critic down, I can make no guarantees on that. That is the only potential problem we might have.

I would just like to put on the record, Mr. Deputy Chairperson, that as a Civil Service critic, I completed my remarks about two hours ago, and we were prepared to pass this committee and proceed to I, T and T tonight. If there are any difficulties in getting into I, T and T, either due to rules or availability of ministers, et cetera, I want it known on the record that we were prepared to deal with I, T and T tonight.

**Mr. Deputy Chairperson:** So the Civil Service Commission then will be going into recess, and we will be going into the Estimates of the Department of I, T and T in five minutes, with the unanimous consent of this committee under Rule 64(1). Agreed?

**Mr. Manness:** Mr. Deputy Chairperson, I just want to make it perfectly clear. I asked for leave of the House today to begin other departments after ten o'clock, but that was on the expressed belief that we would be completing a department. We are not completing a department, and so this is why it is unprecedented at this time. If there is unanimous consent, naturally we would move on.

**Mr. Ashton:** Mr. Deputy Chairperson, I cannot give you unanimous consent other than with the qualification that we can track our critic down. I cannot guarantee that.

**Mr. Deputy Chairperson:** Is that agreeable to the committee then, we will try to track down? We will attempt to track down the opposition—

**Mr. Ashton:** Mr. Deputy Chairperson, I am just asking. I am willing to give leave if we can get our critic. If we cannot get our critic in place—

**Mr. Deputy Chairperson:** Order, please. At this time, all we can do is advise the honourable critic that we are sitting in the Department of I, T and T, and if he chooses not to come to those Estimates, that will be his answer.

**Mr. Ashton:** Mr. Chairperson, regretfully I will have to—

**Mr. Praznik:** Make a condition.

**Mr. Ashton:** I have to give a condition because I do not know . . .

**Mr. Deputy Chairperson:** On the condition if we can get the member in.

**Mr. Praznik:** And recess for 10 minutes.

**Mr. Deputy Chairperson:** And recess for five minutes to find the member.

**Mr. Praznik:** Make it 10, make it 10.

**Mr. Deputy Chairperson:** Ten minutes. Recess for 10 minutes.

The committee recessed at 10:27 p.m.

### After Recess

The committee resumed at 10:32 p.m.

## INDUSTRY, TRADE AND TOURISM

**Mr. Deputy Chairperson (Marcel Laurendeau):** Order, please. As previously agreed, the Committee of Supply will come to order. The Department of Labour has been recessed.

We are now dealing with the Department of I, T and T. Today, in this section of the Committee of Supply, meeting in Room 255, we will be considering the Estimates of the Department of Industry, Trade and Tourism.

Does the honourable minister have an opening statement?

**Mr. Steve Ashton (Thompson):** Before we do proceed, Mr. Deputy Chairperson, I just want to indicate that our critic is, hopefully, on his way in currently. In fairness to our critic and others, we are quite prepared to start on the condition that we will adjourn no later than midnight. [interjection]

That is fine, Mr. Deputy Chairperson. I think we have a general understanding. We make the main point in reference to the rather unusual procedural aspects here. We want to make sure that this matter is brought back at a future committee here, and we can deal with the exact . . .

**Mr. Deputy Chairperson:** At the hour of 12 midnight, we will check with the committee to see what the will of the committee is at that time. The honourable minister to give us his opening statement.

**Hon. Eric Stefanson (Minister of Industry, Trade and Tourism):** I am pleased to have this

opportunity to present the 1993-94 fiscal year spending Estimates for the Department of Industry, Trade and Tourism to the Legislative Assembly of Manitoba.

The next fiscal year promises great opportunities and challenges for this government and this province as we continue to move along the path to prosperity that we embarked upon some five years ago. The challenge we face is clear and well known. We must continue our drive to economic recovery, and, as we do so, we must heed the tremendous changes occurring in the global economy and ensure our development is in tune with those changes.

As a government, we believe our primary responsibility is to create a stable and positive fiscal environment in which all Manitobans can prosper. We believe the greatest contribution we can make in this area is in a balanced budget, and we hope to achieve that by fiscal year 1996-97.

As our recent budget stated, our government has begun a four-year plan to eliminate the provincial deficit through controlling government spending, modest increases in revenue, and fiscal transfer from the lottery revenue. We have now held the line on major taxes in our past six budgets, and we continue to seek ways to decrease the tax burden, particularly on smaller businesses and firms in certain strategic sectors.

In terms of reducing government spending, we continue to seek new and creative ways to deliver services effectively and at a lower cost. We have eliminated some 1,700 public service positions, mostly through early retirement and attrition. We have implemented a wage freeze. We introduced a reduced summer work week for everyone from the Premier (Mr. Filmon) on down, which will save 3.8 percent on salaries this year, and we have called upon other areas of the public sector to share this burden, to implement similar cost-saving measures and to streamline their operations.

Within this context of debt reduction and fiscal restraint, the Department of Industry, Trade and Tourism has a mandate to promote economic development. While there are clear limitations on what we as a government can do by ourselves, we are, however, optimistic about our ability to work together for real and lasting change.

Currently, there are many positive signals for Manitoba's economy. Predictions for improved

growth rates and capital investment, a significant drop in the number of bankruptcies this year and an unemployment rate that is the second lowest in the country all bode well for the future. As well, since September of 1992, our retail sales growth has been second best in Canada and well ahead of the national gain.

On the other hand, ongoing consumer and public debt and modest growth nationally will tend to slow our recovery. We are predicting steady but slow growth in fiscal 1993-94.

The recent recession has provided us an opportunity and incentive to reshape our future and to change radically our thinking and to focus on new economic objectives. Past approaches to economic development in this country and this province have worn thin. In the new global economy of the '90s, we need new ideas and we need new approaches.

Our government's new direction was made public earlier this month by Premier Gary Filmon in a major policy document entitled Framework for Economic Growth, Policy Directions for Manitoba, prepared by the Economic Development Board. This policy paper discusses the new economic realities we face as a province, and the strategies we must follow to succeed.

(Mr. Bob Rose, Acting Deputy Chairperson, in the Chair)

In response to changes in the global economy, our government is restructured as well. In 1991, the Economic Development Board was set up to serve as a focal point of the government's efforts aimed at encouraging entrepreneurship, economic growth and employment. Its mandate includes, in part, the following: developing a strong partnership among government, business, industry, labour and the research community; consolidating economic initiatives across government departments; and overseeing the development and implementation of our key economic initiative.

The most recent and significant contribution of the Economic Development Board is the Framework for Economic Growth policy paper to which I just referred. This document builds on the many consultations we have had with the province's economic stakeholders and specific policies implemented since 1988. It also consolidates our key reform initiatives in fiscal policy, Labour, Health, and Education and, in the

future, will affect virtually every government policy and program.

The framework consists of 10 distinct strategies that embrace several departments, with Industry, Trade and Tourism playing a central role. These strategy areas are:

1) Fiscal management that continues a commitment to low taxes and working towards a balanced budget.

2) Skills training designed to prepare the Manitoba workforce for the job needs of the new global economy.

3) Innovation: to turn good ideas into marketable products.

4) Export diversification: to expand the range of products and services we sell abroad, as well as the markets we export to.

5) Business opportunities network, based on a central registry of company capabilities across the province.

6) Capital market formation: To improve access to existing and new sources of capital for growing Manitoba companies.

7) Employee-owned businesses: to encourage home-based businesses, co-operatives and other forms of employee ownership.

8) Rural economic development: to encourage community-based economic strategies that focus on emerging economic sectors and adding value to resource-sector products.

9) Infrastructure investment: to broaden our approach to include research and development, education and social infrastructure, as well as the traditional areas of transportation and telecommunication.

10) Sectoral strategies: to encourage sectors with emerging global opportunities, such as health care, aerospace, information and telecommunications, environmental industries, agrifood and tourism, while at the same time to build on our traditional strengths.

Our main task as a government in the coming months will be to build commitment to these new directions from all Manitobans, including representatives from government, the private sector, research and development and educational institutions.

To assist my department prepare for its role, I recently announced a more innovative delayed structure for the Department of Industry, Trade and Tourism in which program priorities can be more easily linked to and serve our overall economic thrust.

\* (2240)

To do this, we have reorganized the department into three functional areas: Strategic Initiatives, Business Services and Management Services.

The Strategic Initiatives division includes the six key sectors of our economy, which I spoke of a moment ago. Each sector has a strong competitive cluster of companies here in Manitoba on which to build or represents an industry that we believe will see tremendous growth in the world economy.

Moreover, most are high technology fields where innovation is key, and with innovation comes the potential for spin-off benefits from other industries.

In the Tourism sector, the reorganized tourism initiative has focused on closer industry consultation in the areas of Tourism Marketing, Tourism Services and product development.

A six-point marketing strategy has been implemented this year to capitalize on Manitoba's strengths in the marketplace.

A new television and print advertising campaign focusing on Manitoba's outdoor and heritage products and the development of touring routes are included in this marketing thrust.

The marketing programs also target the nearby United States markets with a visitor values program designed to create awareness of the strong U.S. dollar and the PST, GST rebates.

(Mr. Deputy Chairperson in the Chair)

Manitoba also hosted the very successful Rendezvous Canada marketplace in Winnipeg in May of this year. Some 350 tour operators and wholesalers from around the world attended this tourism trade show, and an estimated \$3 million to \$4 million in Manitoba products were booked.

Most recently the department participated—

### Point of Order

**Mr. Kevin Lamoureux (Second Opposition House Leader):** Mr. Deputy Chairperson, on a point of order, and I would ask for some clarification

through the Chair in terms of some of the rules of the Chamber.

Earlier this evening, I had opportunity to ask the Clerk whether or not another department can follow a department if in fact the department has not been passed. It was indicated to me at the time from the Clerk that if in fact there is no unanimous leave from the Chamber, inside the Chamber, not from the committee, in fact you could not go into another department. Now I understand that there was unanimous consent from within this committee after ten o'clock. If in fact that is and that was the case, I was still led to believe from the Clerk of this House that in fact that would not be in order; that the committee cannot in its powers decide anything and everything it wants to do; that you have to follow the rules of the Chamber and the Clerk was, at least I had thought, fairly clear.

So I would ask the Chair, what are the rules of the Chamber? Is the minister able to present his Estimates at this point, given that there was no consent, no unanimous leave? I think it is very important, Mr. Deputy Chairperson, that we abide by the rules. We will find that, in the past, the minister, the government House leader, had approached for unanimous consent of the Chamber to be able to do this previously. Now, I think that it is very dangerous in terms of precedent setting, and at the very least, I have to voice that I oppose what in fact the committee has done, because I do believe it is in violation of the rule. Again, this is something which the Clerk had indicated to me. So I think it is important before we go on that we clarify this particular matter.

**Hon. Clayton Manness (Government House Leader):** On the same point of order, what happened tonight is unprecedented in the sense that a set of circumstances arose after ten o'clock that the rules did not anticipate, and so a decision had to be made. You, Mr. Deputy Chair, called out to the members around this table, all the members, certainly just not members of one party, to seek their advice. A motion was moved, unanimously supported by those in attendance. We all know that the rule book cannot contemplate every situation. If the House leader of the Liberal Party is troubled by that fact, and I can understand maybe why he is, then I think it is fair that this is brought before the Rules Committee of the House.

We have a standing committee that deals with rules, and it tries to deal with them in a fair fashion

when these unprecedented sets of circumstances come about. Ultimately, we, as legislators, make decisions on how to follow the next course. The member is right. I asked the question of the House today whether or not we could move into a next department on completion. That is what the rules talk to. The Civil Service Commission was not completed, so the rules never anticipated that.

So, Mr. Deputy Chairperson, I say to you that I understand the point of order. I do not accept it, but that the members of the House within their Rules Committee ultimately will have to deal with that, with this question.

**Mr. Gary Doer (Leader of the Opposition):** I just want to make a brief comment on this. The rule that has been cited by the member for Inkster, there is also another rule that says we have a finite period of time for Estimates, 240 hours. Obviously, when departments of this importance, when jobs are so important and the economy is so important for Manitobans and people outside of this building, surely committees can make decisions in the best interest of the people of this province when those are the kinds of issues that are before us. Rather than filibuster or the government having the option to go to midnight on something that is already completed, it makes good sense for the people outside of this building, and hopefully the people inside this building, to get on with the issues that are important to Manitobans.

I do not know all the parliamentary niceties about this rule, et cetera—

**An Honourable Member:** You do not care.

**Mr. Doer:** Well, I do care. I do know that we have a number of rules we are working within, and one of them is the 240 hours, and one of them is that this committee is trying to abide by those kinds of directions. I also know there are some sort of rules outside of this building, and those are the priorities of Manitobans. With a finite period of time, I thought it was quite frankly ridiculous for our party to participate in discussions on a department that was already finished when we have a lot of unfinished business dealing with the economy and jobs, and we have staff in this building. Surely to God, rules are there to facilitate the rights of the minority but also the rights of Manitobans in the jobs that we are elected to do.

So if the Minister of Finance (Mr. Manness) is suggesting that this is forwarded to the Rules

Committee, so be it. But to sit here from 10:15 on when we are finished the department and not be able to deal with another department, which is important to every one of our constituents—surely those are the people that these rules should be serving. To me, the rules should serve the people that elect us, and that is dealing with the economy and jobs and not wasting time after a department is complete.

**Mr. Deputy Chairperson:** Order, please. I am going to rule on the first one here.

On the honourable member's point of order, I am going to take it under advisement and deal with the issue and come back to the committee when I get my ruling together and find all the information. I would like to let the honourable member know that I have already ruled that we will deal with I, T and T, and I have given the reasons why. At this time, we will carry on with I, T and T.

The honourable member for Inkster, on another point of order?

**Mr. Lamoureux:** Yes, no—on a point of order, Mr. Deputy Chairperson. In listening to the response—and I think it is imperative that the Deputy Chairperson does look at this matter, and I hear that he will be looking at it and time is very important, no doubt—the Minister of Finance in his explanation tries to justify it by saying, yes, it is in violation of the rule, but at times we need to violate rules. Nothing prevents this committee from rising at ten o'clock. In fact, that is what it allows for inside the committee, and it is fully within the rules to rise. I agree with the Leader of the New Democratic Party that it is very important debate, and if we adjourn, we could in fact be back into session and dealing with this particular—

**Mr. Deputy Chairperson:** Order, please. The honourable member for Inkster does not have a point of order. We are now dealing with I, T and T.

### Point of Order

**Mr. Deputy Chairperson:** The honourable government House leader, on another point of order.

**Mr. Manness:** Yes, because the member said that I said that we were in violation of the rules. That is a total falsehood. I never said that. I never came close to saying that. I indicated we were in unprecedented, uncharted waters, and we had to move accordingly. So I say to the member, Mr.

Deputy Chairperson, we were not in violation of the rules.

**Mr. Deputy Chairperson:** Order, please. The honourable minister did not have a point of order. It was a dispute over the facts.

\* \* \*

**Mr. Deputy Chairperson:** The honourable Minister of Industry, Trade and Tourism, to continue.

**Mr. Stefanson:** Thank you, Mr. Deputy Chairperson, carrying on with some comments on Tourism and the tourism initiative. Most recently the department participated in the Canada Night Promotion of the Wally Byam Airstream Trailer Rally in Bismarck, North Dakota this past weekend. Some 7,000 Canadian and United States motor home enthusiasts were treated to Manitoba entertainment and encouraged to attend the 1994 Wally Byam Rally scheduled for Brandon next August resulting in expenditures of over \$4 million.

The Business Services division includes programs for industrial and business development for those sectors not identified as strategic initiatives. It includes specific support programs such as export development training, services to small business and co-operative development.

\* (2250)

Finally, the Management Services division comprises the department's internal support services. This includes the Manitoba Bureau of Statistics, Research and Economic Services and Financial and Administrative Services. This major structural change has eliminated a layer of management at the assistant deputy minister level, put new emphasis on strategic sector and helped instill a service-oriented, project-based philosophy across the department.

At the same time, we appointed Paul Goyan as the new Deputy Minister of Industry, Trade and Tourism. Mr. Goyan, recently an assistant deputy minister with Manitoba Education and Training, has an extensive background in skills development and training program delivery. We look forward to his vital contribution.

Despite the serious limitations as to what the government can do under present physical circumstances, we believe the new structure and team we have in place will maximize our program efforts.

Recognizing the critical role of innovation in the new global economy, last September we set up the Economic Innovation and Technology Council. Its current president is Roberta Ellis-Grunfeld, and the chair is Mr. Russ Hood.

(Mr. Jack Reimer, Acting Deputy Chairperson, in the Chair)

The role of the EITC is to provide a forum for consultation and dialogue between business, labour, the research community and government. It held a major forum of economic stakeholders in October, 1992, and has submitted a brief to the University Education Review Commission. EITC also manages the \$10 million Economic Innovation and Technology Fund aimed at stimulating research and development activity in the province of Manitoba.

Because of the increasing importance of exports to our economy we have devoted much time and resources to trade issues, particularly the North American Free Trade Agreement and interprovincial trade within our own country. Last December our government tabled a document in the Legislature clearly outlining our position on NAFTA. You will recall we assessed the final text of the agreement to see how it met the six conditions we had set out in June of 1991. We determined that three of the six conditions necessary for us to support NAFTA had not been met to our satisfaction.

We continue to work with the federal government to address the areas that concern us. Canada is now involved in negotiations that we expect to lead to separate trilateral agreements to ensure adequate enforcement of labour and environmental standards. As well, we continue to urge the federal government to commit greater resources towards the training of Manitobans so they can acquire and develop the skills needed to prosper under trade liberalization.

In terms of interprovincial or internal trade, our government is actively pursuing discussions with other provincial governments with the aim of reducing or eliminating internal trade barriers.

I am currently provincial co-chair of the Committee of Ministers of Internal Trade. This committee agreed in March of this year to launch negotiations towards a comprehensive agreement on internal trade by June 30, 1994. The committee recently met in Vancouver in early June and

adopted an aggressive work program to guide these interprovincial negotiations.

I would like to now turn to several specific economic development incentive programs which we feel are successfully advancing the department's objectives. For example, in recognition of the vital role of smaller entrepreneurs in our province, the Business Start program guarantees loans for small businesses with a special interest in women and rural Manitobans.

The Manitoba Industrial Opportunities Program, or MIOP, provides financial incentives to companies seeking to locate or expand in Manitoba. The program requires certain benefits to Manitoba in terms of job creation or capital expenditures. In 1992-93, the program approved four loans totalling \$6.88 million. The companies involved are committed to providing 434 jobs and capital expenditures totalling \$22 million. The program also has three loans in process for '93-94. They would total \$6.2 million bringing 405 jobs and resulting in \$36 million in capital expenditures.

The Manitoba Industrial Recruitment Initiative, MIRI, also provides assistance to new business investment and development generally through conditional forgivable loans. Job creation again is a key objective. In 1992-93, MIRI approved two loans of \$300,000 each with an expectation of some 200 total jobs being created or retained in Manitoba. The first involved UMA Engineering Ltd., which will establish a \$1-million centre of excellence in Winnipeg for the design of power generation plants. The second loan went to the Winnipeg Airport Authority to support its continuing efforts to upgrade this facility and enhance Winnipeg's position as a commercial transportation hub. MIRI is now negotiating two further loans to be completed in 1993 that would create some 400 jobs and has a number of other major projects on the horizon.

Other important initiatives my department has been involved in include the Crocus Investment Fund, which reflects our commitment to employee-owned enterprises. This fund was designed and is managed by the Manitoba Federation of Labour, and we have contributed a \$2-million start-up investment from the government of Manitoba Lotteries Fund. The Crocus Investment Fund is designed to promote and encourage the retention of business capital and employment within Manitoba, the ownership of

small and medium-sized Manitoba businesses by Manitobans and the ownership of Manitoba businesses by employees.

The recent signing of the Russia-Manitoba agreement on the Arctic Bridge moves the province one step closer to formal trade ties between Churchill and Murmansk. Such links would revitalize Churchill as a gateway between northern Russia and western Canada. Further study is underway to identify trade opportunities and assess what kinds of infrastructure improvements may be needed.

These, then, are some examples of the initiatives for economic development that we believe are preparing Manitoba for a diversified, innovative and competitive future. We must face the road ahead with a combination of confidence and realism. In Manitoba, there is much to be confident and optimistic about these days, but we have a tremendous legacy of strengths on which to build. We must understand our strengths, weigh them realistically against the trends of the global marketplace and use them wisely.

Mr. Acting Deputy Chairperson, this concludes my opening remarks.

**The Acting Deputy Chairperson (Mr. Reimer):** I thank the minister for those remarks.

Does the member for Flin Flon, the official opposition have any opening statements?

**Mr. Jerry Storle (Flin Flon):** Mr. Acting Deputy Chairperson, I want to thank the minister for those opening remarks.

We are quite accustomed to rather glowing opening remarks about what the government has done and, perhaps more than usual this year, what the government intends to do. Unfortunately, many of the minister's comments relate to, I guess, the government's good intentions. You could talk about the Arctic Bridge agreement, which of course, no one expected to bear fruit immediately, but the fact of the matter is that it looks good in a press release and it sounds good, but it is cold comfort to the 55,000 or 56,000 Manitobans who remain unemployed and to the increasing numbers who have been unemployed as a result of, at least in part, government policy since 1988 and perhaps more significantly since 1990.

One of the things that the minister did not spend any time on in his opening remarks was the, I think, very discouraging and very worrisome trend in the

province of Manitoba which has seen a dramatic decline in the number of manufacturing jobs. This department, certainly among all the departments, should be the most concerned with the economic infrastructure of the province. One measure and one important measure in this province has been employment and manufacturing, and over the last five years the number of people employed in manufacturing has declined every year to the point where, I believe, the latest Stats Canada figures suggest that some 47,000 people are employed in manufacturing, certainly our lowest level in many, many years.

(Mr. Deputy Chairperson in the Chair)

Mr. Deputy Chairperson, the minister did not talk about, I guess, the impact of the Free Trade Agreement and the potential impact of NAFTA on those manufacturing jobs. It is interesting, some months ago, December, we did an analysis of the substantial change in manufacturing jobs in the province. We compared December of 1988 with December of 1992, and in every category of manufacturing we have lost jobs. In some areas we have lost 70 percent of our jobs, for example in flour, cereal and feed. In dairy products we have lost 40 percent, clothing 36.8 percent, food 35.2 percent, nondurable goods 29.9 percent, combined publishing and printing 25 percent loss, durable goods a 20 percent loss, machinery a 17 percent loss, and the list goes on.

Mr. Deputy Chairperson, those figures speak of serious trouble in the manufacturing sector, and it is the wealth producing sector. We know of the trials and tribulations in the primary sector, a sector that is very dependent on international markets and international prices. But this is a worrisome trend. Clearly in the mining industry we have lost jobs since 1988. Agriculture has suffered with the market along with other entrepreneurial groups and sectors of the economy that rely on international prices, but there are very few bright spots in Manitoba's economy.

\* (2300)

So we have to be concerned about that, and what I was looking for when I reviewed the Estimates of the department was some indication that the government and this minister were going to focus on some of the shortcomings that have become apparent in government policy, in government action over the last little while.

Mr. Deputy Chairperson, we need to spend hours talking about tourism, talking about the continuing decline of American tourists coming into Manitoba. I think there is every evidence that whatever the government thinks it is doing in terms of supporting tourism is not working and it is time to make that assessment.

I did not expect the minister to talk about some of the criticisms of the initiatives that he talked about. He talked about the Crocus Fund, and again, a fund that has a great deal of potential, a fund that was on the drawing board before this government assumed office in 1988.

The member did not talk about the failure of the Grow Bond program to live up to its objectives, to live up to its potential. I just happened to pull one of the many press clippings that talk about Grow Bonds. It talks about the president of the Manitoba Chamber of Commerce, and this is his quote: People are very frustrated. They get the local corporation up and running and the money collected, and they cannot get a decision out of the government.

It would be nice if that were only the Grow Bond program. The minister responsible is sitting right here. But the REDI program has a similar problem. In fact, in the chamber of commerce brief that was presented to this government—I stand to be corrected on the exact quote—but I believe the quote from the chamber of commerce in Brandon was that this was the worst program they had ever seen because of the bureaucracy, because of the inability to get a decision out of the bureaucracy, and the apparent lack of direction on the part of the government.

Mr. Deputy Chairperson, we could have spent days, never mind hours, talking about the Immigrant Investor Program and what the government did or did not do with respect to its obligations there. Before, when I was preparing for this Estimates review, I spent some time reading a paper that was prepared by the Department of Industry, Trade and Tourism talking about Manitoba guidelines. It was published in February of 1990.

It is interesting that in the department's own criteria, at a time when it already knew there were problems, it is obvious as events unfolded that no one in the department took any responsibility.

I know the minister has said many times since that it was a federal responsibility and it was their program. But the fact of the matter is that the minister knew, and his department knew in February of '90, if not before, that there were serious problems. The department took some time to outline what it calls investment review criteria.

It talks about important considerations, such as job creation, regional development, technology transport, export potential. At the same time, it was extending and approving agreements, approving the establishment of funds and the marketing plans for funds that clearly were not meeting our own guidelines, never mind perhaps the guidelines established by the federal government in terms of the program.

I could go through a long list of potential projects that, I believe, this government has blown. Some of those have been raised by the previous member for Portage. The minister knows very well my feelings about other opportunities that the government has had that it has, by sheer neglect, lost. They include 15 to 20, possibly 25 jobs with Caligiuri Woodworking of only a few months ago.

I know the minister and I differ on the specifics of that project. But certainly my reading of it is that the government missed a golden opportunity.

I have mentioned to the minister that there are manufacturing projects waiting with funding in place from other institutions and other levels of government. They have been waiting for months and months and months for a decision from this department.

So, Mr. Deputy Chairperson, when we review the department, we are going to, unfortunately, not have enough time to go in-depth in each of the branches of the department. But we are going to be looking for some indication here that things are about to change in the department.

We have had the shuffling of the deputy ministers and the acting deputy, and the shuffling of other responsibilities within the department. It is certainly not clear when you read over the detailed departmental expenditures that, in fact, things are changing for the better. It does not appear that that is about to happen, but I will wait for the minister to assure me that it is.

**Mr. Deputy Chairperson:** We thank the critic from the official opposition party for those remarks.

Does the critic for the second opposition party, the honourable member for Osborne (Mr. Alcock), have any opening comments? We thank that critic. [interjection] I cannot say that.

### Point of Order

**Hon. Donald Orchard (Minister of Health):** On a point of order, you called for the member for Osborne. I do not see him here.

**An Honourable Member:** You cannot say that.

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

**Mr. Orchard:** Oh, I am sorry.

**Mr. Deputy Chairperson:** We are not allowed to refer to the absence or presence of a member.

\* \* \*

**Mr. Deputy Chairperson:** Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of a department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. At this time, we invite the minister's staff to join us at the table, and we ask that the minister introduce his staff present.

We will be dealing with item 1.(b)(1) Salaries \$415,800 on Page 98.

**Mr. Stefanson:** Mr. Deputy Chairperson, seated immediately to my left is Deputy Minister Paul Goyan. Beside Paul is Val Zinger, our director of Financial and Administrative Services. Next to Val is Stephen Kupfer, who is the director of our Financial Services, and finally, Alan Barber, who is the director of our Research and Economic Services.

**Mr. Storle:** Mr. Deputy Chairperson, I have no questions in the first three categories, so if we want to just proceed and pass those, unless we are just going to go and discuss it all. Should we just discuss it all?

**Mr. Deputy Chairperson:** What would the will of the committee be? Would it be to just have a general discussion, or do you want to move line by line? [interjection] Line by line? Okay.

1.(b)(1) Salaries \$415,800—pass; (2) Other Expenditures \$75,500—pass.

1.(c) Financial and Administrative Services (1) Salaries \$641,100—pass.

**Mr. Storle:** Mr. Deputy Chairperson, did we—oh, we left the Minister's Salary.

**Mr. Deputy Chairperson:** Yes.

**Mr. Storle:** So we are on 1.(b) Executive Support.

**Mr. Deputy Chairperson:** Yes, you said to pass that.

**Mr. Storle:** Yes, I am looking at a different sheet here. That is fine; keep going.

**Mr. Deputy Chairperson:** Carry on?

1.(c)(2) Other Expenditures \$341,800—pass.

1.(d) Research and Economic Services (1) Salaries \$371,600.

**Mr. Storle:** Mr. Deputy Chairperson, this one intrigued me a little bit. I would like to know how many people are in this part of the department. We will start with that, and perhaps if we could have the number of and the names of the professional staff in this area.

\* (2310)

**Mr. Stefanson:** Mr. Deputy Chairperson, there are seven positions in this particular area. The individuals are the director, who I have introduced; seated at the table is Mr. Alan Barber, and there is an administrative secretary, J. Sereda. The other five professional individuals that the member was asking about: there is a research analyst, P. Mackin; a senior policy advisor of science and technology, R. Humble; a senior consultant, N. Allison. There is a senior trade economist position that is vacant, and there is a senior trade economist, D. Au.

**Mr. Storle:** One of the things that this branch is supposed to do is undertake policy, research and analysis of trade, science and technology issues. Over the years, certainly since the initial discussions on the North American Free Trade Agreement, we have been asking whether Manitoba has done any analysis of the potential impact of that trade agreement.

I am wondering whether in fact the department, this branch has done anything specific on the impact of NAFTA, other than the surveys that have been done by outside groups and consultants.

**Mr. Stefanson:** When it comes to our review of NAFTA, we have followed several courses. One the member for Flin Flon is fully aware of is on two separate occasions we have gone through extensive consultations with Manitoba business, labour, academic, research, a combination of individual organizations and individuals themselves which, in the final analysis, we feel is one of the

best sources of information that we can possibly draw on, because these are the people who will have to function with a potential NAFTA.

We have also reviewed various papers that have been put out on this particular issue by organizations like the C.D. Howe, by the department of Finance federally, by Western Diversification and so on. From a combination of those reviews, from a combination of our consultations, we have come up with a position on what we see as being the impact on Manitoba, but it is not an empirical analysis. To the best of my knowledge, I do not think any province has undertaken that, because I think, as the member for Flin Flon well knows, that any of these are always based on assumptions. Whatever assumption you make can dramatically affect the output. As I indicated, in the final analysis, we feel the best resource we have gone to is the Manitobans themselves who are the individuals who have to work and live with any potential agreement.

**Mr. Storle:** Mr. Deputy Chairperson, I have seen some of the work that the minister is relying on and some of it, of course, is surveys of chief executive officers. The Canada West Foundation, C.D. Howe and others have done that kind of analysis. Again, it is very much anecdotal kinds of reports from CEOs thinking, well, I think we may be able to make inroads here.

I am a little surprised that the minister suggests that, you know, objective research or objective analysis is not warranted here. I think that should be of concern. I remind the minister that many of the groups who supported the Free Trade Agreement, including the Canadian Manufacturers Association's president of the day, have since said, well, we may have made a mistake.

Is there no information at the department's disposal to justify even the cautious optimism that the minister seems to have with respect to NAFTA?

**Mr. Stefanson:** Mr. Deputy Chairperson, a couple of comments in response to the member for Flin Flon. I am led to believe that the process that we have just gone through is in many respects similar to a process that I assume he would have been a part of when they were the government doing the review of the Free Trade Agreement with the United States.

Another point is that I think the member is aware that current trade activity with Mexico I believe is

less than 1 percent, about one-half of 1 percent of our current export economic activities. So back to my comment that I made to him earlier about assumptions can have a dramatic impact on hard empirical data, and I want to assure him that the kinds of consultations we had were not only with the CEOs of major organizations, they were with heads of organizations that represent sectors in our economy. I believe he has seen the list of the sectoral organizations, the individuals that we consulted with, a broad range of all of the sectors in our economy, and these are individuals who are dealing and working with Manitoba companies and Manitobans across a very wide sector.

Clearly, they bring to the table an awful lot of knowledge on trade, on trade issues, on how the Free Trade Agreement has functioned with the United States, and I believe in the final analysis do represent the best resource that any government can go to, because they have put their time, effort, money and livelihoods on the line to deal with one trade agreement now, and obviously have a significant interest in a potential agreement with Mexico. They have been an excellent resource to us and have helped us to formulate what we see as the opportunities under a North American Free Trade Agreement.

We might end up agreeing to disagree, but I think the extensive time and effort and consultation and open-door policy we have had with Manitobans on dealing with comments on NAFTA is the best approach that we could use to derive useful information on the issue.

**Mr. Storle:** Mr. Deputy Chairperson, I am just wondering if the minister can tell us his current position on NAFTA?

**Mr. Stefanson:** Yes, I would be pleased to tell the member for Flin Flon our current position on NAFTA. To do so I have to step back to our original position just to make it perfectly clear for him where we were and where we are today.

Back in July of 1991, we said that we opposed NAFTA unless six fundamental conditions are met. I do not think I need to read all six conditions into the record. The member for Flin Flon knows them well.

We then did an analysis again, after consultation with Manitobans, of those six conditions and how we felt they had been met to date during the NAFTA process between the three countries. We

came to the conclusion that three of them had not been met to our satisfaction. Again, I believe the member for Flin Flon knows the three, but I think it is worth stating what those three are. One was our condition on labour issues; another was our condition on environmental issues; and the third one was our condition about concern about adequate adjustment provisions.

We are very pleased to see that, through a combination of similar positions, one taken by the new President of the United States, concern over environment and labour issues, that there are now serious discussions going on on sidebar agreements.

\* (2320)

I want to assure the member for Flin Flon we are full participants in that, not only from my department but from Environment and from Labour. In fact, Manitoba is playing, in my judgment, very much of a lead role in both of those issues within Canada in terms of helping Canada formulate policies in those areas, so it remains to be seen whether or not those two conditions can in fact be met.

To date, the condition as it relates to adequate adjustment assistance has not been met, so our position is we continue to be opposed to NAFTA until all six conditions are met, and there are still three outstanding conditions, Mr. Deputy Chairperson.

**Mr. Storle:** I am just wondering whether the minister feels he is having any impact, given the fact the federal government refused to join with President Clinton in expressing concern and demanding sidebar agreements, particularly on the environmental issues and workplace health and safety labour issues.

I was trying to, in my opening remarks, indicate that the government seems to have all the rhetoric right. I have never had a problem with the minister's rhetoric. What I am concerned is that it has not always sort of translated itself into action. I asked some time ago what the government intended to do if the six conditions were not met. The minister has already acknowledged that three of them have not been met, and the Canadian government shows little inclination to make sure that they are met on behalf of Manitoba. What is the government going to do?

**Mr. Stefanson:** Mr. Deputy Chairperson, I am pleased to hear that the member for Flin Flon is pleased with the—he uses the expression rhetoric—obviously, the position we have taken on this issue to date.

The point I want to make to him is that I have been very proud, is probably a good word to use, of the role that Manitoba has played throughout this whole process. We were the first province to come forward with very specific conditions, particularly the two that relate to labour and environment that are now receiving so much attention. That was not the case from other provincial governments early in the process. We did that.

One could say that it is nice to see countries like the United States following the lead of Manitoba, because clearly we took positions on issues like this much ahead of certainly the United States and many other jurisdictions. So when it comes to some of the issues that are being discussed today, they are issues that we have been corresponding with the federal government on, putting on the record continuously at trade ministers' meetings, of which there were several during the early part of the NAFTA negotiations, and so on.

As I have indicated to the honourable member, our position is that our six conditions have to be met. We are optimistic with the progress we see on labour and environmental issues, and we feel certainly the issue of adequate adjustment assistance is well within the realm of the federal government, and we will continue to press them to deal with that issue.

**Mr. Storle:** Can the minister indicate, moving to another topic, what the government's current understanding is with respect to the decline in our manufacturing sector? Has the slide stopped? Is the so-called rationalization going to continue to eat away at our manufacturing jobs?

**Mr. Stefanson:** Firstly, to provide the member for Flin Flon with some statistics on manufacturing employment, the most recent statistics, Manitoba's manufacturing employment in May of '93 was estimated at 52,000 persons, which was an increase of 1,000 from May of 1992, so some 2 percent. The number of manufacturing jobs at the national level during that same period rose .4 of a percent, I believe, or somewhere in that vicinity. So comparing May of '93 to May of '92, there is an increase in manufacturing employment, which is

encouraging. Some would say 2 percent in today's economic climate is not an unreasonable percentage increase at this point in time.

Probably a more important point that I know I have made to the member for Flin Flon, but I think I have to make again, is that the recession has hurt manufacturing jobs everywhere, not only in Canada, but in the United States and in other parts of the world. I will come back to that in one moment.

Despite this, Manitoba's manufacturing job decline between 1990 and '92, has been 5.6 percent, which is not good news, but in a relative sense, it is much less severe than Canada's drop of 10.6 percent or the 12.9 percent job loss in Ontario. As well, new capital investment by Manitoba manufacturers is looking quite positive. It is forecasted to grow by 30.8 percent in 1993, the second best amongst all provinces in Canada and well above the national average of 4.8 percent.

This seems to be a point that either we cannot agree to between our different political parties or our message is not getting through to the opposition parties in terms of recognizing what is happening worldwide. I want to very briefly turn to two different articles, one that deals with the United States and what has happened to manufacturing jobs in the United States.

There seems to be this myth or understanding by some people that Canada is losing manufacturing jobs to the United States. If you look at what is happening in the United States, between 1981 and 1990, the American manufacturing sector fell from 20.2 million jobs to 19.1 million, a decline of 1.1 million jobs. In Canada, the comparable decline was 120,000 jobs. Overall, between 1981 and 1990, the loss of manufacturing share was 3.3 percentage points in Canada and 3.9 percentage points in the United States. There is little difference between them, but the loss was worse in the United States. So, clearly, the issue of loss of manufacturing jobs is not something unique to Manitoba, is not just something unique to Canada, not even something unique to Canada and United States.

I now want to return to another article: A struggle to change the way Europe works; while job losses swell, competition challenges an arthritic labour system—a couple of quotes that I know the member for Flin Flon would be most interested in.

What makes today's effort by governments to revive economic growth and create new jobs so difficult is that it is occurring against a backdrop of sweeping changes in the basic ways business is organized. This immense global restructuring is being forced on Europe by the impact of new technologies on the workplace, the intensification of competition at home and abroad, and the erosion of old frontiers that have vastly increased the international mobility of goods, services and investment. Announcements of job losses for thousands of workers, blue collar and white collar alike, provide a daily drumbeat of doom and gloom for Europeans already beset by double-digit unemployment.

Bigger is no longer better. Downsizing and re-engineering are changing the nature of the large secure organizations that once dominated the marketplace. While you no longer have to be everywhere, you have to be ready for competition from anywhere, and it is not getting any better. The European community is 17.4 million jobless; 11 percent of the workforce are expected to be joined by perhaps another 1.5 million idle people by the end of the year. Intensifying internal and global competition will keep Europe's joblessness rising fast. All of this adds up at least at first to many fewer jobs—and this article goes on and on dealing with Europe.

I quoted some statistics in terms of manufacturing jobs in the United States, and I can only be repetitive for the member for Flin Flon that I hope that one day he comes to the realization and we agree on this, that it is not a phenomena to Manitoba. It is not a phenomena to Canada. It is happening as part of a global restructuring that is occurring worldwide, and you have to look at how Manitoba is faring in a relative sense.

When you put it in perspective, while nobody is happy to see job losses in any sector of our economy, Manitoba is faring relatively well by comparison in the manufacturing sector. Certainly, there are positive signs when it comes to capital investments in the manufacturing sector for 1993, when it came to our 1992 manufacturing shipments which rose by 3 percent which was the third best in the country and three times the national growth rate of only .9 percent. Those are my comments on that issue, Mr. Deputy Chairperson.

**Mr. Storle:** Mr. Deputy Chairperson, I was pleased to have the minister read about some of

the trials and tribulations of other jurisdictions, but I think we are going to have to disagree over the statistical base that the minister is using. My reading is, and this was Stats Canada data as of March '93, that we have lost almost 25 percent of our manufacturing base, not the 3.3 percent that he was talking about on a Canada-wide basis. We are not talking about as a percentage of all the jobs in the economy. We are simply talking about year over year in manufacturing, and from 1986 or '87 to the present time, we have lost thousands and thousands of manufacturing jobs.

\* (2330)

My question though was not to ask the minister to defend on some global basis what is going on, but to ask whether we have stopped the slide, what the government is going to do, I guess, to bring those thousands of jobs, manufacturing jobs, back. That was more the question, but we will agree to disagree on whether there is a problem or not.

The final question: Did the minister ask this branch to do any analysis on the impact of the Sunday shopping legislation? On rural Manitoba, I should add.

**Mr. Stefanson:** Mr. Deputy Chairperson, this branch did play somewhat of a role in terms of our internal analysis of Sunday shopping. Probably the areas more directly involved were some individuals from our Tourism sector and probably most important was the Manitoba Bureau of Statistics which we utilize quite extensively.

**Mr. Storle:** Just one other question. In the area of Other Expenditures, there are some grants, transfer payments, worth \$241,000; \$294,000 last year. Who gets those grants?

**Mr. Stefanson:** That grant assistance is provided for the Manitoba Centres of Excellence which the member for Flin Flon is fully aware of and Manitoba science fairs.

**Mr. Storle:** Pass that section, Mr. Deputy Chairperson.

**Mr. Deputy Chairperson:** Item 1.(d) Research and Economic Services (1) Salaries \$371,600—pass; (2) Other Expenditures \$195,900—pass; (3) Grants \$241,800—pass.

Item 1.(e) Manitoba Office in Ottawa (1) Salaries \$214,600.

**Mr. Storle:** Mr. Deputy Chairperson, who is the manager of the Manitoba Office in Ottawa?

**Mr. Stefanson:** The same individual as last year, Mr. John Blackwood.

**Mr. Storle:** I guess the government is always looking for ways of saving money. It seems to me one of the simplest ways to save money is to close this office.

If I recall on Friday of last week, the Premier felt it necessary to fly to Ottawa with an entourage to shake hands with the new Prime Minister. It raises the question, what is this office doing? It seems to me that we have lost virtually every political battle since this government took office, whether it is CN jobs or the Port of Churchill jobs, and I am wondering why this office continues to operate when it seems to be having so little impact on any decision the federal government makes?

**Mr. Stefanson:** Mr. Deputy Chairperson, I stand to be corrected, but I think every province in Canada with a population of over a million has an office in Ottawa, and I think most provinces are recognizing it is important for several reasons. Obviously, one example is the whole issue of federal government procurement in terms of the amount of dollars that they spend annually on procurement and the opportunities that exist for Manitoba companies. I think you will find that Manitoba is faring reasonably well in that particular area and, in no small part, because of the Ottawa office. Obviously, the whole area of policy and policy decision, again, to have inroads and opportunities to be on the ground dealing with individuals in those offices can make a significant difference in terms of the role we can play as a government.

I have several pages of accomplishments which I am more than pleased to read into the record for the member for Flin Flon which will give him a sense of some of the areas of involvement, Mr. Deputy Chairperson. Whether it is individual companies that we have been working with, companies in the aerospace industry, companies like Bristol; whether it is issues like going back to the whole issue of Canadian Forces Base at Portage la Prairie; whether it is the issue that I have already touched on—well, I did not touch on—federal-provincial relationships and western diversification; whether it is issues like the militia payroll system; whether it is dealing with constitutional issues and the time spent on the constitutional issues over the last few years; whether it is a series of trade issues from GATT to

free trade to NAFTA to other issues in the trade area; and a whole series of procurement-related activities that deal with the Canada Space Agency; CIDA; the CP-140 upgrade; EH-101 helicopters; the NSA, the New Shipborne Aircraft project; and it goes on and on in terms of opportunities for Manitoba companies to be a part of federal government procurements.

So, Mr. Deputy Chairperson, I think when you look at the economic opportunities that flow from the federal government, when you look at the policy and political decision making, there is a lot of merit to provinces having an office, and I would suggest that our office is certainly a very frugal one. It has got a grand total of four people including our administrative officer/secretary. So I think Manitobans, for the amount of money, are getting good value in terms of the economic returns to our province and, thereby, the taxes and everything that flows from it to our provincial government and Manitoba's economy.

**Mr. Storie:** Mr. Deputy Chairperson, I do not mean to cast any doubt on the character of the people who run the office. I think it reflects rather poorly on our Conservative representation in Ottawa and on the, I guess, inability of the government to make their own case.

I think it reflects rather poorly on our country when we have to have ambassadors in our own federal capital. It does not seem to me that 20 years ago or 10 years ago we needed to have ambassadors, that the government felt obliged to deal with each of the regions with some openness and honesty. I think it strikes me as odd that the government feels it has to, even though its political cousins are in office, spend this kind of money to get equitable treatment.

It strikes me that notwithstanding some of the things that may have been facilitated by this office, the fact of the matter is that we are losing more than our share of jobs, both in terms of CN and Air Canada and others. We have not made any progress on the Port of Churchill. We are not getting our share of procurement dollars in the province.

We are not talking about tens of dollars here; we are talking about millions and millions, and in a time when we cannot find the money to operate crisis shelters or cannot find the money for education, I simply say, notwithstanding the qualifications of

these people, maybe the money would be better spent elsewhere.

Mr. Deputy Chairperson, having said that, I would like to pass this section.

\* (2340)

**Mr. Stefanson:** Very, very briefly, Mr. Deputy Chairperson, I do not want the member for Flin Flon (Mr. Storie) to sit there thinking that these people merely function as ambassadors. They function in the same respect as individuals who are on the ground here in Manitoba in departments like Industry, Trade and Tourism and play a very important role in terms of enhancing economic activity and benefits for Manitoba.

Now, without those economic benefits and activity, we would not have the additional dollars that are being generated in our economy to provide the kind of vital services that we are all interested in, in Health, in Family Services, in Education and so on, Mr. Deputy Chairperson.

**Mr. Storie:** I am prepared to pass that section.

**Mr. Deputy Chairperson:** 1.(e) Manitoba Office in Ottawa (1) Salaries \$214,600—pass; (2) Other Expenditures \$143,400—pass.

1.(f) Manitoba Bureau of Statistics (1) Salaries \$400,000—pass; (2) Other Expenditures \$122,200—pass; (3) Less: Recoverable from Other Appropriations \$(60,000). There is nothing to pass.

2. Business Services (a) Industry Development (1) Salaries \$1,379,700.

**Mr. Storie:** Mr. Deputy Chairperson, there is a list of—for the Other Expenditures is about \$1.2 million. Part of that comes from some grants. I am wondering whether the minister can tell me what those are.

**Mr. Stefanson:** Just for clarification, I take it the question is: What is in the Other Expenditures, the \$1,237,800?

**Mr. Storie:** Yes, particularly the grants. Where are the grants going? It is—what is it?

**Mr. Stefanson:** Mr. Deputy Chairperson, the different sections I will read out should total the combination of Other Expenditures and Grants. The grants of \$152,800 are broken down into two areas. One is Trade Assistance, which is \$151,300, which is a combination of solo trade shows, incoming and outgoing missions, marketing plan programs and so on in the Trade Assistance

area. The other is a Prairie Implement Manufacturers Association grant to the annual convention cost of \$1,500. Those two together add to \$152,800.

The Other Expenditures category of \$1,237,800, the general categories are these:

Transportation: \$206,200, which is travel costs for branch staff for trade and investment promotion and western regional office staff and Hong Kong office.

Communications: \$230,800, which is telephone, fax, courier, promotional material, trade investment promotion groups or activities and so on.

Supply and Services: \$526,000, includes a lease cost for office space in Winnipeg, Brandon and Hong Kong and provides for office supplies, stationery, rental of equipment and so on.

Other Operating is \$261,100.

**Mr. Storle:** Yes, sometimes we get too much information. Most of the time it is not enough.

This area is one of the areas that I sort of flagged as sort of representing a departure from the rhetoric that the minister uses. Here we have four staff deleted from this branch, and if I read at the bottom it says: The sectors represented are those not encompassed by strategic initiative and include: farm machinery, printing and publishing, clothing and textiles, warehousing and storage, financial institutions, pulp and paper, doors, windows and furniture, transportation, energy intensive industries, whatever, metal fabrication.

It sort of parallels the decline in the manufacturing sector that I talked about earlier, that it is beverages, it is manufacturing of durable goods, it is machinery, it is fabricated metal products, it is printing, publishing and allied, all of which have seen a significant decline in terms of the number of people employed in those sectors.

We have a manufacturing sector that is in decline, and the minister talks about a 1,000 job increase year over year. The fact is that it is still significantly down from where it was, and we are taking away the very people in the department who are responsible for developing the manufacturing sector in those areas. This just is not consistent.

We have the very heart of our economy disappearing, and we have \$358,000 being spent on an ambassador's office for Manitoba in Ottawa.

**Mr. Stefanson:** Firstly, we spoke at length about the manufacturing sector, and I will not put all of that on the record again. I want to assure the member for Flin Flon that the areas he has just expressed concern about are all covered off through consultants in this particular area, that the concern he just expressed does not exist because those functions are in fact being performed.

We were able, through the reorganization and the elimination of one ADM position and the consolidation of some of the functions, to effect a staff reduction in this particular area. I would think, if the honourable member felt you could still provide the same service to the sectors that are dealt with under this area with four less people, that would be something that he would be supportive of.

I could outline for him all of the different sectors and areas if he would like me to in terms of the actual complement of staff.

**Mr. Storle:** Mr. Deputy Chairperson, I would pass that.

**Mr. Deputy Chairperson:** Item 2.(a)(1) Salaries \$1,379,700—pass; (2) Other Expenditures \$1,237,800—pass; (3) Grants \$152,800—pass.

2.(b) Financial Services (1) Salaries \$711,300—pass; (2) Other Expenditures \$147,200—pass; (3) Programs (a) Manitoba Industrial Opportunities \$3,719,000.

**Mr. Storle:** I am wondering if the minister can provide the committee with a list of companies that have availed themselves of the Industrial Opportunities Program? I do not require any explanation, just a list.

**Mr. Stefanson:** Mr. Deputy Chairperson, as in the past, that is not a problem. I believe I should be able to provide that by tomorrow.

**Mr. Storle:** Moving on to, at least in the Detailed Estimates, the next item, Manitoba Industrial Recruitment Initiative, perhaps the minister could outline which companies have benefited from support under this program, and how much was provided in each case? Again, if that is not readily available, I would also accept that at a later date as well.

**Mr. Stefanson:** Mr. Deputy Chairperson, I referred to a provision of assistance under this program in my opening comments. In 1992-93, there were two agreements approved under the Manitoba Industrial Recruitment Initiative. One

was assistance to UMA Engineering, a \$300,000 conditionally forgivable loan; and the other was the Winnipeg Airport Authority Incorporated, again a \$300,000 conditionally forgivable loan.

The two approved projects should result in the creation of approximately 200 Manitoba jobs, the establishment of a key centre of engineering expertise and the facilitating of the operation of the Winnipeg International and St. Andrews airports as tools in the marketing of the province as an economic centre.

**Mr. Storie:** Perhaps the minister can outline for me exactly what jobs are going to be created and what sense the minister has of how secure those jobs might be.

It seems to me that he is not talking about industrial jobs, he is talking about jobs that come and go as a result of contracts that UMA may or may not have in any particular year. It seems that it has moved outside the original criteria of the program, the way it was understood, which was industrial recruitment. We are now talking about professional recruitment, is it?

\* (2350)

**Mr. Stefanson:** Mr. Deputy Chairperson, I am a little surprised by the question from the member for Flin Flon (Mr. Storie), based on our discussion earlier this evening, about the change in the global economy and the need for knowledge-based jobs. These will be knowledge-based jobs in the engineering field, and the financial assistance provided is conditionally forgivable tied to job creation targets to assure us that the jobs are, in fact, created, put in place, and that we get a return to the Province of Manitoba and the taxpayers.

On any one of these, we do a benefit-cost analysis, and we have rules of thumb that we expect them to achieve. I did say "benefit-cost analysis," that the benefits exceed the costs of any of these programs. That clearly is the case with the assistance to UMA Engineering and their jobs in an export-orientated, knowledge-based economy, the kinds of things that we as a province, we as a nation want to be doing.

So I would think that should warrant the support of all political parties.

**Mr. Storie:** I think I understand what the minister is trying to do, and I did not say that I did not support it. It seems to me that it has moved outside its original mandate. My question though was, it is

also true that these jobs come and go. It is very easy for companies to transfer them after the support has gone.

Can the minister indicate what jobs have been created so far through the UMA industrial recruitment grant and what conditions, specifically, are attached to each of those jobs? How long do those jobs have to remain in Manitoba? Are the conditions based on a certain number of years that they are maintained?

**Mr. Stefanson:** Mr. Deputy Chairperson, I will get the member the very specific details, but I do want to assure him that, yes, the jobs are over a period of years. I believe, in this case, they are out as far as '96-97, but I will get the exact information.

As I indicated to him, we do a benefit-cost analysis over that time frame in terms of the direct benefit to the government of Manitoba in terms of income taxes paid by those individuals, personal income taxes, any provincial sales tax that might flow from any initiative, any corporate taxes that would flow directly from any initiatives and so on.

So we do quantify the benefit cost, and we build in penalties and interest if those targets are not met, so that we still end up getting that return to the Province of Manitoba. So, in terms of protection to ensure that there is a return to us, those are built in place under any of these, but the very specific details of how UMA is performing to date and the time frame, I will forward to the member.

**Mr. Storie:** Mr. Deputy Chairperson, moving down to Energy Intensive Industries, I notice that there is nothing in the budget to support the attraction of creation of energy intensive jobs in the province. Can the minister explain, despite the fact that Manitoba Hydro will have surplus energy, and certainly we would like to think that the government considers it a priority to use our energy to create jobs in the province, why this area of the budget has been eliminated?

**Mr. Stefanson:** Mr. Deputy Chairperson, that line in the Estimates is very specific to the financial assistance provided to Dow Corning which, again, we have discussed in previous Estimates. It is an agreement running over many years with assistance coming from the federal government, from the provincial government and, obviously, from the company. So that dollar amount that is shown for '92-93 relates only to Dow Corning.

(Mrs. Shirley Rønder, Acting Deputy Chairperson, in the Chair)

In terms of the broader issue of support for energy-intensive industries, I want to assure the member that they qualify for the other programs that you see in the Estimates, and we have already discussed some of them, the MIOP program or the MIRI program. As well, they will potentially qualify under some of the initiatives that will be brought forward by the Economic Innovation Technology Council in the whole area of research and development and innovation and technology.

**Mr. Storie:** Again, the minister then is suggesting that within the department, there is no one specifically designated to deal with attracting energy-intensive industries. I have raised this—

**Mr. Stefanson:** Madam Acting Deputy Chair, no, I did not suggest that. We do have an individual in the department specifically assigned to that, and what he draws on are the traditional programs that are in place within the department to utilize when dealing with them, as well as any programs that exist under any of the other departments, whether it is Rural Development or whether it is Energy and Mines or whatever the case might be, but there is an individual assigned to energy-related industries.

**Mr. Storie:** One of the concerns here is that, of course, the government, also in its wisdom, decided to disband the Manitoba Energy Authority which had done much of the work—certainly the groundwork for the Dow Corning project was done by the Manitoba Energy Authority.

Given the importance of energy and the energy advantage that we have, I think it is really ironic that this whole area has been undervalued in the department and that we have lost the Energy Authority which marketed energy for Manitoba Hydro. If it had not been for the Manitoba Energy Authority, there would have been no Northern States Power sale. There would have been no Ontario sale. There would have been no subsequent thousand-megawatt sale to Ontario. The Manitoba Energy Authority achieved that.

It also attracted a lot of other industries to Manitoba, energy-related industries, including Brown Boveri which works for Federal Pioneer electric, including the Dow Corning project, and had been working on a number of other projects with some interested Japanese companies.

I am concerned that we seem to have lost any initiative that we had when it comes to developing energy-intensive industries in the province. Why, given our energy advantage, is there not a focus on this?

**Mr. Stefanson:** I want to assure the honourable member that there is, that there are individuals assigned in this department. There are individuals working on initiatives from Energy and Mines. Obviously, there is very much of a role to play with Manitoba Hydro. So, clearly, there is a lot of focus on energy-related industries, and it is a priority.

Just because one body that was in place called the Manitoba Energy Authority does not exist today, I do not want the honourable member for a moment to think or to put on the record that the functions that were being performed by it are not currently being performed, because they are, Madam Acting Deputy Chair.

**Mr. Storie:** This is when I am starting to get that buzz again from government rhetoric. The fact of the matter is, and I went through this actually with the Minister of Energy and Mines (Mr. Downey) more than a year ago, I went over a list of projects that were on the books in 1987-88, and I defied that minister, the Minister of Energy, to list one project that is near completion that we can put our hands on and say, yes, this is what we have accomplished, like a Dow Corning. The minister could not. So the Minister of Industry, Trade and Tourism tells me today that, yes, we have those people working.

So can the minister tell us which projects we can expect in the next six months or the next year or the next year and a half? Which projects can the minister tell this committee tonight are legitimate prospects for the creation of jobs, energy-intensive jobs, in the province?

**Mr. Stefanson:** Madam Acting Deputy Chair, there are a series of initiatives, but to name a couple at this time, there is ongoing discussion with Dow Corning. Obviously the pilot plant is functioning, but there are decisions to be made as it relates to the future of the pilot plant, decisions to be made as it relates to potential commercialization, silicone production in the province of Manitoba and a series of spin-off activities that can flow from all of that. So, again, we have individuals assigned to work with them. I met this morning, one of many

occasions, with the individual who is assigned to manage that project here in Manitoba.

We also are working with the Hydrogen Council of Canada on a project with Japan. Again, the individual from I, T and T has been assigned to work on that particular project and has been in the works for several months, and will continue to be working towards the development of that project, which is an initiative that they are looking at worldwide, with Canada and parts of Canada, including Manitoba, being one of the locations.

\* (0000)

There are a series of other business initiatives that we are looking at, how they are performing, what expansion opportunities they have. Again, I want to assure the member for Flin Flon (Mr. Storie) that if you go back to the Industry Development section that we just dealt with, you will find that there are individuals assigned to this particular function, to this area, and there is a role to play for Energy and Mines. There is a role to play for Manitoba Hydro. We do have a tremendous opportunity with the energy capabilities, our affordable, reliable hydroelectric power in this province, and it is something that we continue to work at maximizing and taking advantage of for the good of our economy.

**The Acting Deputy Chairperson (Mrs. Rander):** 2.(b)(3)(b) \$170,000 pass—pass; 2.(b)(3)(c) Surface Transportation Technology \$1,130,000—pass; 2.(b)(3)(d) Vision Capital \$1,627,800—pass; 2.(b)(3)(e) Crocus Fund \$29,500—pass.

2.(b)(3)(f) Manitoba Business Development Fund.

**Mr. Storie:** Could we just have a list of the Manitoba businesses that have taken advantage of the Business Development Fund on a separate list?

**Mr. Stefanson:** Madam Acting Deputy Chairperson, as the member for Flin Flon (Mr. Storie) I believe knows, this one encompasses the Manufacturing Adaptation Program, the Technology Commercialization Program, the feasibility studies, and so on. We can certainly provide him information on Manitoba companies that have utilized those programs during 1992-93.

(Mr. Deputy Chairperson in the Chair)

**Mr. Storie:** Thank you, Mr. Deputy Chairperson. I have no more questions in this section.

**Mr. Deputy Chairperson:** Item 2.(b)(3)(f) Manitoba Business Development Fund \$2,040,000—pass; (g) Energy Intensive Industries (zero—pass); (h) Manitoba Industrial Recruitment \$1,376,400—pass.

Item 2.(c) Small Business and Entrepreneurial Development (1) Salaries \$601,100.

**Mr. Storie:** Mr. Deputy Chairperson, just a couple of quick questions here.

Several years ago, the department had branch offices in Dauphin and in Brandon, and I am wondering whether the minister can indicate whether either of those are still in operation.

**Mr. Stefanson:** The department still has an office in Brandon, Manitoba, staffed by three individuals.

**Mr. Storie:** So, Mr. Deputy Chairperson, the "One-Stop" Information and Library Services, is that considered available to the community surrounding Brandon, or is that in essence the business development centre here in Winnipeg?

**Mr. Stefanson:** Certainly these services are available through the Brandon office. They are also going to be available through the Rural Development offices throughout rural Manitoba.

I believe, as the member for Flin Flon knows, the Canada Business Services Program has a 1-800 number that is available to all Manitobans and provides information on federal, provincial, municipal programs within our province.

**Mr. Storie:** Item 2.(c) Small Business and Entrepreneurial Development (1) Salaries \$601,100—pass; (2) Other Expenditures \$581,100—pass; (3) Grants \$30,000—pass.

Item 2.(d) Cooperative Development (1) Salaries \$245,100.

**Mr. Storie:** Just one question on this area: How many co-ops have formed in the last fiscal year?

**Mr. Stefanson:** During the last fiscal year, commencing April 1, 1992, and ending March 31, 1993, a total of 20 new co-operatives have been incorporated.

**Mr. Storie:** Can the minister indicate how many of those have been primary industry, agriculture, fish co-op, that kind of thing?

**Mr. Stefanson:** By activity they include worker co-ops, housing, commercial fishery, water utility, agricultural, pharmaceutical wholesale, transportation, cattle feedlots, agricultural, daycare

and others, and they are located in 18 different Manitoba communities.

**Mr. Storle:** Mr. Deputy Chairperson, I am glad to see that with the limited resources that remain in co-op development that we are having some success. If the minister has a list of the co-ops that have been formed, I would be pleased to have a copy of that.

**Mr. Stefanson:** Mr. Deputy Chairperson, I will provide that along with the other information we talked about earlier.

**Mr. Storle:** I have no other questions in this area.

**Mr. Deputy Chairperson:** 2.(d) Cooperative Development (1) Salaries \$245,100—pass; (2) Other Expenditures \$105,700—pass.

2.(e) Grant Assistance - Faculty of Management \$998,800.

**Mr. Storle:** Mr. Deputy Chairperson, here is another place where the government could choose to save a million dollars if it wanted to be really concerned about saving the taxpayers money. Can the minister, first of all, tell us how much has already been contributed to the Faculty of Management by the provincial government?

**Mr. Stefanson:** Mr. Deputy Chairperson, we discussed this at length last year, as the member for Flin Flon will recall. This is a five-year agreement. We are now in the fifth year of this agreement, and at the end of the five years the total financial assistance will be approximately \$3.5 million, of which our contribution represents 20 percent, as I believe the member for Flin Flon knows, with the Faculty of Management Studies providing 20 percent, the associates of the faculty providing 20 percent—pardon me. I am sorry. I stand to be corrected. Ours is 40 percent. The Province of Manitoba is 40 percent, with the associates being 20 percent, the Faculty of Management students 20 percent, and the University of Manitoba 20 percent.

**Mr. Storle:** Mr. Deputy Chairperson, I have raised this on numerous occasions. Given that this is roughly 2 percent, a little more than 2 percent, of the total departmental budget, it is just unconscionable that this amount of money is being given away to the Faculty of Management to complete a political commitment.

The government cannot tell me with any degree of certainty that any of the money that has been

given to the Faculty of Management has improved the quality of education in that faculty one iota. In fact, several years ago, when we raised this issue, the minister of the day was suggesting that there had been actually faculty positions added when that was not the case. I indicated that the Faculty of Management applied for accreditation. It was denied.

The Faculty of Management was also one of those that was assessed by the Canadian business ranking exercise that was conducted in 1992, and I want to just emphasize that certainly the Faculty of Management did not come out well in terms of the assessment of this enterprise. It says that not only did the faculty not come out well, but unfortunately, the dean of the faculty was not rated that highly either.

\* (0010)

I think we have to ask the question: What has been achieved by following up on this political commitment? How can you justify, when your mandate is to create economic opportunity and economic development in the province, when you have just cut staff out of the department responsible for industrial development, spending a million dollars and getting nothing?

**Mr. Stefanson:** Mr. Deputy Chairperson, firstly, it is unfortunate the member for Flin Flon refers to that study that we discussed, I believe, last year during the Estimates process, because I think he knows full well that virtually every school that was panned by that study corresponded and disputed the findings of that study.

I would not sit there and put a great deal of credibility in one study, one done with very loose criteria by one organization when in fact the faculties across this nation themselves, no matter where they rank, even if they ranked high in that study, are saying that the study is very questionable at best. More importantly, we hear questions so often from some members of the opposition about training, education and future opportunities and what opportunities there are going to be for the young people in Manitoba, and clearly, again, with the changing economy, to bring the kinds of skills that come from this particular program can be very beneficial to the Manitoba economy and to the people who obtain those particular skills.

To give the member an indication of the involvement by students, the net increase in undergraduate enrollment from '88-89, the first year, to '92-93, is 216 students. The net increase in graduate enrollment from '88-89 to '92-93 is 40 students.

I also want to remind the member that we are providing 40 percent of the funding for this program. Twenty percent is coming directly from the students themselves. Twenty percent is coming from the business community through the associates, and 20 percent is coming from the University of Manitoba who are mandated to deal with quality educational programs.

It is not a political agenda or fulfilling a political commitment or need. It is obviously something that has the support of the students in the program because they are paying higher tuitions. It has the support of the University of Manitoba itself, and it has the support of a broad base of the business leaders of the province of Manitoba. I would think you cannot get a better combination if you are going to put in place an educational enhancement opportunity for the youth of Manitoba.

**Mr. Storie:** Mr. Deputy Chairperson, that was a rather mediocre defence of a very poor decision, but the minister and I are going to disagree on the merits of this. I think it is certainly an unfortunate way to squander 2 percent of the department's resources, because I do not think the minister can, in all seriousness, point to any evidence that this has improved the quality of education.

In fact, I think, given the minister's rather catholic view of the global economy, we think that the faculty plan that was tabled some four years ago now or five years ago very much narrowed the focus of the Faculty of Management. It eliminated the whole area of public policy. If governments are not important in terms of strategic development and research and development generally, I do not know who is. To eliminate that from a Faculty of Management just does not make any sense. I do not think that the faculty was heading in the right direction, and I am not alone in that. There are many people working at the faculty who believe that. It is just a poor way to spend 2 percent of the department's resources.

**Mr. Deputy Chairperson:** 2.(e) Grant Assistance - Faculty of Management \$998,800—pass.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,283,300 for Industry, Trade and Tourism, Business Services, for the fiscal year ending the 31st day of March 1994.

We will now move on to No. 3. Strategic Initiatives (a) Tourism Initiatives (1) Tourism Services and Special Projects (a) Salaries \$619,500. Shall the item pass?

**Mr. Storie:** Mr. Deputy Chairperson, perhaps we could begin by just sort of identifying what projects this branch has been working on in terms of the activities of the branch. Other than the general services, are we working on anything new? I guess that is the question. It talks about the electronic laser video information system. Are we moving on that? Do we have any other tourism projects that we are working on?

**Mr. Stefanson:** Mr. Deputy Chairperson, just for the benefit of the member for Flin Flon, the section he is asking this under, I do not want him to be confused when he sees the heading Tourism Services and Special Projects. That particular section is just part of the normal operating costs of the Tourism department.

If you look at the various categories, you will see further down that there is the Canada-Manitoba Partnership Agreement and Tourism Development. But I will answer the question under this section, because I know what the member was asking.

Some of the examples would be very recently, in '93-94—and I refer you to my opening comments—is the successful hosting of Rendez-Vous Canada with some 300 to 350 participants from around the world in the tourism and travel industry. The Canada-Manitoba Tourism Agreement, as of June 22 of 1993, a total of 36 projects valued at \$3.7 million have been approved under that agreement. We have also supported the SuperHost program which, I believe, the member is quite well aware of, being delivered by the Manitoba Chamber of Commerce, a very important initiative in terms of a training program to enhance service in the tourism industry.

We also support the Manitoba Tourism Education Council which is dealing with the whole area of tourism occupational standards and certification. We also are currently in the process of developing the Tourism centre at The Forks, one of Manitoba's major tourism destinations, at a cost

of \$2.3 million. That is through the Canada-Manitoba Tourism Agreement.

We also are dealing with computerization of our tourist information centres, and computers have been installed in the information centres for more efficient data entry of registrations. We also, as the member I believe is aware, have initiated a new marketing campaign with a six point strategy with a core cost of some \$1.6 million, introducing a series of powerful television commercials, launching six regional tourism routes, increasing the value per dollar that tourists receive on a range of products through the Manitoba Values Guide, introducing a U.S. visitor value program to market Manitoba as a reasonably priced destination, and launching a targeted response-driven campaign of specialty markets. We also have been supportive of a particular initiative, the Winnipeg Down Under project here in Winnipeg at the Winnipeg Zoo. Those give some indications of some of the projects that we are involved in, Mr. Deputy Chairperson.

\* (0020)

**Mr. Storle:** Mr. Deputy Chairperson, we can, I guess, move off the Tourism Services area and get into a couple of other sort of general questions. Number one, is the Manitoba Master Angler Program in jeopardy?

**Mr. Stefanson:** The short answer is no. The Manitoba Master Anglers Program is not in jeopardy. We feel it has worked very well as a marketing initiative. There are some concerns around possible changes, maybe in some ways to how it functions. We continue to work with the industry in that respect but the program as such certainly has our support and to the best of my knowledge has the support of the industry.

**Mr. Storle:** I agree. I have heard rumours that the Master Anglers Program may be a victim of restraint. I am pleased to hear that the Minister responsible for Tourism is supportive of it, because I think it has been a very good program, notwithstanding some potential for misuse of the program by certain lodges and outfitters.

Mr. Deputy Chairperson, the minister mentioned the new ad program and I am wondering whether we can have some indication of what the cost was for the making of these new "powerful" ads and whether there has been any sort of consensus

amongst the viewing public as to the impact of those ads.

**Mr. Stefanson:** In responding to those questions, the total cost of both television ads, that I hope the member for Flin Flon has seen, is approximately \$400,000. The feedback from the industry associations has been positive, responses to date are very encouraging. An independent assessment was done by an organization called Gallup, who do different assessments of television approval ratings for different commercials and so on. They have an assessment process that they do, and they did an assessment of this one. Without getting into all the technicalities, because I would have to get the details of how their assessment works, but what I am told is if you achieve a rating of 40, that is considered very reasonable.

The first ad that was run achieved an approval rating of 65, which is, based on the Gallup approval system, rated as very, very good.

So, Mr. Deputy Chairperson, in terms of that independent assessment by Gallup, the preliminary findings and so on, the feedback has been generally very positive.

**Mr. Storle:** I certainly would not disagree with the public opinion. I found them quite powerful ads as well. I think there were two problems. Number one, I do not know that there was product identification, but more importantly, I wonder about the timing of the ads. The minister and I have had discussions before about the fact that the industry always was of the opinion that the earlier you began your tourism campaign, the more effective it was, and that the industry many years ago, when I was minister, said we should start our campaign in February [interjection]

Yes, we did, and it appeared to work. Again, as the minister said, the industry response was very positive, and all indications are—certainly it makes a lot of sense that if you raise those images when people are planning their vacations, you are going to be more successful than if it is three months after they have already made their plans, which in this case, that is when we started seeing the ads. I think that is a criticism that the minister may have heard from others as well.

**Mr. Stefanson:** Mr. Deputy Chairperson, on both the points that the member for Flin Flon raises, the product identification feedback that we got—again

we discussed this last year that the last couple of years we have done some research on follow-up to our campaigns to see what kind of response they are in fact generating. The research has indicated that in many respects, Manitoba, in the past there was a lack of differential from many other markets, large urban centres and so on, so our research found that what was most appealing to many individuals was a combination of safety, of clean environment, historical heritage and friendly, and we feel that through both ads that you see on television, that does come through fairly loud and clear.

As well, there was some concern about focusing on all of Manitoba and through the regional routes, six regional routes, in the publications that have come out around those regional routes. We are encouraging individuals to spend more time in Manitoba and to spend more time in many parts of our province.

On the timing issue, I guess that is something we do look at every year, but again, as the member knows, having been Tourism minister, our focus is in our primary access market, which is Manitoba, North Dakota, Minnesota and northwestern Ontario and parts of Saskatchewan, and really their decision-making time frame is in the April, May, June time frame because the vast majority of the tourism season, in particular to the U.S., I believe something like two-thirds come up here between June, July and August. So we feel we are hitting the window of opportunity when they are in the midst.

\* (0030)

It is a shorter time frame than somebody who is planning a vacation of a much greater distance, which is just the norm. I think Canadians that are travelling great distances tend to plan much more in advance. If you are travelling a shorter distance, it usually also coincides with a shorter timing time frame. So we feel that we are hitting the market in an appropriate time to capture the crowd that we want.

**Mr. Storle:** Mr. Deputy Chairperson, just a couple of other quick questions on tourism-related information. Number one, I would like to know the province's contribution towards the little travel booklet with McDonald's. I assume that that was some kind of co-op ad promotion. What is the province's contribution there?

Secondly, what happened to, and what was the province's contribution to, the Showing Us Your Manitoba with, I guess, Kodak as co-sponsors? What was the province's contribution?

**Mr. Stefanson:** Mr. Deputy Chairperson, in response to both of those questions, the travel booklet that is being distributed this year through McDonald's, there are 300,000 copies produced. Our cost of production is \$150,000, and McDonald's made a contribution of \$50,000 towards that campaign.

The second question about Showing Us Your Manitoba through Kodak, I believe, was an initiative back in '91-92. That was the year that it was implemented. It was done in conjunction with Kodak, with them basically picking up the vast majority of the costs. Our costs were very nominal. I could undertake to get further information on that for the member if he so wishes, but our costs were very nominal in that campaign.

**Mr. Storle:** Yes, I think the minister is right, although this did include up to August 27. There was a second round of it, I guess.

I have a letter, for the minister's information, from Bruce Leckie, the minister's assistant, providing some information, and what was interesting was that plans were to obtain negatives, enlarge photos and do a display. Photos were not the best quality and not all negatives were obtained; therefore, the plans for a display fell through.

I was just wondering what the province had contributed to that exercise, and perhaps it is in the previous Estimates, but if the minister can give me a figure at some point, it would be appreciated.

**Mr. Stefanson:** I will do that, Mr. Deputy Chairperson.

**Mr. Storle:** The minister had talked about a number of different projects that were tied into the Canada-Manitoba Tourism Agreement. He mentioned the new Tourism centre at The Forks. I think he said \$2.3 million. I am wondering if the minister can tell us now how much money is left to commit under the Canada-Manitoba Tourism Agreement?

**Mr. Stefanson:** Mr. Deputy Chairperson, if I understand correctly, I want to make it clear that that funding is from the old tourism agreement, the '85-90 tourism agreement, and has been set aside in trust for this particular project. So there is no commitment out of our new tourism agreement.

That money is sitting in trust, and I believe proposal calls are just closing now for the development of that facility.

**Mr. Storle:** Mr. Deputy Chairperson, it appears that the minister is going to take credit for my good work. I think there is something wrong with that—no, I think it is an important addition to tourism services in Winnipeg.

The other question I had related to the agreement and its applicability to northern Manitoba. I am wondering if the minister can identify what projects under this new agreement have been approved or are in the approval process?

**Mr. Stefanson:** Mr. Deputy Chairperson, we have certainly been pleased with the level of interest from the North to date in this project. Just to give a general indication, first of all, and then some specific examples, under the rural modernization and expansion program element of this agreement, to date there are 25 applications in process; there are eight that have been approved. So that is on the modernization and expansion of facilities in rural Manitoba.

Under the provincial marketing program, which has been some take-up from northern Manitoba, there are currently eight applications in process with 18 having been approved, and to give an example of some of the types of—

**Mr. Storle:** Was that for the northern regions or is that for the program?

**Mr. Stefanson:** The marketing is overall, but some of them are from northern Manitoba. So to give you an example of some of the productions that affect northern Manitoba, in Venture a nature video production was developed, a production of an eight-minute video on selected Manitoba products to be launched at Rendez-Vous Canada marketplace held here in Winnipeg on May 16. Anglers World Holidays/United Kingdom, a joint marketing proposal promoting quality Manitoba outdoor adventures, advertising brochures, familiarization tours to Manitoba. The Western Outlanders Wilderness Adventure TV series is a production of six one-half hour Manitoba outdoor adventure television programs for airing on international networks in the fall and winter of '93.

Then some facilities, Manitoba Destination Northwest, New Vickery Lodge, northern Manitoba, a consortium of 14 lodge and outfitters—this is still

marketing—marketing campaign to promote the areas of The Pas, Flin Flon, Cranberry Portage and Snow Lake.

Then another one, Elbow Lake Lodge and Canadian Wilderness Outfitters, Elbow Lake, The Pas, Cranberry Portage. Marketing campaign, brochure development for both businesses advertising in The Inn Fishermen and Western Sportsman magazines.

Now, under—

**Mr. Storle:** Just table that list because now your voice will be getting tired.

**Mr. Stefanson:** Okay. Just so you have a sense of a couple of the product development, Carpenter's Clearwater Lodge, The Pas, a forgivable loan for the construction of a central indoor recreation facility, Viking Lodge in Cranberry Portage for the construction of a new 24 by 32 eight-person cabins, and Bakers Narrows Lodge, Flin Flon, for the expansion and modernization of the kitchen area, winterize and re-siding 15 existing cabins. So I think that gives an indication of both the marketing and the product development that is serving northern Manitoba and all of Manitoba as well.

**Mr. Storle:** Mr. Deputy Chairperson, certainly there needs to be some, I guess, incentive for people to upgrade and create new attractions. For whatever reason, certainly the last couple of years have been very difficult ones particularly for the lodge and outfitters in northern Manitoba. It is largely due, I guess, probably due to regulatory changes from the Department of Natural Resources as well as the fear of fires and floods and what have you.

\* (0040)

Mr. Deputy Chairperson, no further questions on that, but the last one in this section has to do with the Horse Racing Commission, and I notice that there is a significant drop in the government's contribution. I am assuming that is due to the fact that the pari-mutuel tax-take by the government has declined, that the wagering handle has declined somehow. I wonder if that is indicative of the fact that this whole industry is in trouble and whether the minister can tell us where it is going.

**Mr. Stefanson:** Mr. Deputy Chairperson, the member is correct in terms of the number. It is directly related to a projection of the pari-mutuel take. It is down based on obviously lower

expectations of handles and therefore lower pari-mutuel taxes.

I think, as the member for Flin Flon knows, out of the total pari-mutuel taxes collected, all of the money now flows back to horse racing in Manitoba. The only money that does not go directly to the HBPA, the Horsemen's Benevolent & Protective Association, is the money that is retained for the costs of the commission. Everything else goes to the industry.

In terms of where the industry is at today, there certainly has been fairly extensive coverage over the last period of time through the local media, I think some articles in one of today's papers. There is a nonprofit jockey club that has been organized by individuals from the thoroughbred industry that are in the process of negotiating with the current owners, the Wright family, to potentially acquire Assiniboia Downs. I believe the Wrights are the only privately owned race track remaining certainly in Canada, if not in North America. Those negotiations are ongoing.

We provided some financial support to the jockey club to retain professional services. They have retained the accounting firm of Price Waterhouse to do an economic value analysis of Assiniboia Downs to determine what is a reasonable range of price for the facility. Obviously, they have had the benefit of using that as a barometer for what the facility is worth. Those negotiations are ongoing right now.

We are in continual contact with the jockey club as we are with the Wright family, as we are with the thoroughbred industry, as we are with the harness industry in terms of the great western circuit. We will see what happens as those negotiations unfold and what role we might need to play, if any, in terms of helping to make it happen.

I think the Wright family and the industry itself recognize that is one way, potentially, for the industry to survive and function, not unlike as is happening in other jurisdictions in Alberta and other provinces. There are certain benefits to be derived by being a nonprofit organization. You obviously then get the direct input of the people who have the most vested interest in the industry itself and in the salvation of the industry. Clearly, we will continue to work towards them to hopefully what will be a satisfactory solution to make sure we keep horse racing in Manitoba.

**Mr. Storie:** Can the minister tell us how many jobs he estimates that are being supported by the operation of the Downs right now with both thoroughbred and standardbred running?

**Mr. Stefanson:** As the member for Flin Flon knows, I think, when you get into some of these—if I understand the question, if you are looking at the total industry, the number most recently used is a range of anywhere from 1,500 to 2,000 of the total industry from Assiniboia Downs through to the backstretch through to the farms.

**Mr. Storie:** Can the minister indicate whether there is any inclination for the government to provide a loan guarantee to the association if it should be able to negotiate a deal?

**Mr. Stefanson:** If the Jockey Club negotiates a price that makes economic sense in terms of the future and the viability of that particular industry, subject to seeing a long-term plan and opportunity here, we are prepared to review a series of alternatives whereby we could help effect a transfer. Providing some portion of a loan guarantee might well be one of them.

**Mr. Storie:** Mr. Deputy Chairperson, I move that the committee adjourn.

**Mr. Deputy Chairperson:** Order, please. At this time I see the honourable—[interjection]

Okay. It has been moved by the honourable member for Flin Flon (Mr. Storie) that committee rise. What is the will of the committee?

**Mr. Praznik:** Mr. Deputy Chair, if I could ask the member to perhaps withdraw that motion. I have returned. The committee allowed me to take some time to do a little research on a question. We had a pressing matter, and if perhaps we could complete the passage of the Estimates of the Civil Service Commission and the civil service supplementary benefits, then I would certainly be in support of a motion for the committee to rise, if the member for Flin Flon would be so kind as to accommodate that request.

**Mr. Storie:** Mr. Deputy Chairperson, never let it be said that I would stand in the way of a well-researched response.

**Mr. Deputy Chairperson:** Is it the will of the committee then that we will move to the Civil Service Commission? [agreed]

In that case, we will now move back to the Department of Civil Service with the Minister of Labour.

### CIVIL SERVICE COMMISSION

(continued)

**Mr. Deputy Chairperson (Marcel Laurendeau):** Item 1.(a) Executive Office (1) Salaries \$233,700—pass; (2) Other Expenditures \$58,400—pass.

1.(b) Administrative Services (1) Salaries \$554,300—pass; (2) Other Expenditures \$537,500—pass.

1.(c) Human Resource Management Services (1) Salaries \$1,471,900—pass; (2) Other Expenditures \$803,900—pass; (3) Less: Recoverable from Other Appropriations \$(341,900)—(pass).

1.(d) Labour Relations Services (1) Salaries \$826,400—pass; (2) Other Expenditures \$233,500—pass.

1.(e) French Language Services Secretariat (1) Salaries \$145,600—pass; (2) Other Expenditures \$21,900—pass.

Resolution 17.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,545,200 for Civil Service Commission for the fiscal year ending the 31st day of March, 1994.

The hour being 12:50 a.m., committee rise.

### HOUSING

\* (2000)

**Madam Chairperson (Louise Dacquay):** Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Housing. We are on item 1.(b) Executive Support, page 95 of the Estimates manual.

Would the minister's staff please enter the Chamber.

Shall item 1.(b) Executive Support (1) Salaries \$306,600 pass?

**Mr. Kevin Lamoureux (Inkster):** Madam Chairperson, what I was looking for from the minister, just before it was five o'clock I had requested to get some indication in terms of numbers on nonprofit housing. Maybe I can just kind of start it off by asking the minister how many nonprofit housing units are out there?

**Hon. Jim Ernst (Minister of Housing):** Madam Chairperson, nonprofit-owned and sponsor-managed units, 19,110; rent supplement units which may or may not be in a nonprofit project, they can be in private-sector units as well as nonprofit projects, 1,834; plus CMHC has a number of direct-managed nonprofit units of which we have no idea what the numbers are. I could not tell you whether there is one or a thousand or 10,000. CMHC would be able to tell you that information. There may be some other types of nonprofits of which we are not aware or we have no involvement.

**Mr. Lamoureux:** The 1,834, can the minister further expand in terms of—if he can maybe give some specific examples of what those would be?

**Mr. Ernst:** Madam Chairperson, 1,834 represent rent supplement units, and basically what happens is that you own a private-sector apartment building where the market rent for that building is \$600 a month. At 25 percent of income, you would be obliged to pay, let us say, \$300 a month. The difference between 25 percent of income and market rent is rent supplemented or subsidized by ourselves and CMHC. Those units are transferable over a 35-year period, I guess. Well, it depends on when they originally came in, but the new ones at least are over a 35-year period.

**Mr. Lamoureux:** So that has nothing to do with the SAFER and SAFFR programs.

**Mr. Ernst:** No, it does not.

**Mr. Lamoureux:** Can the minister indicate, in terms of the current housing co-ops, how many provincially government sponsored housing co-ops there are?

**Mr. Ernst:** Madam Chair, we do not have the number broken down on the basis which the member has requested. What happens is we have a number of co-ops that fall under our nonprofit housing program and are 100 percent subsidized, so we show them as nonprofit, 100 percent subsidized units, not as co-ops. It would be a considerable amount of work for us to go through now all of these projects and pull out to try to decide whether they are co-ops or not. Whether they are co-ops only in terms of management as opposed to co-ops in terms of ownership is quite a different matter. That is as much as I can tell the member.

**Mr. Lamoureux:** Madam Chairperson, I know the former Minister of Housing had a red book which he

provided me, which had all of the different housing authorities, and inside that book it listed, for example, Winnipeg Regional, which would have been the largest, the different locations, where these nonprofit housing units are, if they were elderly, if they were low-income families and so forth. I would ask the minister, do they still maintain that particular book, understanding, of course, that we no longer have the 140-plus authorities. We do have one, so one would think it would even be that much more easier to maintain a book of this nature.

**Mr. Ernst:** The former minister did not leave me the book, so I cannot comment on whether he did or did not have a book of one particular colour or another. The fact of the matter is that there were 98 housing authorities previously, and under those 98 housing authorities would have been, I suppose, listings of units that were owned or managed by them.

Manitoba Housing Authority deals on a direct management basis with about 14,000 or so units. The rest are sponsor managed, excluding the rent supplement. But we have an inventory, if that is what the member is referring to. There is an inventory of all units that are owned and managed by the Manitoba Housing Authority.

**Mr. Lamoureux:** The reason why I asked that is I would quite often get a phone call asking myself in terms of where someone could apply for housing, and one would like to be able to provide individuals some sort of an idea for housing, whether it is housing in a traditional nonprofit, where the federal government plus the provincial government can contribute, whether it is the federal government that contributes to the operational costs, whatever it might be. We are quite often asked the question in terms of location of these facilities, and I am wondering if the minister can indicate what the government policy or Manitoba Housing and Renewals policy is with respect to this list.

\* (2010)

**Mr. Ernst:** We do not think that there are any CMHC direct-managed units in Winnipeg, so I would suggest, if the member has one of his constituents or someone else call him with respect to housing units and availability and types—and we have about 14,000 units in Winnipeg, something like that—that he simply either call or have his constituent call directly to Manitoba Housing Authority, 700-294 Portage Avenue. They can

respond immediately with what is available in units right across the whole spectrum. So if they want to live in the west end, south end, the north end, the east end, or anywhere in between, the availability of those units at any given date, including waiting lists if any, for unit type and so on are all available there through the Manitoba Housing Authority.

Quite frankly, when somebody calls my office, that is what I do. I phone the Manitoba Housing Authority to look into that because they have the most up-to-date information. I do not know if anyone other than the Manitoba Housing Authority would have any kind of information in terms of up-to-date available types of units, say, across the broad spectrum. If you want a three-bedroom townhouse in Charleswood, they will know that. If you want a one-bedroom apartment building downtown, they will also know that. If they want a senior's unit in Elmwood, they will know that.

So that is probably the best way of dealing with the issue, to contact or have them contact—the client actually is probably the best person—the Manitoba Housing Authority directly, and they will put them—we have property managers available constantly to deal with those kinds of questions and concerns. We can provide information to people on what options they have and the general spectrum of what is involved in occupying and qualifying for a public housing unit.

In addition to that, we also have the sponsor-managed projects to which we can refer people if they want to be in a specific building. For instance, if they want to come along and say, I would like to be in the Polish seniors home on Selkirk Avenue, then we can, through the Manitoba Housing Authority, contact them and find out if they have any available units, or we may even have them on-line, I am not sure. In any event, so that through the sponsor-managed projects as well, we can have them referred to those units and tell them who to contact and so on.

**Mr. Lamoureux:** On two things, first, Madam Chairperson, when I was referring to CMHC, they do fund the operational cost, at least from what I understand, of many nonprofit housing units. I am assuming that they do contribute substantially to the 14,000 units that are even administered through the Manitoba Housing Authority.

Just for clarification, the question that I do have to the minister is—and it has happened more than

once where I have had a phone call and individuals have asked if they could, in fact, see where the nonprofit housing units are located. In other words, go down to an office, say show me the list, and then they can page through and look for a place. I am convinced that it happened on more than one occasion where it was indicated that you have to apply to the sector of the city that you live in, and they will indicate in that particular sector. That is not the case. In fact, they do have access to all the listings of nonprofit housing, or this 14,000 that the Manitoba Housing Authority administers.

**Mr. Ernst:** Let me say to the member that as far as CMHC support is concerned, given now that we are based on today's type of housing programs, CMHC provides 75 percent subsidy of all of the units, sponsor managed, whatever.

With respect to a tenant approaching Manitoba Housing Authority, we generally ask them what area of the city you are interested in living in. Most of the time, if not all of the time, they would say Inkster Park, as an example. If they want to live in that area, we provide them with a list of every available unit including sponsors in that area. They can take the lists and drive around and have a look and see which projects are which, what kind of units there are and so on, and then they can make their choice, come back, sign up, if they qualify.

**Mr. Lamoureux:** Madam Chairperson, I want to move on in terms of the 14,000 units that are in fact out there and would ask the minister, these units then are all managed through Manitoba Housing? [interjection] They are not managed through Manitoba Housing. The question is in terms of what type of headway are we making in terms of establishing a tenants association. The minister has alluded to Gilbert Park. The member for Point Douglas (Mr. Hickes) talked about Gilbert Park or Lord Selkirk Park, I should say. There are other housing complexes, relatively large housing complexes such as Blake Gardens, so maybe if the minister could comment in terms of the tenant associations in nonprofit housing and how the government is proceeding with that?

**Mr. Ernst:** Madam Chairperson, you cannot equate tenant associations with management of a property. Tenant associations may deal with tenant-related issues and may deal with repairs and maintenance of a property and so on, but that is not hands-on management of a property. From that perspective, there are projects with tenant

associations where management is connected either by the Manitoba Housing Authority, and I think we can probably tell you exactly how many units the Manitoba Housing Authority directly manages.

In addition to that, there are private-sector sponsor managers; there are MHRC-owned properties that are managed by sponsor groups; there are those kind of groups which own their own property and are funded by Manitoba Housing and CMHC. Then on top of that, you have other properties and organizations that are managed by nonprofit management companies like SAM (Management) or Murdoch Management or some of those kinds of companies.

You know, there is a wide variety. By far the largest numbers of units are managed directly by the Manitoba Housing Authority, but SAM (Management) manages some units on behalf of sponsor groups. Some sponsor groups manage their own units, so there is a variety of circumstances all around.

**Mr. Lamoureux:** Madam Chairperson, SAM (Management) as an example, yes, could manage for a sponsor group if there is a—whatever group, it could even be a co-op. They could always ask for SAM (Management) to come in and administer, but in terms of the Manitoba Housing Authority itself, it does not have SAM (Management) or any others managing that stock. That stock is the 14,000, is that not right?

\* (2020)

**Mr. Ernst:** Not exactly. SAM (Management) does manage some units directly for the MHA, but their historical sense is that prior to the formation of the MHAs, they managed units directly for the Department of Housing. We just simply left them there, but they fall under the jurisdiction now of the Manitoba Housing Authority who deal with all sponsor groups associated with their projects so that—you know, the Polish association and Filcasa and all these that are all sponsor-managed groups, they still report through the MHA.

The MHA is responsible for making sure that they live up to the terms of their agreements, provide the appropriate financial information and all of the other requirements under those agreements. All that work is not done in the department. It is done in the Manitoba Housing Authority for which they are responsible.

Basically, in the case of SAM (Management) and, I think, in the case of two or three projects that historically they managed before the formation of the Manitoba Housing Authority, we treat them simply as a sponsor group now with respect to those projects—one in St. Vital, I think, St. Andrew's Place and maybe one other.

**Mr. Lamoureux:** In terms of the Manitoba Housing Authority, is it their intention to eventually manage those particular blocks? I am wondering in terms of why or how it would be efficient or more efficient to have some of the units being administered.

I do not question the private sponsorships, nonprofit housing. I do not question that at all, just in terms of the former Winnipeg Regional Housing that had 4,400 units and it did the managing. Then there was the idea of getting everything into one super board was to try to make things that much more efficient or streamlined, to provide better service for individuals that were looking for nonprofit housing units.

We just finished talking about the referrals. Somebody walks into the Manitoba Housing Authority, and they find that they want to see which housing complexes are there that they would like to possibly consider moving into if, in fact, they fall below a certain level of income. Those that are managed—even though the authority is ultimately with Manitoba Housing, some are, in fact, managed by SAM (Management). Is the government wanting to, in the long term, leave it with SAM (Management)? If so, what would be the logic behind doing that?

**Mr. Ernst:** First of all, let me answer directly the question. SAM (Management) historically managed these units. So it was a question, then, when you formed the Manitoba Housing Authority, do you take them away from SAM (Management) or not? If you do, do you jeopardize the operations of SAM (Management)? Do you take away 400 or 500, 600 units, whatever it is away from them? Is that going to jeopardize their operation? Will that impact upon other work that SAM (Management) does for other groups?

So we said, for the time being at least anyway, and we do not have any direct plans to take them away from anybody else, but we simply said, leave them where they are and they will continue to manage them.

As a matter of fact, to get to the first example I was going to give you. We had a private, nonprofit who managed their own property where we had significant cause for concern with respect to the financial statements that were filed. We, in fact, moved in and, under our agreement, took over the management of the property. This was before the MHA was set up, just before the MHA was set up, and we actually brought in SAM (Management) to operate it on our behalf. They were the most familiar with the area, the most familiar with the kinds of units that were there, and were the best able to manage that particular property on our behalf. So, rather than do it through Winnipeg Regional, we, in fact, brought in SAM (Management) to do it on our behalf when we took it over.

So not every vehicle is the appropriate vehicle. You may need a mix of vehicles in order to manage all property to the best for all concerned. So we have those vehicles available; then we will use them.

**Mr. Lamoureux:** Madam Chairperson, I am not entirely convinced, but I would think that the government—but I wanted to go on in terms of the housing stock, the 14,000, if you like. Can the minister give a best guess or something to that effect with respect to what it would take to bring up all the nonprofit housing units just from Manitoba Housing Authority in those units that SAM (Management) would manage on behalf of that authority in terms of bringing them up to standard?

**Mr. Ernst:** I would hope that they are all up to standard. Daily, hourly, they may change from that status, depending upon what is occurring in units or neighbourhoods or whatever, and with that many units it is very difficult to determine. Again, you would have to describe for me in some detail what standard means. What is your view of standard as opposed to the building code, as opposed to the use and occupancy by-law of the City of Winnipeg, as opposed to what we might consider standard, as opposed to what CMHC considers standard, or maybe what the National Housing Coalition considers standard? I mean, there are a million options.

I would think most of the units are in pretty good condition. Those that are not are taken out of service. We will not jeopardize anyone's health or safety in that regard, and so I think, by and large, we conduct a major maintenance and repair

program of anywhere from \$5 million to \$10 million a year depending upon types of units and problems that have occurred.

As we heard from the member for Point Douglas (Mr. Hickes) earlier, we spent quite a bit of money at Lord Selkirk Park in terms of renovations and repairs. That is our oldest project, I think, or just about our oldest project, that has, quite frankly, stood up amazingly well considering the use that it has had over 30 years plus that it has been in existence.

We have an ongoing regular maintenance program. We have an ongoing kind of minor repair program, and then we have the major refits that we do from time to time on a number of these units. To give you an example, the one I drive by quite frequently is the one on Doncaster Boulevard across from the Fort Osborne Complex. I think since I have been the Minister of Housing we have repiled them all. I think we are just in the process of putting in all new roofs and a bunch of other repairs, windows and other things that are necessary to be dealt with, so we have kind of ongoing maintenance, we have major work retrofits, and then we have the regular painting and fix the doorknob and things like that.

**Mr. Lamoureux:** Madam Chairperson, the reason that I asked is a couple of years back the then-Minister of Housing commented in terms something to the effect that \$20 million would be necessary to bring up houses. Just to say the word "standard" can be somewhat open ended, and I can understand why the minister might have had that sort of response to it. But let me ask the minister, is Manitoba Housing Authority able to keep housing units open?

Often I drive down on Burrows Avenue, and I will see a house or a unit or two all boarded up. Are they able to keep these units open? Is the money there?

**Mr. Ernst:** Let me respond, Madam Chair, first to the question of the \$20 million the member raises. That may have been the requirement of Manitoba Housing under whatever form to bring all of their buildings in excess of three stories up to the City of Winnipeg fire code. That was a significant amount of money that has been spent over time. All of our high-rise buildings had to be alarmed and smoke detectors and a whole variety of things to meet the

City's fire by-law, and a lot of money was spent over a long period of time to do that.

\* (2030)

In response to the latter question, from time to time, units get damaged, for whatever reason. We had a major crime committed in one of those units. Unfortunately we seem to get our share, more than our share, of activities that occur in Manitoba Housing units.

The most recent one, I guess, was the one in Flin Flon. For police purposes, that unit may be boarded up for six months because of crime evidence or whatever. There may be a fire in a unit, in which case, by the time you get it all adjusted and everybody decides who is responsible and what has to be done and so one, it may take two, three or four months.

We may have significant damage done for some other reason in there that takes some time to get it sorted out and get it repaired and back into service, but the intent is, by and large—we have the units there for a purpose. We want to rent them out. You cannot rent them out if they are not in a habitable condition.

So we have to deal with those issues and deal with them regularly. We have the budgetary authority to deal with those and to carry on necessary repairs just as soon and as quickly as we can deal with them.

**Mr. Lamoureux:** Yes, Madam Chairperson, generally speaking, the concern would be, of course, those units where you have a problem tenant and, once the tenant leaves or if the tenant has been evicted, that you are able to get that unit back into operation as quickly as possible.

I have had concerns with the numbers that have been thrown around in terms of units that have been out for a while. Unfortunately, I do not have the specific examples. Maybe the next time through the Estimates we will be able to go through a few specific examples, because listening to what the minister is saying, at least one feels somewhat comfortable in the sense that units are not, or those units that do need the work in terms of upgrading to get them back in commission, if you like, that the money is being made available for them.

The senior housing units, can the minister indicate what sort of vacancy rate there is with that, the single, what many refer to as, shoe-box apartments?

**Mr. Ernst:** Well, Madam Chair, I cannot give you an exact number, but what I can say is that the vacancy rate is around 10 percent, and of that 10 percent, those are seniors units. They are not all bachelors. I guess around 80 percent of them would be bachelors. So you can guess from that that a significant number at least are vacant.

**Mr. Lamoureux:** Madam Chair, the ones that I am most concerned about, and I pointed them out earlier, the Bluebird, the Annex. There is another one on the Elgin block. The minister is quite right, they are obviously bachelor suites. But I am sure, like myself, he has been in them, and they are not much in terms of a bachelor suite in itself, probably one of the reasons why it is an abnormally high vacancy rate. Could the minister provide some sort of indication, if he has it at the table there, with respect to those three blocks, because those are the types of units that I am more so trying to find out the vacancy rate primarily because I believe that is where the real problem lies?

**Mr. Ernst:** We do not maintain for our own purposes vacancy lists of sponsor-managed projects. While we would know that information if we were at the office and were able to check, we do not have it here as to what vacancies are in those projects.

I can say to the member that I have met with people from Bluebird Lodge over their concern over these bachelor units. Their concern as sponsors, as well as our own concerns as direct managers for bachelor units right across the city, is significant. We have a very large problem with respect to vacancies in bachelor units. Quite frankly, because rent geared to income does not discriminate between types of units, you pay whatever your rent geared to income is. So you have a choice of a bachelor unit of 500 square feet, and you have a choice of a one bedroom unit at 650 square feet, which one are you going to take? You are going to take the best unit.

What had happened, of course, in the mid-'70s when most if not all of this stock was built—and it happened not only in the public housing stock although there are considerably more units in the public housing stock, it happened even in the private rental stock built at that time—was that there was still a demand for bachelor units, and people who wanted to live in an accommodation had the least cost.

What Manitoba Housing was doing in the '70s was trying to provide a lot because there was not very much, if any, trying to provide a lot of stock right away. That served the purposes of most seniors at that time. In the ensuing 20 or so years, seniors have become a lot more discriminating, generally speaking, or somewhat better off than they were in the past, and so as a result have said, well, gosh, now that we have a choice between—before it was living in the third floor of a house down in the core area of Winnipeg at \$300 a month or taking a very nice, new high-rise building like 185 Smith Street in Winnipeg with a bachelor unit that cost them \$200 a month. What was the choice? I mean, they took the new high-rise apartment building at \$200 a month with the bachelor unit. However, you know, time marched on. The kinds of units changed. The mix changed in buildings, and what happened is all of a sudden now down the street from 185 Smith is a new sponsor-managed project that has one-bedrooms at 650 square feet with a balcony and things of that nature.

All of a sudden the tenant in the bachelor unit says, hey, this is pretty nice. What is the cost of that? The cost is the same. Well, guess where I want to move; down they go. So you see the kind of dilemma that occurred over a period of time.

Now, as I said earlier this afternoon, hindsight is 20-20. Knowing what we know today, we would not have built all of those bachelor units, but we are looking at various means and ways of trying to reduce the overall vacancy rate. We are looking at other uses of those kinds of buildings. In some cases, perhaps tenanting them with other single males and females, where there is no, really, market program or housing program for them.

\* (2040)

We are looking at alternate uses of buildings. Maybe we are going to sell it to a native housing group to ultimately own, control and utilize for their purposes. We are looking at a variety of ways and means of dealing, including, in some cases, renovations to the point where we would, where possible—and it is not always possible because of the way buildings were built in those days.

The downtown YWCA is a classic example of how not to build a building with the potential for change in the future. The situation that occurred in that building and a great many others is you cannot move because all of the interior walls are bearing

walls. So you cannot start moving walls inside without having the building fall down.

We have a number of buildings where it is not physically possible to take two or three bachelor units and create two one-bedrooms out of it, but there are some that you can. We have done, in fact, some or had some of those that have been changed by some sponsors to meet certain demands and so on.

So there is a number of issues that we have to deal with, and it will take some time to deal with them all. We will, over a period of time, try and resolve this problem, but at the moment, at least, it is still more economic to run a higher vacancy rate than it is to go and spend and borrow a whole pile of money to renovate those units into one-bedroom suites and suffer the loss of income as a result, because you are going to get less income from one one-bedroom suite, obviously, on a rent-geared-to-income basis than you are out of two bachelor units. So even though there are high vacancy rates, the buildings are not vacant by any stretch of the imagination.

In some cases, I say, vacancy rates may be around 10 or 12 percent, and the individual property may be even higher than that from time to time, but the fact of the matter is, even if you expend several tens of thousands of dollars to renovate these units, you are not necessarily going to get payback from it.

So you have to continually balance that to determine whether or not we are going to do it. These things are under review on a constant basis, and the MHA is charged with either filling the unit on a rental basis or coming up with some other response to deal with those issues.

As owners, the Manitoba Housing Renewal Corporation do deal with it from time to time as well. We look at chronically vacant units. We look at: Do we really need units in this place anymore? Have the dynamics changed, the demographics changed so that the potential for the future is gone and we might as well cut our losses now? So it was all those kinds of issues that are dealt with on a daily basis.

**Mr. Lamoureux:** Madam Chairperson, the reason why I bring this particular issue up is that if you take a look, especially as I say, at the Bluebird or the Annex and I have gone through those facilities—not recently—but I was given the impression that

you quite often get a 15 percent to 20 percent vacancy rate. One of the problems in that immediate area, in that Weston area, I am not quite as familiar with the Brooklands, there seems to be a demand for senior housing of sorts.

With all these programs or different programs that are made available for housing, in particular I look at the program, for example, like life-for-lease, what Fred Douglas has done with the Manor. If you are looking at some of these buildings, I would think that in fact you could—and again I am not an architect or anything of that nature by any stretch of the imagination—but I think that when you are hovering around that 15 percent and up to 20 percent, it is well worth taking some form of action in the not-too-distant future.

At least I was under the impression in a number of different areas in the city, I think that you will find the same circumstances where there is a demand for senior housing. Yet these apartment complexes that were made during the '70s are not meeting the expectations of the senior that might have a \$35,000 home that has been paid for and would like the opportunity to move out.

That is why I was always a big supporter of the life-for-lease program. I know the minister is quite familiar with that particular program, but at least it provided the opportunity for a senior to have some equity to move into a place, to get out of their house, for whatever reasons that they might have. I think that some of these blocks that are out there could be renovated to cater for that. My overriding concern was that in fact there is something that is being done to take care of that particular problem.

I am not yet convinced that in fact the Department of Housing is doing enough in the sense that I believe that there are demands that are out there. Creative programming could allow for these vacancy rates to drop and better housing for our seniors. I do not know if the minister was wanting to comment on that or I will just continue on to the next area.

One of the big concerns that I have, and I talked about it in my opening remarks, is with respect the housing co-ops. If the minister does not already know, I am a fan of the housing co-ops. I think that they have great potential. I would like to know what the Minister of Housing's position is on housing co-ops. Does he see more programs coming down

to help facilitate growth in that sector of nonprofit housing?

I know that the government has taken some actions like the co-op HomeStart Program which at one time it was grants and then it was converted into loans. I am concerned in terms of the commitment. I would ask the current minister, what is his commitment to housing co-ops?

**Mr. Ernst:** Beyond 1993, Madam Chair, we have no program. Basically speaking, whether it is co-op managed or not, most of the units, if not all of them, fall under our nonprofit fully subsidized housing program. Those that were started under the Co-operative HomeStart program in the past, many of those are now being converted to the nonprofit housing program because they cannot make it on their own. That is not to say we do not have some success stories. There are some. Weston co-op, referred to earlier today, is a good example. They manage their affairs quite well and manage to return cash payments to the province. They make every effort to ensure I know about it, too. If I do not respond, thanking them very much, I catch hell for it.

In fact, this year we will be using some of our unit allocations to convert existing co-ops into nonprofit fully subsidized housing units because otherwise they are going to fail. It is not the be-all and end-all by any stretch of the imagination. Where you have the situation occur that it is a fully subsidized nonprofit housing program, then it operates like every other nonprofit and within the guidelines and financing commitments of CMHC and MHRC.

As I said earlier, we are not going to be able to resolve the whole question of what we do in the future until at least the day after tomorrow when we meet with the feds as to what they intend to do come 1994. I do not think any province, I do not care which one it is, will be able to go it on its own with respect to the kind of levels of nonprofit, even at limited levels, that we have been going to in recent time, given the fiscal restraints that all of us operate under and are continually pressing every government.

We have to decide at some point what our priorities are. If we are running a vacancy rate, then we are not going to be able to provide necessarily the kinds of units that all those seniors might want. If they want to have good, decent, affordable housing, albeit a bachelor unit, that is

what they are going to have available to them from us. If they do not want ours, then they are going to have to seek it in the private sector. If the private sector can provide it at reasonable cost, terrific. That is who should be doing it, quite frankly. I mean, why should the taxpayer invest their money and run the risks of all of the vagaries of the housing market when it can be provided by the private sector? If it cannot, then that is where we come in, and that is where we are providing housing for those people.

\* (2050)

Who knows what the future is going to bring, Madam Chair. I would not begin to speculate at this point. We might have some more information at some later time after having had the opportunity of discussing this with our provincial and federal colleagues.

**Mr. Lamoureux:** Madam Chair, it is somewhat discouraging in one sense that here I am standing and promoting the converting of nonprofit housing into housing co-ops, and the minister is telling me that co-ops are being converted into nonprofit housing. I do believe that in any co-op, and a housing co-op in particular, in order for it to be successful, you have to have some form of an educational component to it.

I know of housing co-ops that are—not in one sector of the city, but at least where I have visited over the last while in four different sectors, or three, I should say, and a big concern is that you have to have the residents, as I prefer to call them over tenants, aware of what their rights are. A good example of that can be found in many different co-ops when you go and you knock on one of the doors and you try to explain to them what it is a co-op is and how they can participate in the decision-making process.

It is easy for us and myself to stand here and talk about how wonderful co-ops are and how they should be able to work. You know, a well-run co-op should be able to outdo the Manitoba Housing Authority that manages thousands of housing units. When, in fact, you have a group, a relatively small group, depending on the unit, if it is Weston—he made reference to Weston. Well, Weston is a relatively small number compared to the United Housing Co-op which is a significant size of a housing co-op. That is the reason why I have some concerns.

I mentioned knocking on the doors. This is one in which I feel that you have to have some form of an educational component. If the minister was wanting to stop the conversion of housing co-ops into the Manitoba Housing Authority nonprofit housing units, then I believe the department has to take more of a proactive role in it. That does not necessarily mean that it has to cost great sums of dollars, because in many cases—and I have seen the brochure. It is a wonderful brochure. It talks about housing co-ops and, again, how wonderful they are and so forth.

But with my experience with housing co-ops what has happened in the past is you find that a co-op is created, there are annual general meetings that are called. You do not necessarily get a high percentage of individuals even showing up for the annual general meetings, because in some cases they do not even realize the benefits of a co-op over an apartment, whether it is private sector or government sponsored.

I would ask the minister, what is this government or what is the Department of Housing doing to educate individuals that are going into housing co-ops?

**Mr. Ernst:** In terms of the education process, the co-operative housing association of Manitoba provides an education program for tenants to deal with the benefits and responsibilities of co-op housing. We provide money to pay the fees of the co-op housing association of Manitoba to undertake that educational process. Again, that is up to every individual, tenant association or whatever. If that is what they want to pursue, that information is available to them, we provide it, we pay for it. If that is what they wish to do, that is up to them. That deals with our existing stock.

The new stock, by and large, is not direct owned and managed. For the most part, it is done by sponsor managers or sponsor owners and managers. We have every year and a half or so, over the past while at least anyway, a proposal call. I think I talked earlier with the Leader of the Opposition (Mr. Doer). We got 50 or so proposals coming in. We can maybe deal with six or eight of them. They are all sponsor managed or sponsor owned and managed projects.

We do not build any direct kind of units anymore in terms of our general program in Winnipeg. The odd unit here and there in the country we still do,

but by and large, in Winnipeg we do not do any units directly anymore.

So, we may have approved the Riverborne co-op. For instance, we just opened their project last week on Roslyn Road. There may have been three or four co-ops within that, but they are essentially under the Non-profit Housing Program, 100 percent subsidized units—hard to run something when it is 100 percent subsidized. Whatever the cost is over and above the cost of the rent geared to income is picked up by CMHC and Manitoba Housing, so there is no great moment in trying to manage under those circumstances.

You know, the true test of a co-op, and I have one in my constituency, the Westboine co-op, where in fact they put up the equity and they run the project. We have a few rent supplement units in there, I understand, but beyond that it is run as a true co-op.

The problem is we have some of those true co-ops that are out there. Even with the rent supplement units, they are not sufficient to have it operate in the black. So we will be converting some of those this year into fully subsidized non-profit units in order to make them viable. As I say, heavy subsidies do not create a lot of warm feeling in there, that all of a sudden co-op management is better than the Manitoba Housing Authority.

I take some exception to the comments of the member that the Manitoba Housing Authority does not do a good job. I think we have some very dedicated staff there, many of them with long, long years of service to the provincial government. I take some exception that they cannot do a good job. They can do a good job. They do a good job, and I can be very complimentary of the efforts that the staff perform—nobody's perfect; everybody makes mistakes—but, by and large, they do do quite a good job.

I should also point out to the member that notwithstanding the great abilities of co-ops to manage their own affairs, some of them, many of them, hire a management company to run the affairs. They say there is a co-op board meeting once a month to decide, you know, some general policy issues, but the day-to-day management is conducted by a management company, private sector for profit management company, and including some of the successful ones, I might add.

I think, for instance, the Weston co-op hires Murdoch Management Inc., which is a private sector company to manage the units on their account. Again, there are a lot of issues and matters that surround these kinds of management situations, but you know, we are prepared, we are flexible, we do try and deal.

We just opened a new co-op not long ago with the member for Wolseley (Ms. Friesen), Westminster Housing Co-op, which is, I think, from all reports at least anyway, quite successful, operating well and a beautiful place. You take a look at the units in there, you would not mind living in there yourself. I have to question sometimes some of the modesty guidelines that are allegedly around with respect to some of these housing units, and I have to ask myself where are they in terms of the modesty guidelines.

Again, when you look at the building code today and what is required and so on, minimum room sizes, minimum standards for all kinds of things, then you have to provide to the building code, and when you do, that is what you get. So notwithstanding the fact that modesty is a bit of a watchword certainly when you are dealing with social housing, at the same time you have to meet the qualifications and safety requirements of the building code.

So, Madam Chair, that is my comment with respect to that, and I thank the member for his opinions.

\* (2100)

**Mr. Lamoureux:** Madam Chairperson, one could cite a number of different housing co-ops, whether it is Carpathia, Willow Park, which I believe is the oldest co-op at least in Canada and possibly even North America, or whether it was Filcasa, another housing co-op that was mentioned. I guess I look at the principle of co-op housing versus government-sponsored nonprofit housing units, and I believe that there is more merit, and it is not to say the individuals involved at Manitoba Housing Authority are doing a poor job. I am not saying that at all. I just believe that there is more merit to expand in the housing co-ops where we can, and that government could and should take a much more proactive approach at doing that.

By doing that I would emphasize that there has to be a significant educational component in order for any housing co-op to work, whether it is sitting

down with the board and providing information, those little brochures that the Department of Housing has—at least if they still have them. I assume that they still have them. I am not too sure.

Madam Chairperson, I was wanting to comment on the United Housing Co-op in particular because it is a co-op that is in my riding, and I understand that there is—actually United Housing Co-op is on Old Commonwealth and they have the other location that is on Hargrave. I am wondering if the minister can indicate in terms of the differences or why there is a need to have both of these under the one umbrella group if in fact—for example, let us say the Old Commonwealth location was wanting to secede and go its own way, because part of housing co-op is to be within a community, and living in a suburb, compared to the more inner city, is not necessarily the same community. It might be predominantly the same ethnic community but not necessarily the same community. Would both co-ops stand a better chance at succeeding if in fact they were two different identities? If so, can the minister indicate, can that be done?

**Mr. Ernst:** This is quite a complex situation because you are dealing with housing programs of various vintages and so on like that under different rules and regulations. You know, the fact of the matter is if it is owned by United Housing Co-op it is owned by United Housing Co-op. It is no different than being owned by the member for Inkster. It is one entity of ownership. If they want to split the ownership, if they want to deal with it in some other way, then, you know, by all means we would be interested in talking to them if they are in significant difficulty with respect to one of their projects. So we would be happy to talk to them, but beyond that at the present time I cannot make any further comment.

**Mr. Lamoureux:** I am talking strictly with the Old Commonwealth portion of the United Housing Co-Op. If there was an overwhelming will from the residents at that particular co-op to go their own way, how would the minister, like you just finished saying they can come and talk to us, but is there something that can be done that would allow them to do that, to be able to become independent upon themselves?

**Mr. Ernst:** I suspect, Madam Chair, that dependent upon what their by-laws say, I do not know what their rights are in terms of a co-operative to dispose of property, they may not have any right

to dispose of property, in which case we may have to seek some other kind of solution. If they have the right to dispose of property, then seemingly they could sell one of their projects to another co-op, a newly formed co-op. They could simply form a United Housing Co-op (1993) Limited, sell one of the projects to them, and then the United Housing Co-Op retains the balance, the other property.

I do not know, as I say, these are quite complex and certainly not the matter for any exhaustive discussion here. If they have a proposal, they have a concern, let them can come in and talk to us. We would be happy to talk to them and see what we could do to resolve the problem.

**Mr. Lamoureux:** Madam Chairperson, I will encourage them to actually get in contact with the minister's office or Manitoba Housing Authority. Who should they get in contact with specifically?

**Mr. Ernst:** Just have them contact my office.

**Mr. Lamoureux:** Just have them contact your office. I want to move on to the infill housing program, and get from the government what their current policy is on infill housing.

**Mr. Ernst:** Madam Chair, I should tell the member, perhaps he is not aware that we have not operated an infill housing program for two or three years simply on the basis that it did not work. A lot of these things look terrific on paper, but when it comes down to the nitty-gritty of putting a \$50,000 or \$60,000 house into a neighbourhood with taxes and mortgage payments and all of those kinds of things that are associated with it, minimal down payments, they were failing.

We were getting them back on a regular basis because people could not afford to live in them, either that or the subsidies were so high that they were not the best use of the public dollar in terms of providing housing. Nice to do, but too expensive. You can provide more housing by using the dollars better in nonprofit or some other kind of program.

During the dying stages of the Core Area Initiative, a number of units were purchased in the Weston area by the Neighbourhood Improvement group in that area, I think in conjunction with, it is either Core or under the Neighbourhood Improvement, one of the two in any event.

A number of those units have been used by the Weston co-op to provide co-op housing units, and we have just given them another allocation of units

or in the process. In 1992 we gave them another allocation of units to build on some further additional land there. The balance of the lots, I think there were about nine, we put them out to tender last year to the private sector and said, what would you give us for these lots, your undertaking to build modest homes on these lots for sale to the general public?

We got one bid, only one. Pace, Greentree Homes, as a matter of fact, the principal of which is the chair also I believe of the Winnipeg Rehab Housing Corporation, and who is I think probably as familiar as anybody in the development industry today or home-building industry today for what is required in these kinds of units.

\* (2110)

So on the basis that we provide the land just about for nothing, we are going to see whether that works. If it does, then terrific. Somebody is going to have a nice home at a cost they can afford, and the neighbourhood is going to be improved by virtue of the house being there. If it does not work, well, we will try again, but that is where we are, at the present time.

**Mr. Lamoureux:** Madam Chairperson, I was wanting to pick up from where the minister left off in terms of some of the benefits. Yes, there is the most obvious, there is a cost to putting up an infill housing. What you are actually having to do is to subsidize the removal of the house in cases where there is a dilapidated house, and there is also a cost in terms of potentially having to subsidize some of the products or labour in order to be able to bring the cost of that house at a market value so that the house could in fact be sold.

I have seen the results of many of the different infill houses that were put in prior to this government when it was first elected.

In fact, I had asked the then Minister of Housing how many infill houses had been put up in one fiscal year, and he had indicated that there was going to be zero. Well, actually, I am the one that suggested that it would be zero, and he later came along and agreed, but said not to worry, that in fact there would be 10 infill houses coming up in the next fiscal year. I do not think that any of those houses ever did materialize, that in fact since this government has been in office that we have not ever seen an infill house put up under the old program that the NDP had put in.

That is somewhat discouraging. The minister said, well, the program did not work, and I would be interested in knowing why it is that this program did not work for the government.

There were many different benefits. If you take a drive, whether it is down Alexander or other streets in the city of Winnipeg, you will see where infill housing has gone up. The neighbourhood itself, especially if you take down two or three dilapidated homes, the neighbourhood and the character of the neighbourhood does improve and quite dramatically. You know, a bit later I am going to comment on some other programs that I think go hand in hand in terms of revitalizing older areas of the city of Winnipeg and some, including myself, would argue even older areas, urban areas in rural Manitoba.

These are the areas which I think will really lose out, because if it is not feasible for government to be able to go in in some cases, we know only full well that it is not going to be feasible for the private sector to do it. In many cases, whether it is infill, whether it is other renovation programs, what ends up happening is that these houses then are occupied by landlords, and they will rent out the properties. Other houses are in fact condemned and there is no one that lives in them. It turns out to be an eyesore which does not do anything in terms of the betterment of the community.

Having taken at least one urban studies course from Professor Leo, you learn a lot about the importance of revitalizing your older neighbourhoods, because if you do not do that, ultimately the cost of bringing them back to life can be substantially more. I do not believe that the government, in particular, not only this minister but the former minister, since this government has been put into office—that they did not necessarily give the infill housing program a fair chance, they did not even build one home.

I would have been much happier to have heard from the minister that here are the reasons why we have decided to cancel that program and have no intentions on bringing it back in and list some reasons. I am sure the Minister of Housing could be even somewhat creative in his thinking by commenting in terms of Habitat for Humanity as possibly filling in the gap, whether it is contributions or providing some of the lots at virtually no cost, whatever it might be.

This is what one would think that the minister in fact would have given in terms of a response other than just to stand up and say, well, the program did not work and that is the reason why it is not around. The problem is still there. There are areas throughout the province that need to be revitalized. One of the ways of doing that is to provide programs such as the infill housing program. Even though it might be easy for government to cut, there is still somewhat of an onus, especially being Minister of Urban Affairs also, to come up with something that would at least address the problems of urban revitalization and the lack thereof.

The next line of questions I was wanting to move into, I think, go hand in hand with the infill housing program and other programs that have been cut. The minister responded to this by saying, well, we have a housing program, a rehabilitation program. What I am referring to is the Residential Rehabilitation Assistance Program for residents, and I am interested in knowing what it is that this minister did, because I understand and appreciate that it is federal dollars, but it did go through the City of Winnipeg in terms of administration. Manitoba was a net benefactor. We benefited more, I believe, per capita than any other province in Canada on this particular program, and I did not hear anything from the current Minister of Housing when this program was being cut back. Individuals have lost jobs, and particularly some of our inspectors.

We had literally millions of dollars that was being spent, of public dollars that was being spent, on renovating, again, on assisting in revitalizing some of these older areas, and the government did nothing, Madam Chairperson. At least I am not aware of anything that the current Minister of Housing did to protest the cuts or to supplement them. Even if you put it into an economic perspective of when it is that government should be spending money is in times of recession to help create jobs, well, programs such as RRAP provide, you know, a significant number of jobs. These are construction jobs and so forth. So there are economic benefits. There are urban revitalization benefits, and as I say, this is one of the areas in which Manitoba was doing quite well compared to its counterparts.

So I would like to know from the Minister of Housing in terms of what is it that the Minister of

Housing has done with respect to the cutbacks of the Residential Rehabilitation Assistance Program.

**Mr. Ernst:** Madam Chairperson, the question was so long I forgot what it was all about. The member rattled on and on for about five minutes, and I hardly expect anybody to remember most of the drivel that he put on the record.

\* (2120)

What I should have said, Madam Chairperson, is, pardon, or excuse me, would you repeat the question. However, with respect to the RRAP program, it is not terminated. The RRAP program is still functioning, but it is a federal government program, and we do not control that. The federal government controls it. If we finish at some point the Estimates of the Department of Housing, we will be meeting, starting tomorrow, with my federal, provincial and territorial counterparts to discuss the question of the government's withdrawal from a number of these programs, not just the Residential Rehabilitation Program, but the whole nonprofit housing program, the whole 35-year commitment program that is going to have significant impacts on Canadians coast to coast.

These are issues of great import, and I want to ensure that these are—along with my federal counterpart or the co-chairs of this meeting over the next couple of days here in Winnipeg. We will be discussing those extremely important issues. That will be the focus of attention at this federal-provincial-territorial Housing ministers' meeting if the federal government is not going to continue with the current levels of programs.

I want to make a comment the member made earlier with respect to the Charlottetown accord and the fact that they warned everybody under the Charlottetown accord this is what would happen if provinces assumed responsibility. The tacit responsibility is in the hands of the provinces right across this country. The tacit responsibility is in the hands of the territories, Madam Chair.

Who do you think runs the housing programs? It is not CMHC. CMHC is the major funder, by and large, and they do run some programs, but provinces, historically, for a long period of time have run most, if not all, of the social housing programs in the country. So that while they may have been run, they are still funded and would have been funded similarly under the Charlottetown accord.

Does it matter one way or another who runs it, as long as you have common sense in terms of focus? I mean we have situations now where the federal government, through their arm of the Manitoba Metis Federation, are building units in rural communities across the street from our units, units that they are 75 percent funding, and the tenants move from our units into their units and leave our units vacant.

That kind of thing that when the public looks upon that and says, my God, what is the matter? Can you not get your act together? Is somebody not responsible? Do you not have a common delivery mechanism? In certain circumstances that has occurred. That is what lends a bad name in a lot of cases to the whole government types of operations, whether they are delivered through an agency or whether they are delivered directly by a government department.

So in terms of consolidating delivery, there is no question that one party should be delivering those units. Can you tell me why we need to have on one side of the street in Altona a provincially managed senior citizens' housing block and on the other side of the street in Altona, a CMHC administered senior citizens' housing block? It does not make sense. You have got two management systems, two caretakers, two of everything, when you in fact could have had one common management system there with some considerable savings to the operation of both.

But because that is not the case and there were jurisdictional difficulties and so on, it was the intent I think of First Ministers to come together and say, look, let us cut out a lot of this stuff and let us put it together and let us put jurisdiction in the hands of the provinces who are delivering it and know local concerns and problems and how to deal with them.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Put it in the hands of the provinces because they are best able to deal with it and let CMHC continue its funding role, continue its policy management role, continue its research mechanism which is not an unimportant role from CMHC's perspective and from ours. Because the CMHC on a regular basis—for instance, they have in conjunction with the federal department of Energy funded the advance house to look at new ways and means of dealing with new techniques, new construction techniques,

new technologies in dealing with new housing stock.

The fact of the matter is no one can afford the first one off unit, but over time, once those kinds of technologies are mass produced and come down in cost, there will be a benefit to the homeownership public, particularly in our harsh climate. We are ideally situated to deal with those kinds of technologies and to research. As a matter of fact, our homebuilders association here in Manitoba has piloted any number of advanced technologies for use in cold weather construction. They have either individually or as an association advanced a number of these kinds of technologies to the benefit of the house building industry across North America and, for that matter, the world.

I am very pleased that we have that research because, quite frankly, the energy consumption, the comfort of citizens, any number of benefits resulting from the kind of technologies that have been put into place in recent time are of benefit to an awful lot of people and have saved them an awful lot of money in their housing costs. We have a role for CMHC to play in that regard as well.

The fact of the matter is though that on the ground in the province, the provincial governments are those best able, in terms of housing, to try and meet the overall needs of provincial residents. So, under the Charlottetown accord, that was what was proposed. In fact, that and urban affairs was to be left in the hands of the province as well.

The whole question of urban affairs was a joke. The federal government has not had an urban affairs department since the mid-'70s. I think André Ouellet was minister responsible for Urban Affairs in the federal government for a short period of time and then did not do anything to speak of after that. I do not think he did anything when he was there either, as far as my recollection goes.

However, with respect to the RRAP program, we will be discussing that along with other issues. I can also tell the member that last year when cutbacks were looming on the horizon and so on, I and all of my federal-provincial colleagues—I did raise those issues with the federal government. I did write on behalf of the province expressing our concerns over the reductions in CMHC allocations and made our case that we did not approve, and we did not agree with what the federal government

was doing and tried to express the need, concern and demand.

I mean, we have for any number of years placed demands on the record with respect to landlord RRAP. We see a very significant role for landlord RRAP in the province of Manitoba. It may not apply elsewhere in the country and that is fine. I do not care if it applies anywhere else in the country.

We have a problem we can deal with if we get landlord RRAP. We have a number of older buildings that can be renovated, can be put into better condition, if the owners had an opportunity to deal with landlord RRAP or something along that line.

I do not care even what they call it, as long as the net benefit is for those private buildings, because that is where most of the people live are in private buildings, notwithstanding the fact that we have all kinds of social housing units. We are not anywhere close to touching the surface of housing units for everyone in Manitoba.

But we see an opportunity for landlord RRAP. Certainly they would be able to extend the life of a number of buildings where a lot of low-income people live. It would improve their living conditions dramatically at not very much cost. Because we think landlord RRAP, providing the benefit to the landlord, would also provide an element of rent control that would not allow them to pass those costs that are being picked up by the RRAP program through to the tenant.

So I think there are benefits for everybody all around on a landlord-RRAP kind of situation. That is something that I will also be raising tomorrow and the next day with my colleagues from across Canada and with the federal government.

So there are number of ways of dealing with these issues, whether they are the existing program or other types of programs. We are hopeful that the federal government, if they are not prepared to continue historically what they have done, they are at least going to be able to provide some alternatives.

If they are not, we will certainly be making our views known. If they are not, and our views, collectively as ministers from across Canada, are falling upon deaf ears, then we will see what the federal election brings. If the people of Canada decide to return the current government or to provide another one, that is their choice, and they will make that choice, but we will see, I guess,

during the election process as well, what other political parties in this country would be prepared to do if they were elected. Those all have to be balanced in the context of whatever else they are doing so that the promises are real and not some figment of somebody's imagination. So we will be dealing with that over the next couple of days. We will, hopefully, have some success in terms of what we are able to put together as a program for the latter part of the 1990s.

\* (2130)

**Mr. Lamoureux:** Mr. Acting Chairperson, I would like to put it somewhat into perspective when the minister made reference to the Charlottetown accord and what type of an impact that would have had and which used the example of RRAP. Under current constitution and jurisdictional powers, nothing prevents the federal government from bringing in a program of that nature. The provinces cannot do anything about it if the federal government brings it in. Had the Charlottetown accord passed—nothing again prevents the federal government from bringing in the program.

The difference is, of course, that the province then has the right to say, no, we will have that program similar to nature, and we will just take the money. If you take the money away from any level of government and you tell them that you are going to be the one that will be administering the program, what are you saying? You are telling the federal government to raise the taxes to provide you the money so that you can provide a service, so you can get credit for the service. In some ways, that is the way that it works now.

I would argue, what would happen is that you would not have a national government that would want to come up with a program of this nature if in fact the Charlottetown accord had passed, for the simple reason that they would not get any credit for it, because what would happen is that those provinces that had the wealth would take advantage of the situation. RRAP is an excellent example because, as I say, we have likely benefited more from RRAP, landlord and residential, than any other province, once you base it on a per capita. So maybe that might help the Minister of Housing get a better understanding why it is that maybe it was not a good thing that the province take full jurisdiction and responsibility of housing, because that is just one example.

The minister said that the RRAP program is still there. Well, the landlord has been cancelled, that aspect of RRAP, two years ago. It has been phased down. In fact, I believe, earlier this year, at least two inspectors were laid off. It is definitely being downsized, and I do not see too much of a future for it. I am glad to hear that the minister at least indicated that he did send some form of correspondence opposing what it is that the government was doing. I would be disappointed, I must admit, if he did anything less than that, because I do not think it cost them much, other than 34 cents or 43 cents, whatever it costs to mail a letter. [interjection] That is right. When you mail to a member of Parliament, it is for free.

But, Mr. Acting Chairperson, we would like to see in terms of how is the provincial government going to respond to it, and if you take a look, the program that we have that is out there that is closest to the RRAP is the Emergency Home Repair Program. The Estimates of Expenditure for that '92-93 were \$500,000 and now it has been reduced to \$400,000. Again, what we have is programs, whether it is infill housing, whether it is the Emergency Home Repair Program, whether it is RRAP for landlords or residents, the Core Agreement, we have programs that are being cancelled and nothing is being put in their place.

What is going to happen to the areas that at least four or five years ago were able to go to programs that government at different levels had in place, especially individuals that were community-minded and were wanting to be able to bring those programs into their particular community to get it more revitalized, to change the atmosphere? What are we saying to those individuals?

These, I would argue, are not positive steps. The minister himself cannot say, well, we will make these cuts and it is going to save money. [interjection] Well, if you have no more emergencies you will not—[interjection] Well, maybe what I will do then is ask the minister why it is they had the cuts in that particular program. Was it because of a lack of demand?

**Mr. Ernst:** Mr. Acting Chairperson, let me say first of all that with respect to his earlier comments about Housing and the Charlottetown accord and whether or not devolution to the provinces of powers would have been beneficial or not, I heard the member say that in the case of himself and the Liberal Party, as a federal government they would

not want to contribute to these kinds of programs because they did not get any credit for it.

I would hope, certainly I know from our party, that is not the case. We would not be anywhere near to that kind of thing. We have the interests of Canadians at heart, not the interests of our self-serving political masters here that need to have credit for something before they are prepared to do it. I mean, that is absolutely ridiculous. I cannot speak for the other major political party, but I can certainly say from our perspective that we deal with it because Canadians need and desire and want a particular program or service and that we can afford to deal with it rather than trying to look for cheap political credit for these kinds of things.

It has been very obvious, Mr. Acting Chair, that we have been able to deliver programs provincially to deal with these kinds of issues and that there has not been a problem. CMHC has been very co-operative and they are able to deal with it on a federal-provincial basis without any difficulty whatsoever, not necessarily looking for—

**An Honourable Member:** You always see them cutting ribbons.

**Mr. Ernst:** Well, when you are paying for 75 percent of the cost, Mr. Acting Chairperson, I think they are entitled to cut the ribbon. I would think that they are more than entitled to cut the ribbon when you are paying 75 percent of the cost, but they did not provide the money in the first place to get cheap political brownie points as the member for Inkster indicated his party would. But because they have provided the money, and it is available for Manitobans and Canadians to take advantage of, certainly they are entitled to have a little bit of sunshine fall on them as well. [interjection]

**The Acting Chairperson (Mr. Sveinson):** Order, please. I am having trouble hearing the minister's answer.

**Mr. Ernst:** We have another rather inane statement made by the member for Inkster with regard to the Emergency Home Repair Program. He suggests that somehow it was analogous to the Residential Rehabilitation Assistance Program. The fact of the matter is, Mr. Acting Chairperson, look at the name—Emergency Home Repair Program—now what would that lend you to believe? You would think it would happen for an emergency, one that you do not plan for, one that no one plans for, but it is an emergency.

Something happens, your furnace goes out, it is 30 below zero. What do you do? You say, no, we are cutting back, we are not going to do it. If you have an Emergency Home Repair Program, you deal with emergencies. It does not matter what the costs. You estimate in your budget process approximately how much you are going to spend, how much you think you are going to need.

The fact of the matter is, if you have a program, then you have money available to fix it. If it exceeds your budget estimate or is less than your budget estimate—we are accused in other departments by the Liberals of underspending; you are underspending your budget. I would think that the job of any government is to try to spend the least amount of the taxpayers' money as possible, but not according to them, that is wrong. We should spend every dime.

\* (2140)

If you have an emergency, then you should deal with that, too, but you should not run a deficit and you should not go over your budget. So, Mr. Acting Chairperson, how are you going to deal with it? These are inane statements being made by the member for Inkster. The fact of the matter is we have an Emergency Home Repair Program. If somebody is in need and they qualify, they get the money, they get it fixed, end of story. If it costs \$300,000 or \$400,000 or \$500,000, that is what it costs, and we deal with it. Now, we have to put a number in the budget. What do we think we might spend this year? What do we think might occur? Well, that is what we do. We put a number into the budget. That is our best estimate as to what we think will be spent on that program in this year related to emergency home repair circumstances.

But the fact of the matter is, if Mrs. Brown has a furnace that fails at 30 below zero and has to have it repaired, then we will repair it. We are not going to see anybody freeze to death. We are not going to see anybody forced out of their home as a result of those kinds of circumstances. That is why you have the program in the first place. That is why the Emergency Home Repair Program is there, to try and address those kinds of circumstances, to try and deal with them. People who are stuck in a situation, cannot afford to deal with it themselves, and that is what we will do. We will look after them. We will foot the bill for those kinds of circumstances. Our best estimate in this circumstance for 1993-94 is \$400,000. We do not

expect to spend any more than that, but if we have to, we will.

(Madam Chairperson in the Chair)

**Mr. Lamoureux:** Well, first of all, Madam Chairperson, let me address the question. The minister was attempting to put words in my mouth in terms of the Liberals versus the Conservatives in Ottawa and tries to give the impression that the Conservative Party does nothing, does not spend a dollar for political benefit.

If the Minister of Urban Affairs really believes that, I have got a lot of swampland that I would like to sell him. It is absolutely ridiculous to even think that the Minister of Urban Affairs believes that his statements are in fact anywhere close to being accurate.

He talks about the Emergency Home Repair Program, and he made a commitment that the monies would be there. In fact there is more of a demand on the Emergency Home Program, money would be there. I would like to get a listing of the criteria and what is being provided through the Emergency Home Program, because in the past we have seen that program being narrowed down. At one time, you were able to get more work out of that particular program under a different name, but the criteria changed. So I would like today to get a list of the criteria and what you are able to get done in your houses so that I know a year from now, because of what the minister just finished saying on the record, I am anticipating that anyone that has those problems is going to be taken care of, because he says that he is meeting the demand.

I do not believe that the minister is meeting the demand, Madam Chairperson, and that is why I would like to see the criteria and would ask the Minister of Housing if he would supply for us this evening the criteria and what qualifies an individual to be able to be a recipient under this particular program—windows; roofing; the minister mentions furnaces, I would expect at the very least that the furnaces would be covered on it; but there were other things, electrical wiring. Is that all acceptable too?

I believe it is very important that the Minister of Housing indicate to the Chamber what it is this evening, for the simple reason I want to be able to come back and congratulate the Minister of Housing next year on being able to meet the demand; but if the minister is unable to meet the

demand, I think that he owes this Chamber an apology.

**Mr. Ernst:** Madam Chairperson, as I indicated, the Emergency Home Repair Program, I think, is self-explanatory. If you have an emergency, you have to deal with it. The question what is available and what the program criteria are, what we will cover and so on, I do not have the specifics here. I will provide them to the member at a later time.

Madam Chair, I think it makes common sense to say that you are not going to see anybody thrown out of their home as a result of an emergency they cannot deal with themselves from their own financial point of view. We will attempt to deal with that as best we can under the program. I look forward to the member's congratulations next year, but I am not holding my breath.

**Mr. Lamoureux:** Well, all the minister will have to do is to point it out in Hansard, as I am sure he might. If I am proven to be wrong on this, as I am sure that if I find that there are individuals that are not receiving the benefits under this particular program, as I say, I would ask for the minister to receive those because I do get a number of calls in particular from former inspectors under the RRAP program that are concerned what is going to be made available for individuals that need to upgrade, because they are going to have worse problems in the not too distant future.

So I think it is imperative that we find out, and let us hope that the government does not start changing the criteria and the guidelines in terms of what is being deemed as an emergency home repair. A furnace is the most obvious. I made reference to wires, electrical wiring. Is that not, Madam Chairperson, a part of the emergency home repair, if it could cause a fire and so forth?

Madam Chairperson, I was wanting to move along to our shelter allowance programs. I can recall a study that was done by the Institute of Urban Studies at the University of Winnipeg. It talked about these two programs, at least, in part. What it was saying was that there is a significant percentage of seniors that are out there that are not even aware of this program, and in fact, would benefit by, first of all, just being aware of it.

I am wondering if the minister can indicate to us, does he have any idea in terms of what or how this particular program is meeting demands that are out

there? Have there been any changes in the thresholds?

**Mr. Ernst:** Madam Chairperson, under both programs the caseload is relatively stable. There is some considerable turnover, but the overall numbers are relatively stable. Benefits range from, in the case of seniors, about \$100 per month approximately; in families, about \$130 or thereabouts. There are circumstances that will alter those numbers somewhat, but those are kind of general averages.

In terms of program availability, of course, just about every government department, social assistance, Family Services, senior services, the Manitoba Society of Seniors, seniors' magazines and newspapers and so on all carry information, and from time to time, ads with respect to the availability of these programs. There is a limited target market for them. You know, there may well be, if we beat the bushes—

**An Honourable Member:** Kevvie wants to shut down some hospitals in rural Manitoba.

**Mr. Ernst:** We should talk about that then. I think we should have an emergency debate on it right now, as a matter of fact, to deal with this issue because he cannot have that. I certainly would not want to advance or espouse the recommendation of the member for Inkster that we close down rural hospitals. I do not think that is appropriate at all.

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

**Madam Chairperson:** Order, please.

**Mr. Ernst:** With respect to the SAFER and SAFFR programs, as I said, the caseload is relatively stable. We do not advertise daily in the Winnipeg Free Press, in the Winnipeg Sun, we do not run ads on CJOB radio with respect to those particular programs. But information is provided and is available through most of the common resources available to the target markets, Family Services, social assistance—City of Winnipeg, the seniors organizations and groups all have information available for their membership or anyone who requires it—Age and Opportunity and those kinds of places with regard to those programs. But they are not for everyone. Those programs will assist some and we will miss some. I mean some will not take advantage of it or do not take advantage of it for one reason or another, but I think we try and meet the demand as it comes along.

\* (2150)

**Mr. Lamoureux:** Madam Chairperson, can the minister indicate when the last time the threshold and the maximum allowed under the program was in fact indexed to the cost of living, let us say? I know at one point, the then-minister when I was the Housing critic had indicated that it was not going to be indexed, and then about seven months later, it was in fact indexed, I like to believe because of public pressure. I am wondering if this current minister has been looking at the whole question of indexing?

**Mr. Ernst:** July 1992.

**Madam Chairperson:** Item 1.(b) Executive Support (1) Salaries \$306,600—pass; (2) Other Expenditures \$114,600—pass.

(c) Finance and Operations (1) Salaries \$1,883,700—pass; (2) Other Expenditures \$606,800—pass.

Item 2. Program Development and Support (a) Administration (1) Salaries \$130,200—pass; (2) Other Expenditures \$33,200—pass.

(b) Research and Planning (1) Salaries \$236,900—pass; (2) Other Expenditures \$70,100—pass.

(c) Program Monitoring (1) Salaries \$245,700—pass; (2) Other Expenditures \$408,800—pass.

(d) Project Management (1) Salaries \$661,100—pass; (2) Other Expenditures \$139,000—pass.

(e) Client Services (1) Salaries \$1,042,100—pass; (2) Other Expenditures \$935,600—pass.

Resolution 30.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,902,700 for Housing, Program Development and Support, for the fiscal year ending the 31st day of March, 1994.

**Mr. Lamoureux:** I am wondering if we should be dealing with the ministerial salary.

**Madam Chairperson:** No, the very last item that we deal with after all other resolutions have been passed is the Minister's Salary. We revert back to that after passing all other items and sections.

Item 3. The Manitoba Housing and Renewal Corporation (a) Transfer Payments \$35,823,900—pass.

(b) Grants and Subsidies \$6,801,800—pass.

(c) Emergency Home Repair Program \$400,000—pass.

Resolution 30.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$43,025,700 for Housing, The Manitoba Housing and Renewal Corporation, for the fiscal year ending the 31st day of March, 1994.

Item 4. Expenditures Related to Capital—no amounts identified.

At this time, I would ask the minister's staff to please leave the Chamber.

**Hon. Glen Cummings (Minister of Environment):** We have just gone through a department where some \$43 million is being spent. An awful lot of it is dollars in support of public housing. We have had a lot of questions from the opposition regarding some of the assistance that we provide. I do not think I saw or heard anywhere in the discussion where there was some genuine effort made by the opposition to take a look at some of the other imaginative things that this department has been looking at.

I would like to hear what the success rate has been on some of the projects where private funding combined with public sector funding has been used to provide some new and very reasonable funding for some people in rural Manitoba. I think it is only right that I put on the record that the member for the Liberals from Inkster has been making some rather off-the-cuff comments about the ratio of hospital beds in rural Manitoba. He forgot to count the ratio of doctors out there, however—[interjection]

Well, when we are talking about alternative housing, there has to be a full spectrum of housing for the citizens of rural Manitoba just the same as every other part of this province. I do not think he should be trying to pass off his comments. If he wants to be critical of the delivery of health services in rural Manitoba, he had better be prepared to take the backlash that comes with it.

Perhaps he is following the lead of his previous leader who was prone to talk about throwing the seniors out of the—what was that comment? Half of them did not need to be in seniors residences anyway, I think that was the infamous comment that they made in Minnedosa.

Madam Chairperson, there is a project in my home community of which I am very proud, but one which very seldom gets talked about or discussed. That is related to a project driven by a local Elks benevolent organization, what is a combination of public housing and housing that has a lifetime

lease, where people buy that existing lease with an up-front deposit which goes toward to the financing of the project and then gives them access, at a much reduced rate, for the rest of their life, if they wish, because that is what it is, a lifetime lease to a residence at a reduced or very modest rate of rent.

But one of the things that happens every time we start talking about these projects, the problem that we have is that no one wants to talk about the opportunity for the people to invest and, in this case, bring the private investment community into the funding of these housing projects. It seems to me that Manitoba's credit unions have demonstrated to my mind one of the real reasons for the existence of credit unioning in this province, and that is for the community betterment in the communities in which they are located.

They have undertaken to finance a number of these projects. I think that the minister should be given an opportunity to put on the record how it is in fact that they have contributed to this process and how they have co-operated with the province in bringing these projects into fruition.

One of the biggest concerns that we have is always borrowing money in the name of the province, whether it is dollars to finance housing or whether it is dollars to finance highways, sooner or later somebody has to be accountable for the debt.

\* (2200)

We now have seen some very interesting changes in the way the public sector finances itself, and the way some of the private sectors wanting to become involved in some public sector projects. The very existence of some projects, such as the one that I have described, Madam Chair, probably owe their success to the fact that the private sector, i.e., the credit union movement has come forward and recognized that this is a contribution, and I would suggest a very positive contribution that they have made to the community, and one in which their investors can reap some rewards in terms of getting a stable and a reasonable cost investment.

Their dollars that they are entrusted to invest are in a project that I can virtually guarantee you is not going to go under, because the residents will have that commitment to keeping it going. They will have a commitment to keeping their part of the payments up, the down payment is made up-front by those who buy the lifetime leases.

What we see is a very happy combination of local dollars being invested through their credit union. People who wish to remain in their local community with some dignity, be able to invest their own money in a lifetime lease and combine that with some public-sector dollars in which some of the —they are able to combine that with public-sector suites in the same building and everybody's costs are maintained at a reasonable level, and we are able to maintain the communities.

I prefaced my comments by saying that this was something that was applicable to rural Manitoba. It is also applicable to any other community, albeit a rural one or part of a larger centre such as the city of Winnipeg. There certainly are the benevolent groups, the Elks, Lions, and others have invested and will continue to invest in their communities. I would think that this is the type of example which I believe started in Niverville to begin with, virtually the home of credit unioning in this province, where they recognized that they had an opportunity to invest. It was something that they could contribute back into the community in terms of investing the dollars that are being entrusted to them.

Madam Chairperson, these suites which construction began in mid-summer last year in the town of Neepawa have virtually gone through, they were constructed. They had people waiting. There was a waiting list before the construction began. They had more people lined up to buy the lifetime leases than those that were available.

Today, the common room is not quite completed in the building, but people were so anxious to get into the building that it is already full, all of the suites that are finished. People moved in as quickly as the drywallers and the plasterers moved out. [interjection] Well, one of my colleagues is asking what are the colours? Well, I can tell you hanging from the balcony, we have almost got every colour of hanging rose blooming right now. It is a real asset to the Main Street in Neepawa.

Nevertheless, the bottom line in what I would hope that the minister may be able to comment on in a moment or two is whether or not how many of these projects have, in fact, been underway and how he sees them breaking down in terms of future possibilities within the province.

This seems to me as a very innovative way to approach financing. We have a combination of public and private approach to a problem, a

problem that if an approach such as this was not used, government would simply have to go back to its own resources to finance or we would probably see some of these projects not get off the ground.

Very often they are considered the type of projects where a private investor may be unwilling to totally take the risk on his own, so people are a little more willing to invest in what would be a shared risk, i.e., a lifetime lease on these suites when they know that there is government involvement in the initial planning stages, that there is government involvement in the design and the structure of the plan. I do not mean the physical plan, I mean the financial plan.

But ultimately, the private sector, through the bank, whether it is the credit union or other private interests who are prepared to invest their dollars, do then have some comfort all the way around that this is, first of all, a safe place to invest, and secondly, as I believe the case is going to be, an especially good place to spend retiring years at a time when there is perhaps a tightening up of some of the opportunities. Not everyone wishes to go to a seniors residence that may tend to have a growing population of elderly that are now preparing for some kind of nursing care.

Many people with early retirement wish to get away from the burden of a house. You do not need to be ready for retirement to do that. Depending on your level of income, depending on whether or not you have an early retirement or a particular lifestyle in mind, people are looking to these types of investments for their future living opportunities.

That leads to the next question as to whether or not there are some opportunities for more of these to open up. Whether it is in rural Manitoba or in the city of Winnipeg, do we have other requests that are opening up for these types of projects? Potentially I can see where this will attract and leverage dollars that we may not otherwise, as I said, be able to easily acquire for the investment in this type of housing. It should not be seen as replacing private-sector investment, but when you have people who are looking to fixed income, I believe that this gives them the opportunity to give them protection for rent increases. They are very predictable under this type of an investment because they are co-owners of their project and at the same time they are getting the kind of mixed communities very similar to the one probably in which they came from.

The question that arises in rural Manitoba—and that is why I referenced the member for Inkster (Mr. Lamoureux) and his comments about hospital beds in rural Manitoba, I am sure he would also want to make some observations about whether or not there are vacancies in senior citizens' homes and some of the other types of residences that we have out there.

Maybe he should get out there, and while during the campaign he probably was trying to make as many contacts as he could across rural Manitoba, I am not sure that he ever really got to understand the psyche of rural Manitobans and some of the problems they are faced with. It probably reflects on whether or not the Liberal Party will be able to mount a credible campaign across the rest of the province when that time comes, because you have to be able to understand the aspirations of the people who live in all parts of this province in order to be considered a truly provincial party and not an urban party, which the Liberals have put themselves forward as up till now.

Madam Chair, if the minister would provide some information about where he sees this type of housing going or whether there are any future possibilities on it, I have a couple of other questions that I want to put to him.

**Mr. Ernst:** Madam Chairperson, again the question was so long, I forget the start of the question, but I think I caught the gist of it. Before I get into the lengthy answer associated with the lengthy question, I want to say to the honourable members present here that the days of government being all things to all people on borrowed money are over.

I do not care what political party you belong to. I do not care what political party you think you can dream up in the future that is going to do something for the Government of Canada. The fact of the matter is that we can no longer afford to carry on the kinds of things that we have carried on in the past, borrowing money to do it. It is not on. You only need to look at the newspapers to look at what is happening elsewhere in the country. The fact that Ontario under an NDP government, B.C. or Saskatchewan under an NDP government, Newfoundland and other provinces, New Brunswick and so on under Liberal governments, Alberta and Manitoba under Conservative governments—the fact of the matter is we can no longer afford it.

Our people are taxed beyond their ability to pay today. We can no longer afford to continue merrily on spending money, unlike members opposite from their comfortable seats in opposition suggesting we ought to continue to provide more money, simply provide more programs, more funding, do not raise the deficit, do not raise taxes, but continue to provide more and more funding.

So you borrow the money and you have to pay it back at some point. People have to understand; I think the public understands that. I think they understand it only too well. Now, it is up to us, Madam Chair, to educate the members opposite of the same thing. The public have discovered it; they do not want to pay any more taxes; and they are prepared to make choices with respect to programs that we are going to be able to provide to them in the future. We are not going to be able to provide all those things that are nice to have.

\* (2210)

I have been on the Treasury Board in this government since we came into office; I have been through six budgetary cycles, as has my friend the member for Ste. Rose (Mr. Cummings). The fact of the matter is we have sat day by day, hour by hour, week after week, year after year, in terms of dealing with the expenditures of government, programs that were implemented by other governments in the past and by ours in the present.

The fact of the matter is, Madam Chair, that there has not been a program that came across my desk at Treasury Board that did not have some redeeming value, that was not of benefit to someone. The fact of the matter is, we cannot afford to do it all. You know, I would like to drive a Cadillac, I would like to live in Wellington Crescent, maybe in a big fancy house, but I cannot afford it, so I do not do it. And that is what government has to say. Government has to say, we cannot afford it; the taxpayer cannot afford it. Therefore, we have to do something different.

And that is exactly what we have done with respect to the question of the member for Ste. Rose. The fact of the matter is that we have had to say: How can we provide benefits to a community; how can we do that in the best way possible at the least cost; and how can we do it on the basis of the kind of innovative programming that is so important in this day and age?

People have often heard it; it is one of the local occurring buzzwords in society today of spending smarter or being innovative in terms of how you do things and so on. Well, that is, in fact, exactly what this program did. It took a limited number of fully subsidized units—and those units have been shrinking over the last five years. The federal government has been reducing slowly its commitment across Canada. Whether they have wanted to do it—obviously, they wanted to do it—or they consciously recognized it or not, we have to take a shrinking number of units and try and piggyback those into some kind of decent housing program for the citizens of our province.

The member was correct in saying that people from Niverville kind of really gave spark to the idea, I think. That project never really got off the ground. It is still not to where it was, but I think it provided the spark or the initiative or the idea of how we could deal a little more innovatively and a little smarter in terms of dealing with this kind of housing program.

So we said, how can we piggyback a limited number of designated units yet try and stimulate the construction of more housing, particularly in rural Manitoba, although there is no exclusivity to that, but particularly in rural Manitoba where there was a dearth of seniors housing available for those who did not meet the low-income guidelines, those who were a little better off, those who had saved for their future, those who had accumulated some wealth over a period of time and now want to invest it in their declining years? How do we deal with it?

We had what was called the Seniors' RentalStart program. I am sure that the member for Inkster is familiar with that. It was a program that provided grant of first 10 percent and then latterly 5 percent of the capital cost of the project. It provided some predevelopment funding to allow people to market their units and then to try and deal with those issues on a life-lease basis where equity contributions were made by the tenants to a fund that provided equity and reduced the amount of mortgage required for those kinds of projects. They received no interest on their equity contribution, but they were guaranteed its return, either when they chose to leave the project or alternately when they passed on and their estate would be the beneficiary.

There were a number of projects built around that, I think, half a dozen or so built on that basis, but it did not address the need of low-income

people in a kind of a mixed-use project. We found a situation where historically in the past—and God forbid, we should never get involved in it again—was the development of projects like Inkster Park, or the development of projects like Gilbert Park, that I would not ever like to see us build something like that again.

I do not think it is fair to the tenants and certainly not fair to the neighbourhoods, and I do not think it is fair to an awful lot of people who are struggling to try and make something of their lives to have a kind of large implant of transient individuals thrust into their neighbourhood.

There is a stigma attached to that, unfortunately, but people are what they are. There is a stigma attached with living in that kind of a housing project. The fact of the matter is, you come from the low-rentals; you are different from me. It may not make as big an impact in the Lord Selkirk Park area as it does elsewhere, but let me tell you that as a city councillor, when they were put into middle-income suburbia in the early 1970s in Heritage Park, there was a significant impact. I felt very bad for a number of those kids who came from those projects, who were attending the same community club as the children from the surrounding middle-income neighbourhood. Where the fact is those kids coming from single moms and a variety of other low-income families in those units were not able to compete on a fair basis with the kids they went to school with or the kids they went to a community club with to play hockey or ringette or whatever other program that went on.

The fact of the matter is, the kid from the private sector neighbourhood, suburban neighbourhood was able to spend a hundred bucks on a pair of Tacks skates, but the child from the low-income neighbourhood was lucky to get a pair of second-hand skates. [interjection] This is a few years ago. The distinction was very obvious, and it was sad, it really was sad. That was again another kind of major project.

Yet in that same neighbourhood, we had another group of single-family homes and duplexes that were integrated into a neighbourhood and nobody knew who they were, where they came from. They knew that maybe they could not afford some of the things that everybody else could afford and so on, but there really was no stigma attached to that.

That is something that is so important I think today, in terms of dealing with social housing projects and their impacts on our communities, because we do not want people to look down upon their neighbours, we do not want people to look down upon them and say they are some kind of second-class people. Maybe they have not had the success that others have had, maybe they have not been able to accumulate—maybe they have had some problems associated with how they have been able to live and so on.

We wanted to ensure that there was some benefit, some way of melding those two communities together, because in the case of Neepawa they live together in the community now. These people are not different people. They are the same people. They are just under a different housing configuration. They are in a situation where they were just living together in a different housing configuration than was present previously. Some may have lived on a farm. Some may have had a house in town. Some may have had a better house in town than the other guy, but the fact of the matter is they live together in a community; they work together; they play together; they socialize together, and so on.

Here is an opportunity now. If you had to put up \$25,000 or \$30,000 as a down payment or a contribution towards equity under a life-lease program, all of a sudden somebody was excluded. Somebody did not have that opportunity and they could now no longer live with their friends in their retirement years. They were not able to go into a situation where maybe the fellow that had a house in town and had his equity built up and was able to sell it and provide that contribution for a life-lease situation, all of a sudden now others who did not have that opportunity when they lived in town are excluded.

We said, we have to try and work an arrangement where all of those people can try and be accommodated in kind of a common setting. So the Elks club of Neepawa—and I commend them for it, and particularly Jim Schmall who is the driving force behind the project. I understand he is now retired from his business. I do not doubt he probably wore himself out in terms of trying to get this project off the ground.

The fact of the matter is that project put on by the Elks is probably the landmark project for this kind of program. It was the first of this type of program,

Madam Chairperson. It was amazing, because when I first met with them—I guess it was in November of '91—we had a discussion and said, look, this is what we are going to propose as a program for you.

We will provide you with 20 or 25 percent of the units in the project as fully subsidized units. Those units will make their relative contribution to the overall building toward the roof, toward the parking structure, toward the heating system, toward the mechanical and all of those kinds of things, as would any other unit, but the rest of the units you are going to have to sell to private citizens in the community. You are going to have to take life-lease contributions and put that around the project and see if you can make it work. We will provide you with those 20 or 25 or however many there are, fully subsidized units in the overall project.

\* (2220)

But you are going to have to come up with the life-lease units. You are going to have to come up with those contributions before we are going to go ahead. We are going to say, we are not going to finance it either, because governments going out and borrowing more and more money all the time is making it difficult. We are prepared to enter into a negotiation with financial institutions in the province, where the local financial institution in the community has an opportunity now to put something back into their community in terms of financing these kinds of projects, so we said, let us try that. Let us go and see if it can be done. What we will do is that we will not guarantee it forever, the whole thing. That is just not on anymore. As I said earlier, we cannot afford to continue to do those kinds of things.

So we said to the financial institution, what would it take? What do you want to finance this kind of project? Well, their biggest concern is the first few years of operation. They said, really, we have a concern that, if they do not get it sold out, or some of the people do not like it, what do we do? They are kind of stuck. People are afraid to get in it once the stigma is attached to it, particularly in a small town. All of a sudden, oh, oh, we are in big financial difficulty, and what happens if the farm economy turns this way, and there are all kinds of issues.

We said, we understand those kinds of issues; we face that collectively as government every day. Tell us what you want. Tell us what you think you need to get involved in financing this kind of project. We negotiated and we came up with a solution whereby we will guarantee 10 percent of the value of the mortgage for the first three years, and if they are on a break-even basis at that point, our guarantee disappears. If not, we will guarantee it for another three years. But, at the end of that time, we are gone. You are on your own.

They thought, well, gosh, if it is not going to go in five years, I guess it is going to be a pretty tough go. So they went out and the Elks—bless their hearts—in Neepawa, said, okay, we are on, let us go. The financing was arranged locally in the community, and the credit unions came forward. They were really the first group to come forward. Credit Union Central in Winnipeg, a good group, came forward and said, we think we can work with this kind of program. This kind of fits in terms of the credit union movement, what we are all about, helping in the community.

It is really neighbours helping neighbours on a co-operative basis. The neighbours who have invested their money in the credit union, having it reinvested in the community to provide financing for a project that is of significant benefit to the community. So they embarked on a project of 50 units, probably the biggest single project in Neepawa. I would guess—

**An Honourable Member:** Were they all presold?

**Mr. Ernst:** Fifty—well, we will get to that.

**An Honourable Member:** Oh, okay, sorry. I was not trying to rush you, Mr. Minister.

**Mr. Ernst:** But this is a significant—you know, we should not make light, Madam Chairperson, of this kind of project.

While the answer may be somewhat lengthy, it needs to be said, because the contribution and efforts put forward by a great many people in the town of Neepawa and elsewhere in this province need to be recognized. The contribution of the credit union movement here in Manitoba needs to be recognized. The contribution of the government, quite frankly, needs to be recognized.

The fact of the matter is that we were breaking new ground coming up with an innovative program, something that is spending smarter, using all of the

buzzwords that float around today in political circles, is exactly what we have done.

So, in any event, what happened was the Elks club in Neepawa said, okay, we are up to the challenge. I met with them in November of '91, they said, yes, we will go for it. I think not long after that they had a public meeting and they invited—like Nick Hill, they said, come on down. We want to talk about this project. I think—

**Mr. Cummings:** About 125 people showed up at that meeting.

**Mr. Ernst:** There was a significant number. I did not know the exact numbers that had showed up for that meeting, but I think it was in the first night they sold out. They had commitments from 30 or 40 people for how many units were available out of the total of 50 for market purposes, but they sold out the first night which led some of us to say to ourselves, holy cow. If this can sell out in one night, where is the recession? Where is the impact on the farm economy? This is a farming community, but we knew that there were, on relative terms, people there who had built equity over time. They had worked very hard over their lifetimes to build the kind of equity that they could now invest in this kind of project.

After some significant negotiations and the finalization of the life-lease programs and the financing and so on, the sod was turned in the spring of '92. Construction progressed through the summer. I visited the site on a couple of occasions during the summer, because this was kind of the first, and I was concerned that the project was going to be successful. The member for Ste. Rose and Minister of Environment (Mr. Cummings) has indicated earlier this evening the kind of excitement that it has created in the community, the benefit in the community. It is a very significant landmark in the community, uniquely located right on the highway and just a block or so from downtown; I think it will provide for many years to come a very significant anchor for the senior citizens of that community.

I am pleased that things have gone as well as they have. I am a little perturbed that it is not quite finished yet. I do not know what the holdup there is. We will have to investigate that tomorrow. We are almost a year now, or well over, I guess, a year, in terms of the start of construction so that it should have been completed by this point. There may

have been some circumstances of which I am not aware, so we want to make sure that everything is put into place and is operating efficiently.

That was the pilot project for this kind of innovative approach to try to deal with housing both from an eligible senior's perspective in terms of low-income housing and at the same time dealing with the eligibility or need in a community for senior citizens who did not qualify, who had income higher than was required under the low-income requirements for guaranteed income.

Having seen the success, potential success of the project in Neepawa, the Royal Canadian Legion in Carman decided that they wanted to proceed with a similar type of project. They looked around and had initially talked about a Seniors RentalStart program, but saw the benefit of this kind of a situation as well.

If you ever get a chance to go to that charming community of Carman, 50 miles or so from Winnipeg, you are going to see a very innovative and interesting project. This is a real sweetheart of a project, and I can claim a little benefit to that community in that my mother was born in that community—

**An Honourable Member:** They will probably figure this is a patronage speech.

**Mr. Ernst:** Well, maybe. I will tell you that the Royal Canadian Legion in Carman has done again an excellent job in terms of putting forward a project for the benefit of seniors in that community. The member for Seine River (Mrs. Dacquay) as well comes from that area, I believe, Roland—no, Carman. In any event, a very nice beneficial community. But what you will see when you get to this project in the community is that it is built on the banks of the Boyne River, which will never flood again now that they have got a diversion.

The member for Emerson (Mr. Penner), I believe, was the minister at the time responsible for and handled the Carman diversion that will take the flood waters off the Boyne River, and they go through a diversion. Where the hell the diversion goes, I do not know.

In any event, it takes the potential flood waters away from the town of Carman, which have been a perennial problem. I can remember as a kid going out there to visit my uncle, and all of a sudden, oh, we cannot go because the Boyne River is flooding

and we cannot get across that bridge into the area where my family had lived in and farmed.

In any event, you are going to see this project. It is absolutely a really, really nice project because on one side of the Boyne River you have the housing units and on the other side of the Boyne River you have the common area. In all of our Manitoba Housing type projects, generally speaking, there is a common room built for the use of the tenants. If you as a tenant want to have 20 or 30 of your relatives down there for dinner, they usually provide a kitchen facility associated with the common room. You cannot obviously have all of these people in your apartment, but if you wanted to have them over for dinner and do up a bit of a family gathering and so on, you can do that by using the common room and the related kitchen facilities attached to it.

\* (2230)

Anyway, what you have now is the housing units on one side, 35 very attractive apartment units, and on the other side you have the common room. Does that mean now at 30 below zero you have to walk outside, or in the pouring rain do you have to walk outside? No. What they have done is they have built a bridge between the housing units across the Boyne River, and they are just adjacent to the downtown.

Interestingly enough, that bridge goes somewhere, and it did not cost a lot of money, and it was built into the 35-year mortgage attached to the project. It is closed in and weather protected so that now you have a situation where you have virtually a river running through your living room or your family room.

You would find it tough to do better than to retire in a community like that, I will tell you. That is a very nice community and one that is going to benefit greatly from another innovative program implemented by this government, this minister. And darn it, I am proud of the project.

I mean, it is kind of an innovative and neat kind of project and one I think that collectively we can all take some credit in. The fact of the matter is that we are doing something unique and different here.

I intend to speak to my colleagues, the federal, provincial, territorial ministers, tomorrow or the next day when they are here in Winnipeg to meet for our annual basis about these kinds of innovative things. This is what we are collectively going to have to do across the country.

We are going to collectively have to do these kinds of things if we are going to provide support and affordable housing for people and trying to meet the needs not just of low-income people but of all people. Surely, a government is not there simply for low-income people, although that has been the major focus of social housing, but the fact of the matter is the government should be there for all the people.

If others who are a little better off need some assistance sometime or need the arm of government to assist, not necessarily to provide financial assistance but to provide some abilities to be able to give some direction, some push, some stimulus, some way of getting something moving as we have in this kind of a situation, then terrific. That is what we ought to be doing because ultimately people know how to better spend their money far better than we do. They know how to spend their money much better than we do, and we ought to let them have that opportunity to spend that money in a way that they think is beneficial for their own purposes and to provide for their own retirement in a setting that is such a unique setting as, for instance, the one I described in Carman.

But, Madam Chairperson, this program is not just for rural Manitoba because we have had a number of requests coming from Winnipeg. Initially, the likeliest concept situation is the Kiwanis Chateau in north Portage and the Fred Douglas Lodge and so on; they had, and are still having, their difficulties in terms of how they can exist.

I mean, it is an extremely expensive situation, and maybe they were undercapitalized at the start. Maybe they should have taken a little bit bigger contribution from their tenants in order to maybe not face some of the kind of financial situations that they have been facing, and we have been able to assist them through the Elderly and Infirm Persons' Housing program by giving them some relief in terms of school taxes, which makes their bottom line look considerably better than it did before that.

But the fact of the matter is that those kinds of projects need to be addressed on a fair and reasonable expectation. They should not go out and try and undersell the project, to say that you only have to contribute a few dollars towards this equity contribution. Tell the people what they need to do. Tell them what they need to spend in order

to make the project viable because in the long term that is in their best interest.

In the long term they have got to be able to deal with—and we have seen a situation in Stonewall where we have had to go back to the people and say, we need some more contribution; we need some more capital because you did not put in enough at the start.

That is tough to do, particularly when people make life decisions based on how and where they are going to live and what the cost is going to be over a 10- or 15- or 20-year period and then all of a sudden five years into the deal they have to change dramatically what their contributions are going to be.

Nonetheless, we have seen—and the member for Transcona (Mr. Reid), I am sure that, if you ask him, he would indicate the proposed success that is going to occur in Transcona. We had the sod turning just a couple of weeks ago in Transcona for another similar kind of project where in this case I think it is about a 50-50 split between low-income units and market units.

Again, people from the community, people who have lived there, again sponsored by the Royal Canadian Legion, and it may be that many legionnaires will occupy the project ultimately. Some are better off than others over a period of time; some have equity contributions built up in their homes.

That is the beauty of this kind of program. I can give you an example. In Fred Douglas Lodge, I believe it is, either Fred Douglas or the Kiwanis Chateau, there is a lady from the west end, a senior citizen whose husband has passed away and who was living in her own home, a small, modest home in west Winnipeg. Living in this home, she had built up an equity over their lifetime of living in that home of in the area of \$60,000 maybe, but she was existing on a CNR widow's pension. And everybody knows that CNR widows' pensions, particularly in years past, were not great. I mean, they provided some pretty subsistence levels, and that plus the old age pension gave her a kind of decent meager living, but she had the equity in her home. That equity in her home was costing her because she had to maintain it and pay the taxes on it, and heat it, and provide the hydro, and all of the other things. You have to do the yard work and shovel the snow, and I mean there are all kinds of

work associated with these which, you know, gets tougher and tougher to do. I can tell you that, as I grow older, I find it tougher and tougher to do around my own home.

Nonetheless, this widow lady said, you know, I will take a flier. This was a new kind of innovative program again. Say, let us try it, and so she did. She sold her home. I think she got \$60,000 or \$65,000 for it, and the equity contribution, I think, was, at that time, about 20 grand. I mean, not really a lot of money in the overall scheme of things, but she put her \$20,000 down toward this unit and said, this is what I want to do. So she took the \$20,000, invested it in the life-lease arrangement, took the balance of her money and invested it in some, I guess, guaranteed investment certificates or some income-producing instrument.

In any event, all of a sudden now she has got more money than she knows what to do with. She has still got her CNR pension. She does not have the expenses of her house. She has got a very nice apartment in downtown Winnipeg for which she has made a contribution. She has a walk in to the shopping centre, the movies, whatever, and all of a sudden she has all this income coming from the investment money, plus she has still got her pension and she still has her old age security. I mean, all of a sudden she said to herself, holy smokes, why did I not do this earlier? This is great.

So there is a benefit in it, and it is not just people that have built up huge equities over time that have to spend \$150,000, \$200,000 on a condominium here. The fact of the matter is that they can contribute a small amount to get the same kind of lifestyle, and the beauty of it is that at the end the money is still available for their kids if they want to leave it to them. The money is not used up in the process. They are not getting any interest on it. I would not want to say too much about it, but if the taxman does not catch them, they do get a tax benefit out of the thing as well. So far the department of eternal revenue has not come up with a way to attach it.

So the citizens of Transcona are going to have the benefit of this kind of program as well, and the fact is that this project, again, is sponsored by the Royal Canadian Legion in that community. Interestingly enough, there were two projects in Transcona vying for that kind of approval by the government. They knew when I talked to both of them—I said, two are not on. I mean, we have very

limited ability to deal with these kinds of things, so it is highly unlikely that two projects in the same community are going to get approved. One of you is on a kind of life-lease arrangement; the other one was on a fully subsidized arrangement. I said, why? One was sponsored by the Kinsmen Club; one was sponsored by the Legion. I said, why do you guys not get together and kind of do one little bit bigger project maybe where you kind of have a combination of both, to give you a kind of —[interjection]

In any event, we have a situation now where these two groups said, look, build yourself a little bit bigger project, serve the community. You have an integrated project again, so you have the opportunity where people can live together in the same kind of environment and where there is no stigma attached to the fact that you are living either in low-income community or non-low-income community.

You are living together in a communal project in a community. You lived with those people all your life there. You grew up with them, you played sports with them, you did community work with them, you went to the same church. Why the heck should you not be able, in your retiring years, to live together in the same kind of project without having some kind of a stigma attached to it?

\* (2240)

That is what they did, and they are off and running with that project. As I said, the sod turned, I believe it was the 12th of June. I congratulate both the Kinsmen Club and the legion in Transcona for the kind of work they have done, Madam Chair, again, another, I think, distinct benefit and use of innovative programming in the community.

Now that leads me to the fact that we are going to have another one of these things come on stream, I hope. You are going to have another one of these projects in my home community in Charleswood. The Charleswood Legion is going to have one of these projects, as well. Here is a group of people, and one gentleman in particular, Earl Lins, has been the driving force behind that in the legion in Transcona.

They are going to turn the sod, I gather, sometime in August, and we will be off and running with a 60-unit project that, again, you have to understand the dynamics of Charleswood, because at the end of World War II, there were 700

residents of the community of Charleswood. Today, there is about 40,000, but what happened was, after World War II, the Veterans' Land Act administration came along and said to people, if you want to have an acre of land or two acres of land, go out into an area, and that is what happened.

It was populated and the initial growth in Charleswood was populated by veterans coming back from World War II. That is where they took their piece of land, built their home, raised their families and so on, and many, many of those people still are resident in the community and now want to get out of their homes because of the workload and their abilities to be able to carry on with the maintenance and repairs and so on.

So, Madam Chair, they have been keen, I think, to deal with a project like this. Again, we are doing it on the basis of half designated units for people of low income and half available for people who have some equity contribution to make and who do not qualify for the low-income requirements of that program, so, again, the use of innovative programming in my community, something I very much look forward to.

Thank you, Madam Chair.

**Mr. Cummlings:** Madam Chair, the minister has provided what could be characterized as a complete answer to that rather lengthy question, but the other question I am interested in hearing some response to is a somewhat philosophical one.

A number of times when we talk about the approach to public housing, trying to find some different ways to make sure that people stay in the community, there seems to have been a preponderance of effort over the years from previous administrations to believe it was not proper public housing for the elderly unless it was put in place by the government and had government blessing behind it.

In the days of establishing those projects, there were significant construction benefits that went with having a housing for the elderly constructed in your community. Whether it was a large or small project, there was work for the local contractors. Some of the larger projects saw some very significant bidding, but there was a single-mindedness, a purpose, almost, in my view, to the point of rushing to show certain numbers and the

percentage of housing being available through the public process for the elderly.

I ran into a situation in Alonsa which I think points to the kind of folly that can be associated with simply building without really giving some thought to the demands that are in the community. I do not for one minute suggest that Alonsa did not need and should not continue to have public-sector housing.

One of the things that is associated with the housing in this particular community is that the water in the community, in most of the wells, is particularly bad. When I hear the minister talk about the success and the anticipated success of joint private-public life-lease projects, I am reminded of this community, albeit with smaller challenges. There are situations where families, married couples—in some cases, widows or widowers living alone on agricultural properties—would be much better off moving into the community and living in the public-sector housing. In many cases, that is what they did. They got rid of their farm or their farmhouse, and they moved to town. As it turned out, it was one of those public-sector housing projects where the total impact of living there was not very well considered.

The water in many cases in these houses, while not poisonous, certainly was not very conducive to being potable and certainly was virtually impossible to use in any kind of a household setting. It was hard, it had iron in it; some of the wells, the water was just so aggressive, if you will, for lack of a better term, that the plumbing, the hot water tanks and so on just simply would not stand up. I learned that from Environment. That is what they keep talking about, aggressive water. I still have not figured out exactly what it means.

What happened in this situation was that you ended up with these people being very badly surprised that their lifestyle had not improved. In fact, it deteriorated, because the original concept of simply putting housing in place did not contemplate anything more than the fact they assumed everyone who would want to go there was leaving some kind of second-class housing in a rural setting, and they would rush to the community or a larger centre to establish a retirement home for themselves.

Some of them, and much to their dismay, found that these housing units—while the unit itself may

be quite desirable, it covers very few alternatives for the kind of amenities that they needed in order to get by on day-to-day responsibilities. The simple washing of clothes would turn what was a soiled garment into a brown one, if it was not turning a—because there was certainly not the equipment in the house to handle the hard water.

**An Honourable Member:** Dye job.

**Mr. Cummings:** That is right. My own shirts have had a taste of that, but certainly nothing like this community was suffering. The point I want to make is that, by having taken the risk—and there was a significant risk in looking at the kind of combination that we have had in these life leases, associating them in the same building, in a configuration where they also were shared with some of the public housing units. By taking that risk and taking that initiative, it allowed the projects to go ahead that do supply more of a complete response to the needs of those who are looking for some reasonable level of housing without having to actually increase or cause difficulties for their lifestyle.

\* (2250)

In the particular case that I refer to, a number of people actually moved back out again because the original concept of putting the housing units there had not contemplated the problems with the water. I think that over the last year or so the problems have been rectified in these housing units.

That leads me to a question to the minister of whether or not there are any significant number of vacant units, not only in rural Manitoba, but in some of the public housing units in the city, and what the nature of some of those units are?

It is my understanding that the demand from the original concept of public housing, or at least the market, if you will, has changed dramatically from some of the original construction concepts; that people today are a little more discriminating and there are private-sector options they will choose if the public sector does not provide what they believe is a suitable accommodation.

I do not, by that statement, imply that people are picky or that people do not need public-sector housing, that there is not a role for public-sector housing, but it seems to me that in today's society this has changed dramatically. For example, some of the construction which this department inherited with some 20 years of age on it, all of a sudden this stock has not had the value that was originally

attributed to it. In fact, the demand of the community is not there to even provide the uptake in terms of leasing this stock and putting it to use.

I do not believe this question was asked before, certainly not in my presence, and I wonder if the minister could expand on what the nature of vacancies are and what it is that is driving those potential vacancies or real vacancies.

**Mr. Ernst:** Madam Chair, before I get into the response, I ran out of time at my last opportunity—[interjection] Well, these are important issues, and they have to be put on the record. It is important to respond to them. I wanted to make sure that I responded as fully as I could to my colleague from Ste. Rose (Mr. Cummings) because he raised a very pertinent and significant question.

What I wanted to talk about was not so much—we talked a lot about the benefits to the tenants, both the life-lease tenants and the low-income tenants, of those kinds of projects under that innovative financing program. What we did not talk about was what the impact was, and the minister raised it when he did speak in his second question, the impact on the community. Now it is not just a question of impact as far as the individual tenants are concerned, but in fact a significant construction benefit on the community.

All of a sudden now, there are 50 apartments at about—I do not know—70,000 or 80,000 bucks a piece being built in a community. So now you have these 50 new apartments that are providing I do not know how many man-years of work associated with their construction, but certainly local contractors and subcontractors in the community, construction labour and so on come along. All of the spinoff benefits associated with those people who were supplying the materials, both local and outside of the community, of providing significant construction material, probably \$2 million or \$3 million worth of construction material for this project, plus all the furnishings, plus whatever spinoff benefits the tenants have in terms of their own purchases related to moving either from their old homes into their new homes, plus, quite frankly, all of a sudden all of those people who lived somewhere else before have freed up those units, and they are now available for the young in the community, new growing families, to have an opportunity to buy a home, to expand—[interjection] Sorry, I am good until two or three.

In any event, as I was saying, Madam Chairperson, so all of a sudden, these young families in the community have an opportunity now to buy those houses that have been freed up by the people who have been living in them because they are moving into the community. There is a recycling of that kind of activity. Then all of those new families that are moving into those houses now need furniture and accessories and other things, so there is another ripple effect through the community there.

Interestingly enough, there is obviously a pile of jobs associated with this kind of project, and it was interesting to see, as I visited the community, as I said, on a couple of occasions last summer, these people were running over the project like ants, building, constructing a significant building, probably next to maybe the hospitals and schools the most significant building in Neepawa. So it did provide an awful lot of work for those people.

Understandably so, the provincial government got a little piece of the action, as well. The taxpayer got some benefit back through the charges that are associated with the purchase of materials, and so on. The federal government got a piece of the action too, through the GST, although there is a significant rebate portion related to these kinds of projects. The fact of the matter is they did get their little piece of the action, and interestingly enough, even the town benefited.

The town got a major new customer, a major new building, but they are also going to get a major new property tax source they did not have before. All of a sudden, now, this significant new landmark on the skyline of Neepawa is providing a significant additional—[interjection] I do not think so, but the fact of the matter is, Madam Chairperson, despite the views of the member for Crescentwood (Ms. Gray), the fact of the matter is on the skyline of Neepawa now is a significant new structure, a home, not really just a structure, but a home for 50 families or people that was not there before and that is providing benefits.

It provided benefits through construction jobs. It provided benefits through the spinoff of those people who supplied the materials, the furnishings and other related accessories for that building, and it provides the town with significant new revenues in terms of property tax. I hate to think, quite frankly, what property tax is on a project like that, but I know I am going to find out because I am

going to have to include it in my budget or some significant portion of it, at least, anyway, in my budget come next year.

But the minister had asked about the dynamics of the current public housing market, and what kind of impacts there are. I think you have to understand, first of all, when dealing with social housing in general, the dynamics of the last 20 years or so because they are significant.

In 1970, there was no Manitoba Housing and Renewal Corporation. There was no Manitoba Housing Department. There was nothing in terms of public housing. There was a little bit of—what do they call it—the old urban renewal kind of program that came out from the federal government, which saw the construction of Lord Selkirk Park and, I believe, Gilbert Park; they were the two projects that were constructed under that old urban renewal area No. 1.

Interesting enough, in those days, my father who was a real estate appraiser was employed by the then federal government to do work on behalf of that original Lord Selkirk Park project. His job was to—and it was an interesting job because it was back in the '50s. It was an interesting job in the sense that the people who lived in a lot of those properties and so on were questionable on a lot of activities that went on there. As an appraiser, you have to go into these properties to see what the inside is like in order to come up with an evaluation because they were being expropriated by the City of Winnipeg to construct Lord Selkirk Park. He had to take an off-duty policeman with him, which he hired to provide a little protection when he went into some of these properties because they were pretty rugged in some cases. When he had to go in there, the only time people were at home was either in the evenings or afternoons perhaps, and I forget how many units there were overall involved, but it was a significant number.

In any event, he went into these units, and he had to hire the off-duty policeman to go with him because it was worth your life and limb to go, and, of course, the federal government did not pay a hell of a lot in terms of—a large amount, I should say. Madam Chairperson, I apologize. In any event, it did not pay very much money in terms of how to deal with it, and then your expenses associated with it and hiring an off-duty policeman to go in there with you, but it was an interesting aside in any event.

But the dynamics of public housing of the day, as I said, were really—there was not anything. In 1970 or thereabouts, there was a move afoot, both by provincial governments and by CMHC and the federal government, to get into public housing in a big way. This was the way of the 1970s; it was to be in public housing. They were going to go out and build, and, in fact, they did build thousands of units. The Canada Mortgage and Housing Corporation, in fact, was approving units 6,000 and 7,000 at a time on an annual basis for Manitoba. Little Manitoba, with 3 or 4 percent of the population, we are getting 7,000 units, but there was no Manitoba Housing to deal with it. It was Herb Duwitz [phonetic] and a couple of people—well, actually it was a couple of socialist party hacks that were associated with—

**An Honourable Member:** Who is that?

**Mr. Ernst:** Well, we will come up with a list of names if you would like, but at the moment I do not have them in front of me so—

**An Honourable Member:** Is it deep in your mind?

\* (2300)

**Mr. Ernst:** Well, I would hate to miss it. I hate to —[interjection] They would be hurt. In any event, there was pretty limited staff overall in the Manitoba Housing at the time, and so what they said was, how are we going to deal with it? We want to, philosophically as a government, the Schreyer government of the day said, build public housing units. We want to build them and they are available from CMHC. I have all these 7,000 units they want to give us, but how do we deal with it? I mean, we cannot obviously build them ourselves; we do not have the staff; we do not have the expertise; we do not have the resources and so on.

What they did was they had turn-key calls for proposals. What they simply said to the construction industry was, you provide me with 100 units, 200 units, whatever, of public housing. We want stack-down houses; we want apartment units. We give a variety of types of construction. You provide the land, you build the building, and you build it to the Manitoba building code of the day. You provide a turn-key operation to us on these public housing units, and we will pay you to take it over and operate it. That is what they did, and they delivered, I would guess, 60 or 65 percent, maybe even more.

In any event, Madam Chairperson, what they did is they built all of these units in a turn-key operation, pretty minimum standards, and entrepreneurs being entrepreneurs, and the fact that there were not a lot of supervisory people available, and there were not a lot of standards, a lot of criteria associated with this mass introduction into the public housing program, that both from CMHC's point of view and from Manitoba Housing's point of view some questionable stuff got on the books.

In fact, today, we are spending more fixing them up than they cost. We are spending on units that cost the government of the day \$6,000 or \$7,000. Today, 20 years later, we are spending \$30,000 and \$40,000 a unit fixing. But that is kind of the dynamics around public housing units and the way they were done.

At the same time, you had to deal with, particularly with respect to seniors units, the question of getting a lot of units on-stream for seniors who had limited incomes and had limited desires in terms of—they were, as I said earlier, living in third floors of creaky old houses in a lot of older neighbourhoods, paying a lot of money and getting very little for it.

Projects like 185 Smith Street were built. A beautiful, new downtown high-rise apartment, it had a restaurant on the main floor; it provided meal service for the people; it was sort of a low-income Wellesley—well, maybe not quite—but it provided something that was never provided previously. The problem is, of course, that it was filled with bachelor units. That is what they built because that was the mode of the day.

They built 185 Smith Street with all these bachelor units, and, of course, when people looked and said, now on a rent-g geared income basis, where would I rather live—in that drafty attic on a third floor of an old house in the core area of Winnipeg for \$300 a month, or in a brand-new high-rise with a restaurant on the main floor in downtown, where I can walk down to Eaton's any time I want, for a rent geared to income of \$150 a month?

There is no question where they wanted to live. They wanted to live at 185 Smith Street. So that is where they moved, into those bachelor units because that was the kind of a mode. That was what they were really living in, that third floor in that drafty old attic of a house in the core area of

Winnipeg. It was really the kind of a bachelor unit in a sense.

So here they had a brand-new unit in a high-rise apartment. I had an elevator, did not have to walk up three floors with my groceries anymore; I could say I had an elevator take me right up to the floor, walk right into my unit. It was terrific, but times changed. Meanwhile, those buildings are built with 50-year mortgages and 50 years at least of life maybe, hopefully a lot more than that.

**Some Honourable Member:** And who pays for it now?

**Mr. Ernst:** The taxpayers, of course, contribute forever and ever, amen, as far as subsidies of these kinds of projects are concerned.

So we are now faced with a situation where, in the last five or 10 years now, people, all of a sudden, I think, have got a lot wiser; maybe it was the education the member for Inkster (Mr. Lamoureux) talked about earlier with respect to housing in general. The fact of the matter is that the public housing tenant now said, hey, you are just now building one-bedroom units with a separate room for the bedroom, aha, and what do they cost Manitoba Housing? Well, it is rent geared to incomes. So you pay 25 percent of your income for your bachelor suite or you pay 25 percent of your income for a one-bedroom suite.

Which would you rather have? Well, I guess the answer is pretty obvious, and what has happened over a period of time is that people are now saying, heh, if I go into a bachelor unit waiting for a one-bedroom I may not ever get one. I will not get on the list because I am already in a unit. They will hesitate to take me out of it and put me into a one-bedroom. They will just take somebody and put them directly in a one-bedroom. So I am not going to go. I will live in my drafty, third-floor, core area, bachelor unit until a one-bedroom becomes available, because I do not want to get stuck in a bachelor unit and not be able to get out of it, and you know, given the choice of cost, I mean, heavens, who would not take a one-bedroom over a bachelor any day of the week? I mean anybody with any kind of ounce of common sense in their head at all would do that.

So those dynamics have changed so that now we have got a problem with some of these bachelor units, and we are going to have to be addressing it in a number of different ways. We talked about that

earlier with the member for Inkster, some of the kinds of things that we are going to have to deal with with those kinds of public housing units. Now we have to consider that, you know, sort of dealt with primarily with the City of Winnipeg.

Now we are dealing with rural Manitoba in terms of dynamics there, and of course the dynamics of rural Manitoba changed significantly in the last 20 years. There are towns like we talked earlier about, Carman and Steinbach and Neepawa and some of the bigger centres in rural Manitoba who are doing very well, thank you very much, because they have become centres for the agricultural community.

There are lots of other small communities throughout rural Manitoba that have not done so well, where families have moved away, where farms have been consolidated. Where you had a farm family on every quarter section 50 years ago, or even less, today you might have one farm family on 10 sections. That is a bit of an exaggeration I suppose overall, but the fact of the matter is, there is a significant change in terms of what is happening in rural Manitoba.

In a lot of those towns where public housing units were built, they were needed, you know, way back in the '70s. Many of them were single family or duplex or fourplex types of accommodation. They were built there to try and accommodate the needs of those times, but the dynamics of rural Manitoba have changed and now all of a sudden there is no demand for those kinds of units anymore in some of those communities.

Let me give you a very good example. The towns of Altona and Gretna, six miles I believe apart on, you know, an all-weather beautiful highway, two very nice senior citizens projects, about 16-20 units, something like that, in each place.

I guess the Altona one is a little bit bigger. Actually the Gretna one is a nicer location in terms of its geography. I mean, the property around it is beautiful, big, huge pine trees, and it has a lovely, lovely setting. The units themselves are about the same as the ones in Altona. The building is a little nicer on the outside. I think it has brick instead of stucco, but the fact of the matter is that you have these two projects. The one in Altona is bursting at the seams and we have a waiting list of people to get in. Six miles away in Gretna it is half empty.

Why? I mean, you have a better building and a nicer location in Gretna six miles away. Can there be that much difference between Gretna and Altona? Well, there is significant difference because what you have in Altona are all of the medical facilities related to that little corner of the world. You have the hospital. You have the personal care home. You have the doctors. All of the services that a senior citizen would require are located in Altona, not in Gretna.

\* (2310)

The fact of the matter is that if you do not have a car, you do not drive or you do not have somebody to drive you, it is a long walk when you are 80 years old at 30 below, to walk from Gretna to Altona to the doctor, dentist or whatever. Now that is carrying things a little bit far, I agree, but the fact of the matter is that that is what rural Manitoba and that is what Manitoba Housing and that is what other departments of the government are ultimately going to have to face, the fact that we are not going to be able to provide, in every single little community throughout rural Manitoba, the kind of amenities that have been provided in the past, because we are not getting people to occupy them. The demand is not there.

They want to go to centres where all of those things that they are going to need, the medical facilities and services particularly, as you get older, become more and more important. That is where they want to go. That is what they want to have, and that is where they are ultimately going to locate. It is a simple fact of life. It does not matter if they live forever in a little community. The fact of the matter is, when you are sick or you are aging and you need those services, you have to have them. It is a fact of life. The fact of the matter is they are not going to be able to get them in those little communities anymore, so they are going to have to go where they can get them. That is ultimately where we are going to have to be providing, wherever we can, assistance in terms of public housing.

So those dynamics have changed as well, and to get more particularly to the point raised by the Minister of the Environment (Mr. Cummings), the fact of the matter is that we are faced with situations now where we have chronic vacancies in some communities. As a matter of fact, I just asked the Manitoba Housing Authority the other day to take a look at the chronic vacancy situation, because we

have places in Manitoba where we have got units that have been vacant for five, six and seven years. We have situations where units have never been occupied, never.

When they were built—[interjection] No, most notably St. Laurent, where we had a situation where the—you know, this is the seat of the Metis people in Manitoba, by and large, and a bunch of units were built in the wrong place, I gather. You know, I am not all that familiar with everything that has gone on there, but the fact of the matter is, I think they were built in the wrong place, and the people would not live in them. They were never occupied. I mean, this is an incredible waste of public dollars. So you have got a bunch of chronically vacant units there.

I just raised Cain with CMHC the other day; they are building new houses there. The Manitoba Metis Federation, on contract with CMHC, are building new houses there. I said, my God, we have vacant units that are chronically vacant; some have never been occupied, and you are building new units. Come on! That is what was happening, with two delivery mechanisms and two jurisdictions that we talked about a little bit earlier.

In fact, you had situations where, in a community, you had on the one hand Manitoba Housing having built units, occupied, subsidized 75 percent by the federal government. All of a sudden now, the agent of the federal government today comes in and says, you know, those 10-year-old units are fine, but we are going to build brand new units to today's standards, today's colour schemes, with today's kind of entities attached to them.

They build those units; now offer those to the tenant for the same money, where do you think he is going to go? He is going to go to the new unit. Would you not? I mean, I would. Given an option, they are going to go into the new unit.

So they move into the new unit at 100 percent CMHC cost or, in the case of some programs, again, 75 percent CMHC, 25 percent Manitoba Housing. Then, on the other hand, we have 75 percent CMHC, 25 percent Manitoba Housing units sitting vacant because the people have moved from the old units to the new ones.

Well, let me tell you, that did not make sense and that concerned me greatly and I think ought to concern everyone in this Legislative Chamber because, who the heck wants to waste the

taxpayers' money like that? I certainly do not and I certainly would not want to see it occur.

So with those kinds of situations occurring, we had to address the situation of these chronic vacant units and how we are going to deal with it. There are peak load demands that occur in one neighbourhood—I should not say neighbourhood so much as one community or another community in rural Manitoba. We have situations where we might have had a big demand five years ago in one area and we built some units to try and accommodate that demand. Now that demand has evaporated, those people have all moved somewhere, the community is declining, there is no need for the units anymore, but we have another demand pop up over here.

So what do we do? Do we kind of let those sit there and hope that somebody comes along someday that will occupy them and go and build a bunch more new units over here? Do we take those units and move them over here, if they can be moved? I do not know. Maybe we ought to reassess the whole situation, and that is exactly what we are doing. We are having to reassess it because we do not have the units anymore to be able to do those kinds of things.

We have demands and needs now on Manitoba Housing to try and address the kinds of concerns that are raised in these communities. We have people who are saying, look, if the thing is sitting vacant for five or six years, nobody is in it, give me a stab at it. I would like to take it on a tender for 10,000 or 15,000 bucks and move it off the lot and renovate it myself because it is sitting vacant for five or six or seven years. God only knows what kind of condition it is in, but I would like to be able to take it and, say, let me work on it, kind of put all my own kind of sweat equity into the project. I can maybe scrape up the dough to get the unit, be able to move it down on a two-acre lot my granddad gave me down the road and put it on a basement and fix it up for my family.

There are people coming forward and asking us, can we do that? It is certainly better in my view than letting the damn thing sit for years on end and having it simply deteriorate and rot away.

So we are having to address those kinds of issues and we are hopeful that the whole aspect of public housing in rural Manitoba can be kind of rationalized a little bit over the next period of time,

and that is going to be tough, because people are going to have to be faced with decisions that are not comfortable, but those decisions are coming, not just in housing, but I think in terms of services that the government provides over a broad spectrum of activities. It is that we just do not have the money, do not have the ability, the resources anymore to provide that service in every localized little area of Manitoba.

Manitoba, particularly people in rural Manitoba, have faced a lot of challenges in the past and now face these challenges again. They are resilient, they are innovative. As we saw in the community of Neepawa, the kind of co-operation and innovation out of Mr. Schmall and his group of Elks there, I think that it bodes well for the survival of an awful lot of rural Manitobans. [interjection] That is right. Gill and Schmall—Homer Gill, of course, for years the strong member of the Liberal party in Neepawa, mayor of Neepawa for ever and ever, or just about ever and ever anyway, and of course, local real estate and insurance people, provided a lot of sound community service to the community over a long, long period of time, and Jim Schmall put a lot of personal effort into that project.

So we have to rationalize these things as they proceed in the future, particularly in light of the reduced ability to meet the needs of Manitobans in terms of their social housing requirements, but we will do that, and we will work with the people, both in rural and urban centres, across the province to provide and continue to provide, hopefully, the kind of services that they will need into the future.

\* (23:20)

I know that ultimately—and I do want to comment too, briefly, about some of the other kinds of things that can be used to supplement the kind of activity that we have had historically over the past number of years. The member for Point Douglas asked me earlier tonight about Habitat for Humanity and what kind of association that the government has had with this help group. These are wonderful, wonderful. They have provided housing for a number of Manitobans, particularly in the core area of Winnipeg, housing that those people themselves would say they would never have been able to afford; never in their life would they ever have been able to afford a house as nice as the one that they got as a result of their work with Habitat for Humanity.

It was a very significant impact that this year they are going to complete their 90th house in Manitoba, and they are going to complete it as part of the Jimmy Carter work project, the one that I know that the member for Point Douglas—he is sneaking out for a cigarette at the moment. Oh, I can say that because I quit smoking, so holier-than-thou attitude.

But getting back to the Habitat for Humanity people, I mean, this Jimmy Carter work project is going to be providing 18 housing units, sweat-equity housing units for 18 families. I attended the sod turning back in May, Madam Chair, and it is really heartwarming to see the families that are going to get those units. There were so excited, the fact that they will be able to get into this kind of a housing unit. It is just beyond comprehension in many people's views that they cannot really think that—we are not talking about one single unit now; we are talking about 18 houses, almost a whole new neighbourhood, required a Plan Winnipeg amendment in order to accommodate them.

These people are so excited that they are going to get into these housing units, and they are gung ho. They are prepared to put all kinds of effort and work, as are an awful lot of other people prepared to put in work—

**An Honourable Member:** Pride of ownership.

**Mr. Ernst:** But exactly, and you know it is being built right next to the Lord Selkirk Park Housing Development, the very first social housing project built in the city of Winnipeg.

I am, honest to God, hoping that some of those tenants across the street in the Lord Selkirk Housing project can take some stimulus, can use these people as a bit of a role model in the sense to say, yes, I can achieve that, too, that I can have the ability to get into a house like that myself if I kind of apply myself. Maybe there is going to be some residual benefit, shall we say, out of these 18 housing units that are not only going to benefit the people who live in those units and will live in them for many years to come and raise their families there, and so on, but will have some residual benefit for their neighbors in the Lord Selkirk Park Housing project where they are going to say: Gee, you know, how come they got such a nice brand new house in a nice new kind of neighborhood, when I am living in a public housing unit here? How can I invest in that kind of situation? Can I

maybe spend 500 hours of sweat equity in putting it into a house in order for me to benefit my family and to be able to have that kind of amenity and that kind of benefit for my wife and children or spouse or whatever the circumstances are in that family unit?

But it is interesting, you come from a somewhat sheltered environment from time to time. Some of us have not experienced, in terms of life circumstances, the whole spectrum of all that there is out there. We have not always seen—well, we have seen it maybe on the edges. Maybe we have seen it when we have been driving by. Maybe you saw it on the news.

(Mr. Jack Penner, Acting Chairperson, in the Chair)

I say, it does your heart good to see the kind of excitement that is generated by a group of people who are dedicated to providing housing for families, to provide them with an opportunity to create something better for their family in the future, and to do kind of the old barn-raising technique that was so prevalent in the past many years ago.

The people in the community got together when somebody needed something of significance that they might not have been able to provide all on their own, that they did not have the resources to provide directly within their family unit, but that on a communal basis, if everybody got together and spent a period of time, a small period of time in relation to their overall daily chores, they were able to really give somebody an opportunity to have something that they would not otherwise be able to achieve.

There were those barn raisings and house raisings and so on that occurred in pioneer days that today I think is an awful lot more difficult to do than it ever was in those days. First of all, you did not have building codes quite the same as they have today. I do not think they had building inspectors as they have today. But the quality of building you are getting, of course, is much better today than in those days. Nonetheless, the principles are the same—your neighbors, your community helping you do better, helping you achieve something you could not achieve on your own.

That is something that I think all of us can be very proud of. I, quite frankly, look forward to the day that I go on July 19, House sitting or not, to work on the Jimmy Carter housing project.

Quite frankly, we would do a lot more for the people of Manitoba if we all left this place on July 19 and all went down there and hammered a few nails and sawed a few boards and did a few things there. We would be doing the people of Manitoba a lot more service than we are dilly-dallying around here in this place doing this kind of situation.

I intend to go, and I think the Premier (Mr. Filmon) intends to go, and I think the member for Point Douglas (Mr. Hickes) intends to go. Beyond that, I have no idea who has an interest and who does not.

Let me tell you that we would be providing the people of Manitoba with a whole lot more service than we are by what we are doing here, particularly in the latter stages of the Estimates process here.

So that gives you kind of a thumbnail sketch, Madam Chairperson—or Mr. Acting Chairperson now, I am sorry; I see you have changed clothes—of the kind of problems that we have been facing in terms of the vacancies in units, both in urban and rural Manitoba, and some of the dynamics around both; how they got to be where they are today; and what we are going to have to do to address the issues in both the present and the future.

That is the whole darn problem with building something that is built for a usable period of 50 or 75 years, when the dynamics surrounding its use change every five or 10. How do you predict—and I am sure it is very easy when you are in opposition to be able to predict what to do, because you do not have to take responsibility ultimately for what happens.

But, as the dynamics of politics in this province go on and on, it may turn out that everybody has to accept some of the responsibility as political fortunes rise and fall over long periods of time, because these units are in fact put into place for long periods of time. They are not just—[interjection] Yes, you have had your problems—you and Kevie both.

But the fact of the matter is that we have to deal with these kinds of issues, and all we can do, all anyone can do, is make projections and proposals and build for the future based on your best estimate of what is going to happen.

No one can predict for sure what is going to happen. No one, I do not think, 25 years ago would have begun to have predicted what would have happened to rural Manitoba. No one would have

begun to predict that building units in urban settings for seniors on the basis of bachelor units—that those units would ever have suffered the kind of problems that they have been facing today. Nobody would ever have predicted that.

Mr. Acting Chairperson, I see I have run out of time, but I think that gives us kind of a general overview of the situation with respect to Housing.

**Hon. Gerald Ducharme (Minister of Government Services):** Mr. Acting Chairperson, I have certainly enjoyed the minister's thumbnail sketch of Housing problems. I always enjoy the Estimates of Housing. I enjoyed them while I was minister. I have always enjoyed the member from across the way, Inkster, with his remarks in regard to Housing.

We have gone through some pioneer days. We have gone through the life leases. We have gone through the vacancies and the problems, changing times. The different groups have been addressed by the minister. We talked about the Elks and we talked about the Lions. He did not mention the Knights, I think, in his deliberations. I thought maybe he would mention some of the Knights' projects, but maybe he will mention some of the church-group projects in some—

**An Honourable Member:** St. Vital Knights, Manitoba.

**Mr. Ducharme:** Right. I am going to get to the St. Vital Knights' project in a minute.

\* (2330)

I must mention, though, that one of the reasons why I probably enjoy Housing is because my family goes back to the 17th Century in regard to carpentry work, right back. I will not go back that far because I know the member for Point Douglas (Mr. Hickes) would not want me to go back to the 17th Century in regard to my family.

I have an apology to the member for Inkster (Mr. Lamoureux), though. He likes to talk about developments. I know the member across the way in the opposition party frowns on developers. I have an apology, my father was a developer. I have to tell you about development when it started in about 1945-46 right after the Second World War, when he came back from down East.

We developed; we decided, or my father decided at the time to buy a couple of lots on Sadler Avenue. It was known as the south end of St. Vital where the bus line ended, so that was the end of

development in that particular area, because that is where services, process, that is where you had cinder sidewalks and you had no running water and, of course, you know what you did outside, and you had the gravel roads.

**An Honourable Member:** You had no sidewalks?

**Mr. Ducharme:** No sidewalks at the time. We developed sidewalks later on.

You developed it and you got this lot and you went in there, and I know my dad would go down to the old St. Vital municipality and say, I want to buy a lot. They would say, well, pick one, and he would say, which one can I have? They would go to the map and you say, how much is that lot? They would say \$50, and he would say, how come so much? It is just a piece of land with a bush. They would say, well, if you get the house built quickly enough you might be able to pay for the lot.

So he would go to the lot, and he would start chopping down the trees and getting everything ready for this particular house and he would start building. It was amazing to watch this one individual do everything. I mean, they got the horses that cut out the lot, and I am talking about the horses with the trough in front of them so they could dig out the lot and get the basement ready. Then also he would go through, he would build the cupboards. He would do all the cupboards, he would do all the finishing in this particular house.

Then along comes his helper, his subtrade. His subtrade would come along and his subtrade was a painter, and the painter was married to him. She would come along and she would paint the house. They would work from one process to another.

Finally he worked up to building about three houses one time—three houses at one time. Then he moved over to another street, and he would have more subtrades. His other subtrades would be either my brother or me. We would have to go along, and he would get us to do the insulation. We would get the nice jobs. We would get the insulation up in the attics in the middle of the summer, or we would take the nails out of the boards, or we would have to go into the bottom of the closets. We would have to take the lumber and the scaffolding off the forming material, because as you can probably appreciate, you did not have plywood forms at the time, you had shiplap forms, so you had to do the stripping. Those were the fun jobs that we used to do.

**An Honourable Member:** You did not have to go inside the septic tank, did you?

**Mr. Ducharme:** No, I mentioned, he trained me to do those types of jobs that I had to do a couple of weekends ago. I had to turn around and go to the cottage and they warned me that the septic tank was not working right, so I had to crawl inside the septic tank, so it made a delightful weekend. The minister reminds me of that. It was a delightful weekend.

All this I am trying to lead up to some of the words of the member for Inkster (Mr. Lamoureux) when he talks about marketing. At that particular time there was not such a thing as marketing. What you tried to do was build the house, and I know my father used to say, I take them through the front and lead them to the back and they bought. We did not have a lot of extras in these particular houses.

But then the member talks about, how do you know that marketing is here? The whole thing leads to marketing. You take a look. When I was minister we talked about the joint venture, and I understood today he did bring up some questions to the minister in regard to the joint venture.

You have to realize that we, unlike the previous administration who had traffic go by, building going around them on this what we called jewel piece of property that we finally decided with the joint venture with the Ladco development. They watched it go by. At that time, we probably would have had 1,500 to 2,000 homes built on this particular property 10 years ago, if they would have not decided that they wanted to just have carrying charges on this particular property and not get in business with somebody or show that government could make some type of profit. We always say the whole idea of making profit is put it back into the government.

The member for Inkster mentioned that, you know, you did not hit the right cycle. Well, what is the right cycle? The only way you are going to know of the eventual profit of this particular project is when you get down to the final end. You go through that 10-, 12-year period, and then you will see the profit that they made. Remember that although there is a delay because of the development agreements by the City of Winnipeg, et cetera, along the road—but also you have to remember that there was the ongoing carrying cost of this land being banked that was accumulated.

Still that clock was ticking. We still had that investment in that land over that long period of time. So all that comes into play.

I must say to the member for Inkster, if he had been involved in dealing with developers, I must say to him, if you take a look at some parts of south St. Vital and St. Vital itself, that dealing with these type of developers, you can call them what you want, they are probably better than anyone else simply because they do a development. The larger the development—or dealing with one main developer is much better than dealing with four or five. I know when I got to City Hall, we ran into areas in the Meadowood area—the Meadowood area was sparsely developed, where people were buying lots. You found out they bought lots, and the frontages were not paid, so the frontages were added to their taxes, where other people who bought the lot right next door bought and found out that their frontage is Winnipeg. So you would have one person with \$1,800 worth of taxes compared to one at \$600 worth of taxes, and that was the type of development that you really want to avoid.

I say to the member that these types of developments, for the people of the city of Winnipeg, are probably the best type of development that you can have. That is the way that the development works. You can go by the area. I do not know whether the member has gone by there. I happen to go by there because I look at some greenery around the corner there every once in a while on my way by. I go down Bishop Grandin. They have got their berms up. [interjection] No, it is close to Niakwa, but it is quite a way. They have the berms up. They are planting three-inch trees—unheard of, three-inch trees. They put three-inch trees along the berm. They have got the lake in. As a matter of fact, there are two houses—I went by on Saturday—with the roofs on.

I must remember that—[interjection] Well, it is right next door to Island Lakes. This is the development—[interjection] Yes, brand-new development. He has to remember that this development will be a pocket of development over the next, probably, I would say, 15, 20 years, because the developers got the land directly behind there. The developer went in joint ownership. Then also MHRC has land behind there that we would never get to unless the middle was developed. It is going to be beautiful, beautiful

land, and it will probably be the type of development that I know the member, down the road, when he is sitting maybe in that same chair, will come to the minister and myself and say, gee, I think maybe that is probably a nice development. If it is not, well then I will buy him a cup of coffee, because I think those are the types of developments that are probably the best project that we will have.

\* (2340)

The member also talked about Housing projects and the member for Inkster brought in about the infill and about that some houses were not built that were promised. He has to remember that times change. You have Housing projects that we started, life lease a long, long time ago, life-lease programs that at the time were beneficial.

The ones north of Portage, you went in on a combination of them. You went in because you wanted to do something with the north of Portage. You wanted to do something to attract people to come into that area who would be people from many walks of life who could, as the minister expounded upon in regard to selling their houses, taking the investment, investing in a particular suite like that and people who wanted to live downtown, work downtown, who wanted to be there. There was the area of north of Portage also contributing toward those types of projects. They found that projects did not always work in the north of Portage, but if you consider the alternative for north of Portage you would find out that there continued to be some that needed that subsidy requirement that we talk about.

He also talked, I also would like to know from the minister, he talked about the life-lease projects, and there was one that was started by ourselves, the Knights of Columbus on St. Anne's and Bishop Grandin, and we talked about projects that you needed a little bit of imagination. We had a piece of land there that was bought during the land banking. There was land that was owned by MHRC, vacant land for years and years and years. However, the vacant land was at the back of the property that they bought. They bought this many years ago, and it was at the back on the river side. Unfortunately, the city owned the one at the front, and then there was a street running along the side, I think it was Lavalloë Road, that never had improvements along it because the people had only built at the end and on the other half, so no one

would ever support improvements to go down to develop one part of Lavallee.

Why they bought the land, I have no idea. We could never find out why MHRC had bought this land years and years ago, so we got together with the city. We suggested that probably there could be—we looked at 46 units, we looked at 96 units. We went to the City of Winnipeg and the councillor at the time, Doreen Demare, talked to Finance. We talked about maybe doing a land swap. Maybe we would do a land swap for some of the back property and build on the front and then leave the other along the Seine River as maybe a future type of park boundaries.

So after many, many months of trying to negotiate what could be done with that piece of property, the Knights knowing that there is no way you were going to get 96 units in one particular area of the city regardless of whether the member was the Minister of Housing or not. We were not going to get 96 units, so an agreement was set up that you built the first 46 after trading with the City of Winnipeg for the land, hoping that down the road you would end up with some more units for the back. The minister now has that problem deciding what he is going to do, and there is now the possibility of a life-lease type of project for that particular building.

I was in there. The sponsoring group is looking at it. I know that the member is very, very susceptible to the people that sponsor, the Knights, who work very, very hard on this project. I was just in there the other day visiting the people in that particular area, and a lot of the seniors that are there are from people who remembered St. Vital when St. Anne's Road was a one-way track on the streetcars. St. Mary's had the two tracks, but St. Anne's only had one. It used to turn around the back, and there was no by-pass, so you had to wait. You knew that you missed the streetcar, you had to wait for it to come back. These people remember that, and some of the widows in that particular project are amazed at the type of project that can be done in the St. Vital area.

It is a great addition to St. Vital. We in St. Vital enjoy that type of project. I know that the minister himself was very, very helpful in other projects we have had in St. Vital. We can take a look, years ago, when he was with the City of Winnipeg, I know he helped—he is interested in housing.

We had a project where we had some community club property that was on St. Anne's Road that was also landlocked. I know that the minister at the time was EPC chairman, and we sat down with the member at the time, with the Riverside Lions club of St. Vital, who had been involved many, many years in the particular area. They came to us and said, we would like to do a project, but we would like to do a very unique project. We would like to maybe combine seniors with handicapped in the same building.

I know, if the member has not been there—the member for Inkster has not been to that particular project—he would see how well it has worked. At the time, it was the Year of the Handicapped. So we were able to get from the City of Winnipeg a grant based on the amount of units that were going in as handicapped units. We used the money from there and also the land from the City of Winnipeg. We worked on that particular project, and it has worked out very, very well. The people in the area, it seems to be a great combination of the people in the area of that particular project. It was another unique changing-of-times project that the minister has talked about continually tonight.

The minister also talked about the Jimmy Carter Habitat that was established several years ago. I remember the Premier (Mr. Filmon) and myself, quite a few years ago, I guess it was in '89 or '90, we spent a couple of afternoons hammering nails when it first got started. At that time, the people were not quite sure. MHRC donated some lots to help the particular project, and then along came the house building industry who got together the people from the house building industry got together and got the subtrades and different suppliers to do a donation and build a house at the Convention Centre; subtrades and everything was all donated.

I know the fellow that designed the house donated his time. Through that they had a raffle of this particular house, and I believe the lot was in the member from Inkster's area, Meadows West. I think two or three of them have been done that way, the housing industry have done that.

Through that we heard about Jimmy Carter's involvement and MHRC at the time, through the Habitat, approached Jimmy Carter. There were quite a few cities across Canada vouching for his time, because as you can probably appreciate what

it is going to do to the recognition of Habitat in Winnipeg.

We had to guarantee so many lots. [interjection] Right. It is a plus for Manitoba. When we did talk to him, it was a matter of how many we could guarantee, and the minimum at that time, I think, he was talking about 25 lots. Now he settled for, I think, around 18 or something in that area.

I know the member from Point Douglas (Mr. Hickes) is looking forward to Mr. Carter, or President Carter coming and working for him on that project. The minister and also the member from Ste. Rose (Mr. Cummings), they expounded on the rural. I must say that until I became an MLA and a minister I always get a little coaxed from my members that I do not understand the other side of the Perimeter Highway.

They always tell me, well, it is nice for you to be out of here. It is always nice to come out here, do not you enjoy it? And I say, oh, yes, it is nice but I still like being inside the Perimeter Highway. Other than going to the lake, I still like inside the Perimeter. [interjection] Yes, I always tell my members the reason why they run as MLAs is so they can live in the city. But, I mean, that is my feedback to them. I always like to give them the same shots back. But I will tell you, my first tour of the rural area was opening up housing throughout the province. I will not get into all the ones we have got into. [interjection] The member from Brandon says the Lions Manor in Brandon—beautiful project on the corner.

It is an A-1 type of project, but you can just see that people in these different areas, they want to stay in the area. They want to stay in those particular areas. That is where they want to be and where their children and their roots are, and they want to stay in those different communities.

I can honestly say that as minister through the competition of dealing with the units, our government was very, very fair in what areas they decided. We made sure that the people came forward giving their suggestions, giving the locations of those particular units.

I was just out in the area of the Highways minister just the other day to a little town called Rosenort. Now, I have never been to Rosenort. I was invited out there and we sat down with the people. It is just for those who are not aware of where Rosenort is, it is just—[interjection] I was invited out to Rosenort.

The people from that area invited me out for supper, and they invited the Premier (Mr. Filmon) of the province and they invited the Highways minister (Mr. Driedger)—he was not there—and the Minister of Finance (Mr. Manness). I would say, why would we go out to Rosenort? What is it in Rosenort? Everyone is telling me about this thriving community of Rosenort.

It is just west of 75 Highway, just before Morris, and you are about 10 kilometres off the road and you get to this beautiful town of Rosenort. I will tell you, they have about 400 to 500 people, and they have industry that produces another 500 jobs where people drive in. I met a fellow from Fort Richmond who drives in from Fort Richmond to Rosenort because he runs the feed plant in Rosenort.

They have a couple of housing projects there. I remember the member in that area, the honourable Minister of Highways, told me about this project that, you have to get this project in this particular area because, he says, they really need it and it is a thriving community.

So during the process, he had to wait patiently like everybody else, and I said, but they do not have any roads there. He said, I will take care of the roads, you build this little place, the housing projects.

Well, I will tell you, they have roads there. You can go through the area and the yards, I mean, everybody has a garden. I am not just talking about a vegetable garden. Everybody has a flower garden and their yards are just immaculate. And everybody you talk to is either a member of this community, he is a volunteer here along with his business, or he is a volunteer here along with his job. It is one great community. I remember they asked the Premier to get up to speak and then they asked the Finance minister to get up and speak, and they all spoke.

**An Honourable Member:** Where was Albert?

**Mr. Ducharme:** Albert was involved in some kind of nomination that night, of helping his fellow win. Zero for two, I hear, Albert.

I have to tell you a little story. When they asked me to get up everybody kidded me, as I say, about being outside the Perimeter, and I have to tell you, if that is what outside the Perimeter looks like, it is a fantastic little town with a thriving community.

(Madam Chairperson in the Chair)

Maybe I will tell you a little story. We were out looking and we were being taken around by a van out there, and the fellow was chauffering us around and showing us all this beautiful community, and we ran by a place where the fellow was selling flowers, a market gardener, and the greenhouse was away at the back of his property but with a sign up.

We were with a couple and the Premier was there, and the Premier and his wife said, God, we had better get these flowers for the boxes in front of our place, and we are out here and we will do this out in Rosenort. Would he not be surprised if we drop in? So we go to the back and we honk our horn and this guy comes into the greenhouse, and as he walks in the Premier sticks out his hand and says, I am Gary Filmon, Premier, and the guy just looked, he just dropped. He could not realize that the Premier had driven all the way to Rosenort to buy his bedding plants from him. They have bedding plants now.

The Minister of Housing's (Mr. Ernst) area now has bedding plants from Rosenort in Charleswood. So everything works together. We do buy, those people in the city are buying, do buy and we bring back things for the area from Rosenort.

I must say to the minister that I have enjoyed his topics. Since we were here earlier this afternoon, he went over in regard to land banking. I have to say that the member for Inkster did ask some questions in regard to what lands we have available, why we have not sold them. I have to say to him, probably the most frustrating experience I had as minister was trying to get people to buy land that was probably by buying—I guess when it was bought, like a pig in a poke.

I honestly have to say to the member, the carrying charges of this land are ridiculous. Unfortunately, we have land that will take a long time to develop. You could unload it, but it would not be the type of thing you would want to unload at this particular time. Some was declared, and we tried to declare some surplus that we even would go to people to market. We would go to realtors and say, listen, you can list it, you can sell. We are talking about smaller parcels of 20, 30, 40 acres.

I think there was one small piece that was sold out in his area of 29 acres to go in combination with another. I think Genstar was doing some land and we sold them some that was close to his, not in his

Meadows West, but on the other side of the Genstar development.

We tried to do that and it was very, very frustrating—I know the staff. Without having an auction on this particular land and just unloading for the sake of unloading, I think it would have been a disaster.

To the minister, though, I would like to know from the minister whether—he talked about the market. He talked about the different involvement that he had in regard to the lifetime leases. I know he talked about a circumstance of a lady that was in Charleswood or that had approached him in regard to a life lease.

I had a similar solution in regard to the life lease, involved a lady on Sherwood who asked me about Fred Douglas Lodge. She was a little hesitant, wondering what—she was a widow, not understanding what she was getting involved in. She called me over. She showed me the plans. They made an opportunity to her. They allowed her to put a deposit in.

\* (0000)

**Madam Chairperson:** Order, please. The honourable minister's time has expired.

**Mr. Ernst:** Madam Chair, I thank the member for Riel (Mr. Ducharme) for his comments. [interjection] Well, and he may have some cause for that. Nobody's perfect, least of all me, but I want to thank him for his comments because, in a large part, he has kind of filled in some of the blanks. Having been the former minister for I guess the better part of three years, he has a lot of background information on history related to the department, and what has happened since we first came into government in 1988 and went into discussing a number of issues related to the department, and as a matter of fact, discussed a few issues that were not related to the department, but it was interesting, nonetheless.

Quite frankly, I mean it can get pretty stuffy and boring you know if you continue on going on some of the stuff too much without interjecting a little bit of personal attachment or personal history associated with it. I think it adds quite a bit to the debate, and, certainly, I think makes it infinitely more interesting for all of us who are listening here. I am sure that you, Madam Chairperson, would agree with that wholeheartedly, in your position of great patience and diligence and amazing, amazing ability to sit in

the Chair like that for a long period of time, not to say that the Clerk and the Sergeant-at-Arms also are not faced with that kind of diligence and patience, because they are.

Nonetheless, Madam Chair, the whole question of the land bank, I guess, is one that will be revisited by history time after time after time as to whether or not it was a good thing to do, whether we should have done it, whether, they, the government of the day, should have been involved.

I know it caused great consternation back—I was a rookie city councillor at the time when—

**An Honourable Member:** We saw that picture in the Free Press.

**Mr. Ernst:** Yes, you saw the one where I had hair, and it was not gray. At one time—

**An Honourable Member:** You were once a rookie  
. . . .

**Mr. Ernst:** Yes, I was a rookie city councillor. That is around the time when I first went into the city, late in November of 1973. I think the land bank arrangement started happening around late '74 or so, a year later.

That was the time, of course, when members of the City Council were 50 in number, and there were some very long-term politicians involved. They were Abe Yanofsky, for instance, former mayor of West Kildonan, Bernie Wolfe, vice-chair of Metro, Dick Wankling, mayor of Fort Garry.

**An Honourable Member:** Was there not one who was named after a bridge, which one was that?

**Mr. Ernst:** Well, there were a number of former City of Winnipeg aldermen, Slaw Rebchuk, Joe Crope and a number of people like that, a number of long-term politicians, a number of people involved. This was great stuff for me.

In conjunction with the provincial government, we were going to go out there because land prices were skyrocketing. Development, God forbid, was rampant in the city of Winnipeg in 1974. They were actually building 3,000, 4,000 and 5,000 houses a year. People were having difficulty getting them. Prices were escalating dramatically.

You have to put a stop to this, so the government, collectively, City of Winnipeg and the provincial government of the day, what we will do is we will go out and we will buy land so that we can hedge against the increasing costs of residential development to Winnipeg. Well, what do they do?

Well, what the developers did, who are the guys who do this on a regular basis and make money at it, make a profit at it, go out and buy land that is 200 bucks an acre, 300 bucks an acre that is 30-40 years away, at least 20 years away from development. That is what they do.

What did the City of Winnipeg and the government of Manitoba do? They went out and bought land that was 20 or 30 years away from development and paid 4,000 or 5,000 bucks an acre for it. Then, in the middle of the expropriation process, said, oh, my God, what are we doing, let us abandon it, which is what they did in south St. Vital where development is occurring today. They simply abandoned the expropriation and said, what are we doing, we cannot do this. But the provincial government, no, kept on to the end of the road. We are going to go out, and we are going to buy land which in those days—I mean, let us face it the first lake in Southdale was dug in 1966. The mud from it was used to put on the dikes of the flood that occurred 1968, I guess it was, and was put on the dikes to protect against the flood of that year. Southdale, it takes 20-25 years to develop. I think they developed some of the last properties in Southdale just this past year or so, 25 years later.

Anyway, the Province of Manitoba said, no, we are going to buy this. So they go out and they buy land way south of Southdale, north of John Bruce Road, because I do not think—well there was not any road in between I do not think at that time. They not only bought one chunk of land, therefore, 300 or 400 acres, they bought two, kitty-corner to each other. One was nearer the development, but the next one was way beyond it again and even today looks like a long way off in terms of development based on today's kind of demands.

Anyway, yes, we will buy property there and then we will go out and we will buy some in—where is the next best area to buy? Well, they are starting to develop Lindenwoods, so let us buy a couple of miles south of that. In the middle of nowhere, they bought a bunch of farmland, maybe a thousand acres or so and again paid significant dollars, way beyond what was anything even close to being reasonable in terms of the amount of money that they invested in the property.

Of course, then, the accounting practices of the government are not the same accounting practices of private industry who, in fact, when they acquire land like this, write off the carrying costs annually

against their taxes. Well, the government does not have any taxes that it pays to write it off against, so what does it do? It capitalizes it.

Now we have a situation where you paid significant dollars much, much beyond what should have been paid for this land. You are holding it for that 20- or 25-year period of time, capitalizing the taxes and the interest and the other carrying costs associated with the land. Some of it has been leased out for farming purposes and so on and have some kind of a return attached to that but not significant by any stretch of the imagination. Nonetheless, there has kind of been some return on investment.

When you capitalize all these costs, I mean, I mentioned to the member for Inkster (Mr. Lamoureux) earlier on the Royale Wood property that is now under subdivision, the carrying costs are in excess of half a million dollars a year or—sorry, approaching half a million dollars a year. Not only is the clock still ticking and ticking and ticking, the cost is getting bigger as time goes on, because all you are doing is heaping on, more taxes, more interest, more carrying costs for this particular property. So we are faced with an ever-increasing clock as well as having it tick on a regular basis.

How do you get out from under these circumstances? How do you say to the Minister of Finance (Mr. Manness), gee, I am sorry, but my carrying costs are increasing not decreasing? My annual budget needs to be increased to accommodate this kind of growth. We have serious difficulties in trying to address it. How do you dump a couple thousand acres of land onto the market when developers are hardly interested and then trying to scramble to hold their own with land they currently own, let alone go out and look to purchase additional land as a result of the current kind of depressed market conditions? They are scrambling at the present time.

So when the opportunity presented itself after a proposal call in, I guess it was 1988 that it occurred, the former minister, the member for Riel, negotiated an agreement with Ladco, a pre-eminent developer, I might say. They have a track record that regardless of what political party they favour or do not favour or anything else, the fact of the matter is that they are pre-eminent developers and have a very excellent track record, both in joint venture and on their own in terms of development. They, I think, have done very, very well.

So for the government to seek the advice of someone like that, I think it made ultimately a lot of sense. They botched up the purchase of the land in the first place, and history will say whether it was a mistake or was not a mistake. I am sure we will have several versions of history before it is all over as to what happened or should have happened or could have happened or whatever.

\* (0010)

The fact of the matter is that you have to make the most of what you have. You have a situation where you have 400 or 500 acres of land right adjacent to land owned by Ladco, who have now a personal stake in it because our land has to get developed before theirs. Their interest, of course, is to get it ultimately, not only in addition to making money in the process, but to get their land developed as well. So it made ultimate sense for us to create a joint venture partnership so that the land would be developed in conjunction with one another.

Today you are faced with significant costs related to things like land drainage. There is a huge cost today for subdivisions when you have to start digging three- and four-acre lakes, when you have to start trying to address drainage, not only on your property, but drainage on adjoining property as well, as we have in a situation in the north end, in Meadows West, that the property adjacent to ours could not get developed because the lake has to go on our property for the overall subdivision process there. So that creates another dynamic, but those kinds of situations occur.

It is very, very difficult today for anybody to come up with the capital necessary to put in huge amounts of infrastructure on speculation on the fact that you hope that somebody will buy the lots and build houses on them. So it has to be done on a kind of a slow basis, little bits at a time. You develop some land and put it up for sale. People acquire it, and they build homes. They are going to build a parade of homes in there this summer so that, for the fall parade of homes, they will have a number of units available there. There is a lot of interest in that particular subdivision, a lot more than initially the developer, I think, anticipated, you joint-venture partner in the process, that did not think there was quite as much interest as was going to occur than actually did occur. So, you know, that bodes well, ultimately and hopefully—I mean, this line was never, ever purchased for social housing.

This line was purchased for one reason, as a hedge against inflated property values in the city of Winnipeg.

I think it behooves any government in power to try and maximize the benefit of that for the taxpayers of Manitoba. The taxpayers of Manitoba put money into it. They are the ones who invested in it 20 years ago or more, and they are entitled to try and at least get their money back if we can. I do not know if we can, ultimately; maybe we can. Maybe the costs are not going to pile upon each other sufficiently that we will not be able to make an ultimate profit on it, but I do not think there is anything the matter with making a profit. The more money we can make on that property for the benefit of the taxpayers of Manitoba, the less tax money they are going to have to pay in the future. If we can do that, so much the better.

We are very dedicated to try and reach a point where we can ultimately develop it and sell the lots off, not only in the interest of urban development in creating an attractive new community for Winnipeg and for Manitoba and providing opportunities to build homes for Manitobans, but also to try and maximize the benefit to the taxpayers of the province of Manitoba. I mean, heavens, we are faced with the costs. There are going to be significant costs rolling on for a long period of time. Surely, we ought to be able to maximize the benefits for the taxpayers of the province of Manitoba.

I thank the Minister of Government Services for having raised that issue and discussing it briefly, because I think it is important that all of us recognize the dynamics surrounding that.

We still have a lot of other property. It is interesting, you know, the member also talked about this property that the St. Vital Knights have ultimately developed in St. Vital. I do not know who made some of these purchases, but some of them were pretty sterling in their approach, I will tell you. You had to be almost blind, I think, to have made some of these purchases. They certainly were not well thought out, in any event. That situation in St. Vital where the property is virtually landlocked, you have a hydro line on one side, you have existing development up the one side and you have the City of Winnipeg owning a parcel that is blocking it off but, yes, we bought it.

There is one in Charleswood, actually in the Premier's riding, that we sold recently—five acres of land. You would think in the east end of Charleswood it would be worth a lot of dough. I mean, five acres of prime development land between the Varsity View Community Centre and Grant Avenue.

It was beautiful wooded property and something like that, you would think it would be terrific, it would be snapped up in a minute. We advertised it for sale three times before we got somebody who would come even close. We sold it ultimately, I think, for I think about \$100,000 or so. Five acres of land for \$100,000 is an amazing buy. The problem is, there is \$400,000 worth of servicing that had to be put in and it had to come from all the way down at the far end of the property all the way up to the Varsity View Community Centre. Nobody thought at the time, where in the heck is the sewer and water going to come from? How are we going to drain the land? How are we going to deal with this property in terms of servicing? Nobody asked the question. All of a sudden they found they thought they had a hell of a deal when in fact they had a dog.

We have had a number of other kinds of pieces of property that were purchased and, interestingly enough, when the City of Winnipeg did its development plan and drew a line around the city and said, we are not going to allow development for the next 20 years beyond this line, beyond the urban limit line.

You know, you think they drew it to exclude all the property owned by MHRC. It was just unbelievable how they could draw a line that would exclude all this property. Again, I do not think anybody really recognized what was going on, or where they should have addressed the situations related to development or not, but it seems to me that the urban limit line just kind of very nicely excluded all of the property owned by MHRC around Winnipeg.

Again, history will deal with this in one way or another, and probably several versions over long periods of time, but it will ultimately I suppose be all part of the milieu of Manitoba in its long and varied history.

With respect to projects like the St. Vital Knights, again, I did not, by any stretch of the imagination earlier, want to exclude the good works and interest

of a lot of dedicated people. Because I think I indicated to the member for Inkster earlier, the kind of work that we do in terms of projects today, we do not build any directly ourselves, with the odd exception in some small rural centres now. But, by and large, most of the units are built by sponsors.

**An Honourable Member:** Right, and they have a vested interest.

**Mr. Ernst:** I will tell you, certainly that was not my idea when I came into the department. But I will tell you that we have an amazing—I should not say it is amazing—I mean we all know what kind of volunteer community we have in Winnipeg and in Manitoba.

The efforts put forward by community groups, service groups, church groups, gosh, you name it, the kind of volunteer coming forward. Hours and hours and hours of work put in, people dedicated efforts to the exclusion in some cases of their own personal lives and businesses. There has been some trouble from time to time, too, that people get so deep into these things sometimes that it creates some difficulties in the rest of their lives.

**An Honourable Member:** What about Cosentino?

**Mr. Ernst:** A fellow from the Italian community, Gus Cosentino, who worked so very hard for Villa Nova—well, Villa Cabrini first and then Villa Nova—on behalf of the Italian community, wound up having a heart attack and ultimately passing away before that project really got—they have the sod turned at least anyway. It was a happy day for the Italian community, but a sad day for the Cosentino family because of the efforts that were put in by their father and husband, who was unable to see the benefits now rising from the earth. So I want to pay tribute to all of those people. You look at the multicultural groups, ethnic groups.

I want to tell you one little story about one of the ethnic groups. When I first became minister, he came to see me, a gentleman by the name of Sam Cheng.

**An Honourable Member:** What was the name?

**Mr. Ernst:** Sam Cheng. He is a member of the Korean community. The Korean community in Winnipeg is not large; I think maybe they have 1,000 or so members. We have lots of seniors housing in Winnipeg, and we have all these vacancies and so on like that. But he came to me and said, we have a significant problem. We have

a small community in Winnipeg. Very much, our community are first-generation immigrants. We are the ones who have come here. Younger people, by and large, have come here to Canada, to immigrate, and now we have brought our aged parents, because that is part of our family tradition. I think in most cultures it is a family tradition that you tend to look after your parents in their retiring years.

\* (0020)

Anyway, we have brought these people here, but the problem is we are all trying to earn a living. So what you have is the husband out working, the wife out working, the kids are at school, and the one or two aging parents living in their home with them are lonely. They do not have anybody to talk to. The kids are at school, the parents are away working, both of them, trying to earn a living and do well for their family, and you have a situation where, gosh, the parents are lonely.

Now, they do not speak English—little, if any. They are not comfortable on the public transit system; they do not drive a car. Maybe they are living in St. James or St. Vital or whatever, and other members of the community, because it is a small community, they are kind of widespread. So how do I get to visit my Korean friend on the other side of town? A lot of them were so frustrated, the fact that they were lonely, they did not have an opportunity to get together with some of their fellow compatriots from home, that they were very, very unhappy.

That unhappiness transferred to their children and grandchildren to a point where some of the grandparents were saying, maybe I am better off if I went back to Korea. Of course, that impacts and ripples through the whole family. Good gosh, mom, why do you want to leave? Here we are trying to make a good life. There is a lot of dynamics associated with that.

He explained this to me, and said, look, this is a serious problem for us. We need to have some kind of project, some kind of an opportunity to put our people, not all of them but some of them at least, together, to give them an opportunity both from a family perspective and a seniors perspective. We need to have kind of a joint project so we can have some families, some seniors, a mix so that we can try and solve some of these difficulties. At the same time, we think we

have enough people and enough interest that we could attach a little cultural centre to it so that it can become focal point for our Korean community in Winnipeg, the fact that they now can utilize that centre and that space for cultural programs. Some of the older people can help teach and pass on some of the customs that they brought with them from Korea.

There is a significant—let me tell you that that very significantly touched me. He said, I think I understand what you are faced with, the kind of problems you have, how you can deal with it, and I am going to try and accommodate you, and that is exactly what they did, or what we did.

We did approve, Madam Chairperson, a project for them in recent time. As a matter of fact, it is just nearing completion, but the original spot that they picked we did not think a whole lot of and told them that. We said, gosh, we are prepared to deal with the project, to build one for you, but we do not think you should build it where you are planning on building. That is an inappropriate location. Go find another one. Well, they found another one—the old Winnipeg Badminton Club site next to the Winter Club on River Avenue. Not a bad location, there is a school just down the street for those children who will ultimately live in this project and kind of close to downtown for the seniors. When the weather is nice, they can just zip over and walk up and down the river if they want, on the Riverwalk, and things of that nature.

What they did not tell them at the time that they made application and what the planners in the City of Winnipeg did not tell them—oh, we have this very neat transportation plan that we are proposing to change an eight-lane bridge and replace the Norwood Street bridges and so on, and all of a sudden now we are going to have four lanes of traffic zooming by the front of your place and you might not be able to get at it. In terms of, we have about 30 or 40 units of family housing there now, MHRC built there a number of years ago. We now have this beautiful new project. All of a sudden, out of the woodwork, comes this transportation plan. It is creating some difficulty. So there is some concern over that, but nonetheless, the project is nearing completion, and the expectation is to have an official opening sometime later on this fall when that building is fully occupied.

Those are the kinds of dynamics sometimes that are around some of these groups, and the efforts

and so on, and amazing numbers of hours and efforts are put in by the volunteers with these groups. I guess I should not have started with one, although it was good to find maybe kind of a flavour for the kind of circumstances that are around it, but there are an awful lot of dedicated people in those groups, and you start saying one group, then if you do not mention them all, then—well, you can continue on certainly for a long period of time trying to explain to all those people, to all of the people here in the Chamber, what the efforts are of those people associated with those sponsor housing groups, and they do well.

There are always little scenarios that come along that are sent, I think, to try your patience, your innovativeness, how you can deal with unanticipated and/or anticipated problems that were not supposed to happen but did and how you can ultimately solve those. I guess that is human nature, and that is what all of us will have to address whenever we are thrust into those circumstances.

Nonetheless, I am pleased that the former Minister of Housing, Minister of Government Services, was able to provide us with a little bit of history and a little bit of assistance with regard to infill on some of those areas that we covered in the Estimates process earlier on this evening and this afternoon.

I think it is important for all members, and I can tell by their rapt attention here tonight that they are interested in seeing and hearing and understanding, I guess, the efforts of the Department of Housing related to activities in the province of Manitoba. It must be important because there were only, at the start of the day today, 30 hours of Estimates left, and certainly for them to have spent such a considerable amount of time discussing the Estimates of the Department of Housing must mean that they have a very significant interest in this.

This is a very important discussion and one that deserves a lot of attention, and certainly by the amount of time they have allocated, obviously, towards discussions of the Estimates of the Department of Housing must obviously give significant importance to the department. I am pleased because it is important, and I devote an awful lot of effort and time, as we all do in our departments over time. Because they have managed to spend some six and a half hours on

the Department of Housing alone out of 30 hours that were left is very significant, and it is a tribute, I think, to the importance of the Department of Housing and the efforts that are required—  
[interjection]

That is right. The Minister of Government Services (Mr. Ducharme) reminded me of—  
[interjection] Well, you know, from time to time, he does get a little off track. Who does not in here? But, nonetheless, he did remind me that our first involvement, he and I, when we first came into the House in 1986, our first involvement was—the critic, for the Conservative Party, on Housing at the time was the member for Assiniboia, then Ric Nordman. At the time that the Housing Estimates came up, I think, in 1986, we had allocations as House leaders do for departments and so on. Well, the critic was ill. He could not be there. So the House leader arbitrarily assigned myself and the member for Riel at the time to deal with the issue of Housing. We were to become instant critics overnight, instant critics. I think we had about two hours notice or something like that to go into Estimates. In any event, we launched into the Estimates process that year—

**Madam Chairperson:** Order, please. The honourable minister's time has expired.

**Mr. Jack Penner (Emerson):** I just want to put a few words on the record regarding some of the housing issues in our constituency and want to certainly first of all express my appreciation to the Minister of Housing for the co-operation that he and his department have shown in dealing with the housing issues in much of the southern part of the province, Madam Chairperson.

It is interesting to note that within the last year, since the ministry has taken over the responsibility for housing, we have been able to open up the regional office in housing under the decentralization initiative as part of the government's effort to bring some more jobs and to bring the housing authority closer to the people of rural Manitoba. I want to compliment the minister for the initiative that he has personally taken to ensure that this in fact would take place.

\* (0030)

I want to say that the staff that the minister has under the management of Vic Rupps, I understand, is doing an excellent job and ensuring that all the concerns are being addressed in the housing, and

that the facilities are now probably being utilized to a much greater extent than was previously the case under the former system that the previous government had put in place, where much of the emphasis and responsibility, Madam Chairperson, was directed towards the rural communities and committees that they had set up. It appeared that could have been somewhat costly at times.

However, before I get into asking some of the questions on housing in our area, I want to make some comments on the hospital issue that the honourable member for the Liberal Party—and I suppose this must be Liberal Party policy—because of the comments that he made regarding the construction of new hospital and health care facilities in much of rural Manitoba, and the criticism that I heard the Liberal member here extend to our government and our efforts to ensure that proper health care facilities were being built in many of our rural communities such as Carman and Vita and now the recently announced two new hospitals of Altona and Stonewall.

I have to wonder where the Liberal Party is at or what kind of policies they really are developing as far as health care in the rural communities. It seems very apparent that if they were in power and were they the government that communities such as Altona, Emerson and Vita would never see the light of day as far as new health care facilities.

I want to indicate to the honourable member from the Liberal Party that the hospital in Altona, in fact, has the windows falling out of it. You can walk up to the windows and the window sills and pull out the window sills and look inside, if you will, and then reinstall them without pulling a nail or putting much effort into it.

I want to say to him that the floor of the hospital is, in fact, falling out through the basement, because the foundation is completely rotten under it. The concrete is falling out from under the building. So I want to invite the honourable member from Inkster to Altona, specifically, one of these days. I will give him a tour of the hospital over there and then ask him whether his government would have ordered or condoned the construction of a health care facility such as we are going to build in Altona.

Then I would like to ask him to stand publicly in Altona on a public platform and denounce, as he did here tonight, denounce the provision of a new

facility for a community of 3,500 people within the town limits and, probably, an area that serves another 25,000 or 30,000 people within a 20- or 30-mile radius.

He indicated before that those communities that were in rural Manitoba need not have facilities in towns such as—he did not specifically name Altona, but he named some of the other communities such as Minnedosa, Neepawa and those kinds of communities—that they need not have health care facilities in each and every one of these towns.

Well, I ask the member whether he would want to, if his wife should have a little baby, travel for 40 or 50 miles before he would see the light in the window of the nearest hospital at midnight, especially during a snowstorm or down mud roads and those kinds of things.

That is what we still have to do and contend with in much of rural Manitoba. Therefore, I not only commend the Minister of Health (Mr. Orchard) for ensuring that we have those kinds of medical facilities and health care facilities for seniors, for our young people in many of our communities.

I know that I can extend our thank you's from the community of Altona and Vita for the health care facilities that are going to be built there. But, today, I would like to recognize that there needs to be a tremendous amount of attention paid to how we deal with some of the housing initiatives.

When you look at some of the history of what previous administrations have done with housing, you have to wonder where the thinking of the day was. When you drive into communities such as Vita, Sprague, Piney, Woodridge, Middlebro, Sandilands or South Junction, Plum Coulee and some of those areas and look at the kind of facilities that were built by the then-NDP administration some 15 or some of them probably even 20 years ago, single little houses out in the middle of nowhere on streets that really have no relevance and that we expect our elderly citizens to move into, the kind of boxes that were built at that time as Manitoba Housing units. You have to wonder where the thinking was.

I say that some of the units now under construction or in conjunction with community organizations and groups such as the minister described a little while ago certainly bear a much, much greater degree towards lending themselves

towards an efficient manner of providing services to and housing facilities to our communities, because it is organizations such as Lions clubs and other organizations that can become very instrumental and have become very instrumental in ensuring that there will be a co-operative effort and a partnership developed between government and the communities in providing those kinds of housing facilities. Many of the newer facilities that are being built today by the department and in co-operation with the department certainly lend themselves to a much, much more proficient manner in which we deal with housing and providing housing facilities for seniors.

The motel-hotel type concept with recreational facilities attached to them certainly are the order of the day in many of the facilities that are being built now. I want to commend the Pembina Valley Development Corporation in the initiative that they have taken in many of the communities in the Red River Valley in instigating the housing starts and investment by individuals and even some organizations in providing housing facilities in many of these smaller communities.

Altona has certainly been one of the communities that they have had a significant involvement in, and I believe there is Oakbluff and a few other communities in the Minister of Finance's (Mr. Manness) riding. I believe as well Carman is one of the areas that the Pembina Valley Development Corporation has had some significant interest and involvement in building housing facilities for seniors, and that certainly should be recognized.

\* (0040)

Another thing that I want to indicate to the minister—again the minister needs to be complimented in this area for providing for these kinds of facilities, because when you have a person or a family that has basically taken up residence in any one of the communities in rural Manitoba and when you recognize the contribution that these families have made and how involved they have been in community activities, whether it be curling or playing baseball or being involved in other organizational activities, whether it be volunteer or otherwise, is something that these people want to continue, not disband and move into some other area or part of the province where they can find housing. They want to stay at home. They want to remain in the communities during their golden

years and live and participate within those communities for the rest of their productive lives.

Many of these people when they retire certainly are capable of contributing in a very direct manner, a very useful manner, through organizational work to the communities. It is through the schools that are in these communities that provide services for the younger generation and seniors' facilities, whether it be housing or otherwise, that provide the mainstay and the foundations and bases for those communities.

So I want to say to the minister that he recognized the housing facility that had been built in Carman, I believe he identified the Boyne Lodge and talked about the beautiful facility that Carman had. The reason that they could have constructed the facility in such a manner was because of the action that this government had taken in providing flood protection for that town.

You know, we have many times talked about Duff's ditch and the flood diversion that was built under the Roblin administration. Well, the people in Carman today do not talk about Duff's ditch, they talk about the Filmon ditch and the Filmon flood diversion that was built during our administration to give exactly the same kind of flood protection to that community that the city of Winnipeg has received. At no time did the previous administration pay any attention to the three or four floods that I have witnessed in that town and the huge amount of damage.

Madam Chairperson, I believe your family has certainly been part of experiencing what flooding out really means. I know that your mom and dad many times have piled sandbags around their home and helped on at least three different occasions that I was there, helped to protect the town by diking it on a temporary basis. Well, I want to say to the House, that will no longer be required in that town and all the property, whether it be commercial or residential, whether it be the government-sponsored housing in that area or other, will have to again build up dikes or throw sandbags and those kinds of things to protect itself from flooding in that town of Carman. As we have done in many other towns, specifically in the Red River Valley and I believe in a town such as Ste. Rose, we have provided the flood protection that is required and needed in those communities to make sure that the facilities that we build to provide

housing for our senior members in their golden years are in fact protected.

I want to ask the minister today what further action he is contemplating in ensuring that there will be the kind of continuation of the co-operative effort that he and his department have so ably demonstrated over the last couple of years. What action is he contemplating taking over the next decade while we are going to be in government to ensure that future generations will be able to enjoy the same kind of comfort that he is providing for them today?

**Mr. Ernst:** Madam Chair, I think in response to the member for Emerson's question, the first thing that we collectively on this side of the House are going to do is, we are going to establish an economy in this province that will see all of our young people have good, creative, long-term, well-paying jobs. That is the first thing.

We have to understand that collectively also, the best form of assistance that we can provide to any citizen in our society is in fact a good, long-term, relevant, good-paying job, so that those citizens who hold those jobs can then provide for their families, can then provide the housing that is necessary for their families and will naturally occur through a stimulus in the market, new housing construction to take place, the spin-off jobs associated with that, industry, both the building supply side and construction side itself.

The very first thing we need to do and I think we will do, and we are trying very hard to, Madam Chairperson, I think you will agree that that is our goal, is to provide that sound economy, that good, sound opportunity for the true pioneer spirit of the citizens of our province to be able to allow them to excel, to be able to allow them to have that latent entrepreneurial spirit, that opportunity for development, that opportunity to succeed and to provide for their families in a manner to which they would like to become accustomed. That is what we have to do in the first instance. Certainly I as a member of the Filmon government want to do that. I think all of us collectively want to do that and that is our long-term goal.

As we govern this province over the next 10 or 15 years, we will strive to do that, both to create that economy and then to maintain and nurture it and allow it to prosper and grow and ultimately become the showcase of Canada in terms of what an

economy can do and what a government can do to assist that economy. We will not do it, Madam Chair, based on borrowed money and phony make-work jobs. That is something we will not do. I think the Premier (Mr. Filmon) has indicated it and the Finance minister has indicated it and I think we have amply demonstrated and I even think the Liberals agree with us for once.

That is not very often they agree with anything, but I think even in this case they agree with us that those phony make-work jobs, the Jobs Fund of the former NDP government—a bunch of smoke and mirrors, Madam Chairperson. That is something we will not do.

What we will do is, we will work to ensure that that economy is a real economy, that there is real wealth being created, there is real benefit coming out of the community for the benefit of the community out of that economy and that it will not take a whole bunch of borrowed money from New York, Switzerland and wherever else in the world that wants to provide money to us because the money will be generated from within.

The efforts of the people here generating a real advanced decent economy will be able to generate the monies sufficient to operate that economy. Capital will be required from time to time, there is no question, Madam Chair, and there is nothing wrong with capital per se being invested from outside of our province or from individuals and so on. Certainly, that is where we are headed and that is something I think all of us will want to strive and work toward.

**Mr. Penner:** Thank you very much for that answer. It is certainly gratifying to see that this province will finally be fiscally responsibly run, and that we will have the kind of economic base that will allow us to continue the kind of work that the honourable member for Steinbach (Mr. Driedger) certainly was very involved in, when he was the member of now part of the constituency of Emerson, and the construction and the lobbying. I guess he was one of the key lobbyists for the construction of a seniors housing unit in St. Malo.

\* (0050)

I want to say to the House that those of you that have not been to St. Malo to take a look at the kind of seniors residence that is so ably managed by Lorette Courcelles and her staff in St. Malo should go out and have a look at it. Because it is certainly

a tribute to a very small community, and an organization that was headed up by Lorette Courcelles that got involved in building seniors facilities and care facilities for their seniors in their town. It has really become quite a major industry in that town, employing some 45 people on a permanent basis in that town, and providing of course facilities for those seniors of the Francophone community in that area.

We certainly want to recognize the efforts that the community over there has put into not only running the facility but in fact providing the initiative and encouraging Manitoba, and Canada Housing Corporation to provide the funding and financing for that project. It is also recognizable at this time—and maybe we could indicate our support and appreciation through the ministers of Health and Family Services in ensuring that the ongoing funding is there for the operation of that facility. Because would it not be for the fiscal responsibility that the Minister of Housing (Mr. Ernst) talked about just a few minutes ago, we would not be able to afford to operate facilities like that in this province. That would, of course, lead to the migration of many of those members of the Francophone community into other facilities.

I think that it is important that we recognize the ability of those people to stay within their communities and to allow their families to be close to their senior members and to be able to help care for them in a setting that is being promoted now by our government. The home care aspect of health care I think is an admirable one, and the expansion that the Minister of Health has talked about for quite some time in this House, which has been construed by the opposition members on many occasions as being a cut in seniors' care has in fact been a major expansion in providing the kind of care that seniors want in their own home towns and in their home settings, and is encouraging the involvement of family members in caring for their families as it used to be. It is bringing families closer together and helping unite them, and helping unite many of these smaller communities to a great degree.

So I want to say, Mr. Minister, that I commend you and your department for being involved in those kinds of facilities and communities such as St. Malo.

**Mr. Ernst:** Madam Chairperson, the whole question of housing, what does housing mean for citizens of our communities? On the whole

question of housing, do you house them when they are ill, do you house them when they are well, do you house them when they are in need, do you house them when they are well-off? All of those issues surrounding the question of housing people are something that—well, philosophical though it may be, it is in fact a part of the way our government approaches these things. It is a part of the way that the collective well-being of Manitobans in general, I think, is something that our government certainly wants to work toward.

We have the Minister of Health (Mr. Orchard) delivering health care services in the community. We have not only services being delivered in institutions in the community, we have it being delivered by home care in the community, we have it being delivered by services to seniors in the community. We have a wide variety of programming to be delivered from the health care side to ensure those people can stay in their communities, be well in their communities, receive medical services in those communities while they are being housed in those communities. So the question of housing is a little more than just simply providing a roof over someone's head.

I think I used the examples of Gretna and Altona earlier. You say, why is one project full and the other half empty, because the services are being provided in one community and not the other. So the people will gravitate to that. For people who have an ability to move about, there will not be a significant problem, but for those who cannot, it is a long walk between Gretna and Altona at 30 below, particularly when you are 80 years old. So we have that circumstance.

From my colleague the Minister of Family Services (Mr. Gilleshammer), for instance, again, it is not just a question of housing people with a roof over their head, it is a question of delivery of those assistance services, child welfare services and other areas of Family Services that provide for the well-rounded well-being of the communities in our province.

And it is the services of the Minister of Agriculture (Mr. Findlay), the services of the Minister of Rural Development (Mr. Derkach), the services of the Minister of Highways (Mr. Driedger), and the Minister of Culture and Heritage (Mrs. Mitchelson), and the Minister of Government Services (Mr. Ducharme), and Labour, and Justice and all members of the government. Every single member

on this side wants to ensure that those collective services delivered to the citizens of Manitoba are there in the collective well-being of them all, to properly allow them to be housed in the general sense, to allow them to receive those services and to benefit from those services as are required in the collective sense.

So it is not just a question, Madam Chairperson, of putting a roof over somebody's head. It is not just a question of providing a door and a window. It is not just a question of providing a row of housing units somewhere in some nondescript kind of situation, not just buildings, but homes, homes for people in Manitoba, those homes that have the collective services of the government available to them so they can enjoy and benefit from them, so they can have an opportunity to live, to truly live comfortably, to truly allow them to have that opportunity to have—

**An Honourable Member:** We probably have the best housing in the world here in Manitoba.

**Mr. Ernst:** As the Minister of Culture has indicated, we do have some of the best housing in the world.

Especially in rural Manitoba, as a matter of fact, we have some very innovative ideas and projects that have come forward. We talked about a few of them tonight earlier. We talked about—[interjection] Well, that is right. I did meet actually, this morning, Madam Chairperson, with a group regarding a seniors project in Steinbach—68 new units for Steinbach.

Let me tell you, Madam Chairperson, 20 of those units will be fully subsidized in their proposal. The rest are market units. The people of Steinbach are prepared to put up cash money on the table to develop those units. Can you imagine the construction impact of a 68-unit construction project in Steinbach? It is going to be extremely significant.

It is going to provide a whole bunch of jobs in terms of the general construction, subtrades. It is going to provide the construction material supply industry, concrete, plumbing, drywall, all kinds of building materials that are necessary in these kinds of projects.

I am hopeful that within the next short period of time we will be able to deal with that issue in conjunction with the 1993 housing program. I am

hopeful that we will be able to approve that project, because these people are very dedicated.

What we get is a double whammy. We get 20 units of new public housing, social housing for those who cannot afford it but who can live in the same building and in the same context as they live presently. I mean, they are living in the community now, but they may not be able to afford the life-lease concept which is funding the balance of the projects.

But there will be 48 of them that will, and we get the construction, the tax revenue and everything else associated with the housing program from 48 units while only having to provide 20 units of subsidized housing, another benefit we talked about earlier with the projects at Neepawa, Carman, Charleswood and Transcona and so on. We have opportunities for housing, Madam Chairperson, and it all germinated from a little idea in Niverville.

Madam Chairperson, it is something that I think all of us are kind of interested in, and as I see the

hour is rapidly approaching one o'clock, perhaps it is enough.

**Madam Chairperson:** Is that the will of the committee?

The hour being 1 a.m., committee rise? Pass the salary?

1.(a) Minister's Salary \$10,300—pass.

Resolution 30.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,922,000 for Housing, Administration and Finance, for the fiscal year ending the 31st day of March, 1994.

This concludes the Estimates for the Department of Housing. The hour being 1 a.m., committee rise.

Call in the Speaker.

### IN SESSION

**Madam Deputy Speaker (Louise Dacquay):** Order, please. The hour being after 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, July 5, 1993

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