



Third Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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

| Member                     | Constituency       | Political Affiliation |
|----------------------------|--------------------|-----------------------|
| ASHTON, Steve              | Thompson           | N.D.P.                |
| BARRETT, Becky             | Wellington         | N.D.P.                |
| CERILLI, Marianne          | Radisson           | N.D.P.                |
| CHOMIAK, Dave              | Kildonan           | N.D.P.                |
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| GILLESHAMMER, Harold, Hon. | Minnedosa          | P.C.                  |
| HELWER, Edward             | Gimli              | P.C.                  |
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| KOWALSKI, Gary             | The Maples         | Lib.                  |
| LAMOUREUX, Kevin           | Inkster            | Lib.                  |
| LATHLIN, Oscar             | The Pas            | N.D.P.                |
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| WOWCHUK, Rosann            | Swan River         | N.D.P.                |

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 7, 1997

The House met at 8 p.m.

**ORDERS OF THE DAY**  
(Continued)

**COMMITTEE OF SUPPLY**  
(Concurrent Sections)

**URBAN AFFAIRS**

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

When the committee interrupted its proceedings in the afternoon, it had been considering item 1.(b) on page 126. Shall the item pass?

**Ms. Jean Friesen (Wolseley):** Mr. Chairman, I wanted to get back to Omand's Creek and particularly to ask about the legislative or legal basis of what is happening in Omand's Creek at the moment. As I understand it—and I write to the minister and the previous minister quite regularly once a year on this issue—The City of Winnipeg Act in one of its last incarnations allowed, in fact, required the City of Winnipeg to be responsible for buildings over waterways. The City of Winnipeg, in order to take on that responsibility, had to have by-laws in place and those by-laws required public meetings.

I have been asking I think now for three years what has been happening with that and who in the interim is responsible, because it is my understanding that the City of Winnipeg does not have a by-law in place, has not held public meetings, and so that in the interim it is the province who is responsible and that the old regulations, such as they were before The City of Winnipeg Act was changed on this issue, must apply. I wonder if the minister could confirm that.

**Hon. Jack Reimer (Minister of Urban Affairs):** Mr. Chairperson, the member for Wolseley is basically correct. The City of Winnipeg has not passed a by-law on the construction over waterways right now, and any

type of construction other than through utilities and that has to be dealt with through an O/C or Order-in-Council, you know, to pertain to that. She is right; the City of Winnipeg has not passed a by-law or had public hearings to that extent.

**Ms. Friesen:** I wonder if the minister could explain Order-in-Council. As I understood—did you say O/C, that everything had to be approved by the province in an O/C? Is it not the existing, extant regulations which would apply? Why would it require an Order-in-Council?

**Mr. Reimer:** What I am referring to when I say O/C—as the member mentioned—is an Order-in-Council or the Lieutenant Governor giving the authorization for construction over waterways. It is there because of the fact that the city has not passed the by-law and the responsibility does come back to the provincial legislation for the authorization of construction over waterways. I was thinking that the Charleswood Bridge fell under that jurisdiction but that was because of a totally different situation.

**Ms. Friesen:** Mr. Chairman, could the minister explain how different it was and why it was different?

**Mr. Reimer:** Excuse me for taking a little time there just trying to get it clarified. Bridges and utilities do not require an Order-in-Council. I am sorry. I was alluding to the fact that they did need that, but that is not true. What the O/C would apply to would be building construction in and around waterways and things like that—I am sorry, yes, I have it straight in my mind now—and as pointed out, parking facilities, extension of parking facilities and things like that. That is what is more or less implied.

**Ms. Friesen:** Could the minister elaborate a bit on this? Obviously, I am interested in the Omand's Creek issue where the issue has not necessarily always been building from one side of the creek to the other side of the creek as one might expect in the words “building over waterways.” It has often, in various proposals, required or been dealt with as an issue of extending the riverbank or of altering the riverbank or of cantilevering out over the riverbank.

Is it the case now that the province is still responsible for such issues and that anyone other than a public utility—and that is what I understand the minister to mean by utility, a public utility—or a public highway will have to come to the province for the regulations dealing with that and that the regulating of it will be dealt with by Order-in-Council?

**Mr. Reimer:** It is my understanding that is right. That is correct.

**Ms. Friesen:** Mr. Chairman, I wonder if I could ask the minister when he last discussed this with the City of Winnipeg and when this situation will be changed. The minister meets regularly with people from the City of Winnipeg. Could he tell us when this last came up as an issue and what he has been advising the City of Winnipeg on this issue?

**Mr. Reimer:** I have been told that there has been formal correspondence in a written form to the city asking them to respond in a manner of recognizing their responsibility to pass a by-law on it. They have indicated that they are not prepared at this time to pass a by-law. I have not talked to them verbally on this subject, but it is something that I can note for my next meetings with the mayor or EPC just to see what type of positioning they are on it and whether they are prepared to revisit that decision, but formally there has been correspondence to them requesting them to assume this responsibility.

**Ms. Friesen:** Would the minister be prepared to table that correspondence?

**Mr. Reimer:** Yes, it has been pointed out to me that it was part of a discussion paper that was sent—corresponded between the previous minister and the city. I would have to check as to the content of the total letter and what was also written in that before I could give a more formal response to handing over the total correspondence.

I am told that it was part of an agenda of items that were discussed by the previous minister with either the mayor or EPC.

**Ms. Friesen:** The section I am interested in obviously is that particular by-law, and the minister did say that

there had been a formal written response and a formal written response by the city on this issue. I would think it would be possible to select those from it.

Could the minister give me an indication of when he would be prepared to answer on this?

**Mr. Reimer:** What we can do is I can have staff research the letter, the correspondence and the contents, and I will try to respond to the member as soon as I can with that.

**Ms. Friesen:** Could the minister indicate what reasons the city gave for not being prepared to act on the province's request at this time or at that time?

\* (2010)

**Mr. Reimer:** I am led to believe that it has to do a lot with the legalities of assumption, and the department of—and their law department for some reason does not have a comfort zone of acceptance or of proceeding with it. Until there is that type of confidence, City Council has indicated that they do not want to proceed with it.

But I have no qualms, again, like I mentioned before to the member. I certainly can bring this up as a topic of discussion with the mayor and EPC at our next meeting.

**Ms. Friesen:** Mr. Chairman, if the response of the city is that their own legal department is not comfortable with the legal basis of what they are being asked to do, it seems to me that that would require some response from the province, some reassurance that, yes, there is a legal basis for what they are being asked to do, that there are comparable situations elsewhere, that the province was within its rights in asking the city to do this or indeed the province was not within its rights and then amending that portion of The City of Winnipeg Act. So it seems to me that if that was the response, the next step is the province's.

**Mr. Reimer:** Yes, I think what has transpired is our department has given assurance that there should be no problems, but I guess it is like anything, that when you get two lawyers or two legal departments going at it, you always get three opinions. I guess that is what has

happened, is that there is a comfort on our part of saying that they should proceed with it through our interpretation, and the Law Department of the City of Winnipeg is saying that they are not prepared or they would like to have more clarity or comfort in the opinion that they are forming.

It is, I guess, the yin and yang between two law departments and, until there is an understanding between the two of them, they keep it up in limbo.

**Ms. Friesen:** Mr. Chairman, with all respect, I do not think it is yin and yang. I do not think it is three legal opinions. It is two departments with different opinions. One has proposed; the other has responded. That is, the city has responded. It seems to me that the next step is the province's, and there must now be an initiative on the part of the province to assure the City of Winnipeg, to reassure the City of Winnipeg that this is legal, or the alternative is that the City of Winnipeg has a point. It is not a legal or right thing to do, and then there must be some reconsideration of that.

So what has been the third step? We have had two steps. There is a third step.

**Mr. Reimer:** The member is saying that there should be this positive and this definitive direction that comes out of Urban Affairs, but at the same time, we have to take direction and we have to abide by a lot of the advice that we get from our legal departments when we are proceeding with any type of legislation regarding the City of Winnipeg and changes to The City of Winnipeg Act.

In the interpretation of the act, there were always various concepts of which way the interpretation should go. This is one of the challenges that Urban Affairs has from time to time when we get requests from the City of Winnipeg regarding some of the resolutions that come from council, is the interpretation of what type of direction they are indicating by the resolution.

In looking at the letter of the law, the interpretation of the letter of the law is always something for debate, and how and when it should be implemented is something that can take as long or as short as an agreement. When there is not agreement, that is when there is more interpretation or more give and take of opinions that

have to transpire, and the longer that takes, the more these things become embellished in the rhetoric of legalese.

As the Department of Urban Affairs, we are vehicles of the City of Winnipeg in the sense of trying to administer The City of Winnipeg Act, and we work under the parameters of advice from our legal department, and if our legal department gives us advice one way and the City of Winnipeg and through their legal department feels that it is interpreted their way, I do not think that the Province of Manitoba should do the one-upmanship and say that we are right because we are bigger and we administer The City of Winnipeg Act.

I am of the opinion that there is a way to interpret this in a more constructive manner. If there is a way to try to come to some sort of resolve by using some sort of consensus and the fact that the City of Winnipeg and the councillors do not feel comfort until their legal department gives them a direction, I as the Minister of Urban Affairs cannot dictate to our legal department to make a decision that we feel is contrary to what the City of Winnipeg is asking for. I feel that there is still room for interpretation within it.

**Ms. Friesen:** The City of Winnipeg is not the vehicle of the Province of Manitoba. The city is, much to its chagrin, a creature of the province as it is a devolved responsibility from the province. The province is the ultimate authority on this. It creates The City of Winnipeg Act; it amends it; it defines the way in which the City of Winnipeg, in a very broad sense, should operate. And, yes, we have a debate here. We have a difference of opinion. What I am asking for is, what has the provincial government done to resolve this? Stated the case, made the law. The city has responded and has conducted inquiries—I assume with its own legal department—and has made a response to the province.

The minister, I understand, does not want to get into particular disagreements, but it seems to me that there must be a solution here. Has the minister, for example, referred this to the Justice department? Has he referred it to the legal branch of the Province of Manitoba? What next step has been taken, or is this going to sit in limbo for the next 10 years?

**Mr. Reimer:** I can only rely back on what I have said before, that if the City of Winnipeg does not have a willingness and the City Council has not given us a direction that they want to proceed with it, I find it kind of difficult for me as the Minister of Urban Affairs to impose our department's will or the provincial will onto the city and say you must proceed with this when they rely upon their advice and their legal department and their legal department says that we do not have a comfort feeling with taking over the responsibilities because of some unforeseen or perceived directions that could result from that.

Until they get that feeling of saying that they would like to proceed with it and going into further discussions and for a resolve on it for the sake of passing a by-law and assuming responsibilities, we as a provincial government, even though, as mentioned by the member for Wolseley, that the City of Winnipeg is administered by the province, one of the things that comes with administration is co-operation and consensus. I try to build very strong consensus building with the councillors and the mayor.

To begin being in a dictatorial manner, if you want to call it—that is a very strong word—in directing what the city should or should not be doing with their by-laws and when they should be bringing them forth, I think, is a detriment to any type of co-operation that I am trying to build with the City of Winnipeg.

\* (2020)

The City of Winnipeg is a huge economic engine here in Manitoba. Manitoba is a huge economic engine. The more that there is a co-operation and a consensus building between the two, the better it is for the taxpayers of Manitoba. The taxpayers of Manitoba are saying that anyway. They are saying that we should be more co-operative and willing to work within each other's guidelines and try to come to a resolve on problems. For me to then come along and say, well, there is an outstanding issue here that I want you to resolve and get busy and do it, I think that it just goes against the sense of co-operation that we are trying to build.

**Ms. Friesen:** What we have got here is a situation where the province has passed a law and the city has

said no, and the province, according to the minister, has made no further move on this. Now it seems to me that what this says is clearly there was a situation before the passing of that law which could have been solved in a more co-operative manner. If the previous minister had chosen to talk to the City of Winnipeg about this proposal, which presumably they had not or else we would not be in this stalemate situation, that could have been resolved co-operatively.

Now we have a situation of stalemate where a provincial law is in fact being—well, we have a stalemate situation, and the provincial government is not prepared to move any further. Now what is being lost here is public participation. When that law was passed there was the potential and in fact the requirement for public participation in the creation of by-laws to deal with buildings over waterways, so that, for example, in my constituency, in Wellington and in St. James, there would have been the opportunity for all those citizens who were concerned about the continuing threats to build over waterways to have the opportunity to have an input into the regulations and to the situations along that waterway, as well as along other waterways in the city.

Now what we have is a situation where that is only dealt with by Order-in-Council, that is, through the cabinet, in a manner which I would submit is not as open and as public as the way in which the law that the province had previously suggested might have been when we had the possibility of public discussion over the by-laws.

As far as I can hear from the minister, there is no way out of it. The minister is not prepared to send this to a legal opinion. He is not prepared to do anything more than—and I appreciate that he is. I appreciate that you are going to raise it again with the city, but I do not see that there has been any new basis of discussion. So my concerns are for the loss of that public participation that we were promised.

**Mr. Reimer:** Well, I can only point out to the member that even under the present status-quo situation, if you want to call it, construction over waterway is protected because it does have to come to the—unless there is approval by the LG. I mean the Order-in-Council here with the Province of Manitoba. I can recognize the

position that the member is—because there is always that second-sober look through public consultations and public presentations in cases of situations where there may be construction closer, under or over waterways.

It is something that possibly should be brought to the city's attention regarding the by-law in trying to come to some sort of comfort factor so that they can re-evaluate it again. I can only give her the assurance that I will bring the matter back up to the mayor and EPC and ask them to give me a more definitive answer on it, because it has been brought forth for a resolve on it. I can keep her informed of a decision once I have talked to them again on it, but under the present circumstances, for what I am presented with right now, they have indicated that they do not want to proceed on it. However, reintroducing it for a point of discussion with them, following up in a manner of trying to get a resolve on it, I have no problem with doing that.

**Ms. Becky Barrett (Wellington):** Mr. Chair—

**An Honourable Member:** Pass.

**Ms. Barrett:** Yet again, we hear from the member for Sturgeon Creek (Mr. McAlpine).

We were talking at the break about the snowstorm and the blizzard today. Some of us were reminiscing about the blizzard of 1966, and one of the interesting things about some of the people who were talking about what happened in 1966 was that they recalled they were young and in their teenage years and they went to their local community club where they heard the Devrons, Burton Cummings' old band, and participated in other youthful activities of one sort and another, as young people are wont to do.

Some other members of our caucus who have younger children, quite a bit younger children, were saying, gee, in the blizzard of 1997 the only places we could take our kids were places like the Discovery Zone, an adventure land, adventure something that is just right around confusion corner, a new adventure land or something.

We had a further bit of discussion about, gee, what made the difference? What is going on here? It turned out that one of the things was that the community

centres, in the city of Winnipeg in particular, and some of our rural and northern colleagues said the same thing was happening in their communities, a lot of them just are not functioning as real community centres anymore. They are having trouble getting volunteer boards of directors. They are having trouble with volunteers to help with the programming, that basically all that is happening if anything is happening at all is the hockey ice time being used, that there is usually not the problem with ice time, et cetera.

I thought that was an interesting discussion and a change, and we all started to think, yes, that is true. We know some community centres in our communities that are doing okay but a lot that are not, a lot that are literally dying on the vine.

I am wondering if the minister or his department has given any consideration to the role that the Department of Urban Affairs might play in identifying some of the problems that are involved in the community centre movement, any suggestions as to how the communities in Winnipeg in particular might function.

The reason I am asking this is because historically community centres in Winnipeg, dealing with Urban Affairs here, have played an enormously important role in the vibrancy, maintaining and enhancing the vibrancy of communities. I remember when I first came to Winnipeg in 1975, this was one of the first things that I noticed about Winnipeg, how each neighbourhood, literally each neighbourhood, it did not matter where in the city you lived, each neighbourhood had a community centre. This was something as coming from the States I had never seen before, and we are losing it. We are losing this resource, and I think it has an impact on the health and well-being of Winnipeg and, therefore, I think is an issue that should be being discussed by and looked at by the Department of Urban Affairs.

So I am just putting that out and would ask the minister if he has any comments or thoughts on this.

\* (2030)

**Mr. Reimer:** Sometimes you get into, and I have mentioned this before, political differences because of the fact that we come from different political parties.

But there is something that I will agree with the member for Wellington 100 percent on, and that is the fact that Winnipeg does have a tremendous asset in Winnipeg, and that is its community centres. The 77 community centres in Winnipeg play a very, very vital role in forming a sense of community in all areas of the city. I am very, very familiar with the community centres and their operations because I at one time sat as president of my local community and then I sat as president of the local district and then I was also on the community centre boards, the GCWCC, General Council of Winnipeg Community Centres.

I know the tremendous assets that these community centres can generate for a sense of belonging and participation. The member is very, very right when she says that it is unique here in Winnipeg because we have community centres that enjoy participation by literally thousands and thousands of volunteers, people who give freely of their time and spend hours and hours of volunteerism, which has become so very, very part and parcel of Manitoba's culture and Winnipeg's uniqueness within the community.

We feel very strongly that support of the community centres is something that we should be encouraging, and I was very, very pleased to be part of the announcements with the Green Team in which we have identified community support through the Green Team, and every community centre I believe took up the challenge of employing some of the youth during the summertime, during the Green Team, from about the middle of May, I think it is, until about the end of August. Of the community centres that I am aware of, I believe the number was 56 out of 77 employed youth for a drop-in theme through the community centres, and it proved very, very beneficial. In fact, I had the president of the GCWCC mention to me that that was one of the strongest uptakes they have ever had to community centres was the fact of setting up these drop-in centres throughout the city.

Community centres will and continue to play a big role in the development of a sense of community and a sense of belonging. I know there is a problem, as pointed out by the member for Wellington (Ms. Barrett), that they are always having a problem finding volunteers. I am dating myself when I say when I was involved with the community centre in my constituency

back in 1974 we talked about the same things at that time, that there was always this lack of volunteers and lack of people that wanted to get involved with the community centre, yet our community centre and other community centres that I am aware of are still growing at great lengths, improving programs.

Recruitment is still always on a high priority of trying to get volunteers to serve on boards to be part of the executive. I think that is always going to be part of community centres. If there was an easy answer now, I do not know how to pursue it because even back in 1974 when I first got involved with community centres we were talking about the same things. The idea of promoting sports participation, youth activities, and now getting into the idea of providing support to older clients, seniors, moms and twos and tots, having programs for them, having programs for the teenagers, having programs for drop-in centres, these are all things that I think are growing in community centres and the fact that the City of Winnipeg just recently has decided that they are going to relinquish more of the community centres' responsibilities to the community centres is something of a concern.

I think that it is going to open up opportunities and challenges for the community centres, and I think we as a provincial government will recognize some of these challenges because they are not only the emphasis that our government has come forth with trying to address some of the youth problems and the fact of trying to keep young people with an active mind instead of going down to the corner store type-of-thing and hanging around. Trying to get them back down to the community centre is something that we should all be aware of, not only through the City of Winnipeg but through the provincial government in trying to support and encourage these things.

So I think that with the community centres we have an excellent vehicle to try to reach out into the communities to build with an asset core of volunteers to capitalize on the sense of accomplishment and participation by not only the volunteers but the youth to get involved because I am a firm believer that you have to give back into the community some of the things that you take out of it. One of the easiest ways to do it, and the most ready way, is through the community centres that are usually very, very close to all our



constituencies. I think we as MLAs recognize their value, their contribution.

I think each one of us tries to make a presence in all our community centres for support and for trying to help them in any way we can through various funding agencies that might be available through our communities, through our government. I encourage that. I see nothing wrong with that in trying to promote the Green Team through our community centres or any other types of things to try to help the volunteers.

There are always avenues that might be available for the youth and the volunteers to take advantage, and I think there is a responsibility as MLAs to make these programs known to the community centres to see whether they qualify for some of the activities that we as a government can bring forth. We have participated to a degree through our Manitoba-Winnipeg Community Revitalization Program, MWCRP, and we have earmarked special community centres; in particular Chalmers Community Centre, East Elmwood Community Centre around Keenleyside in Elmwood, Armstrong Park. We have done some tree-buffeting on Gateway Road. We have also done some works with Glenwood Community Centre in the constituency of Glenwood where we have construction of a new facility and ground improvement at Glenwood Community Centre.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

We are opening up Champlain very, very shortly, a new announcement, a new expansion. There is an example of a very small club but a very aggressive club that has come forth with some very innovative programs. I am quite familiar with the former president of that community centre, a very active man in that community. I know the member for St. Boniface (Mr. Gaudry) has been very active in some of the community centres that are in his area.

Glenlawn Collegiate has also been part of the enhancement in Glenwood. Naturally, we are doing some works along the Seine River which is close to community centres and things like that. In the east Norwood area, we were part of the construction of new facilities and grounds at Champlain Community Centre,

as has been pointed out. I believe Archwood has benefited from some of our programs. I know that some other community centres like Southdale and Winakwa to an extent that I am familiar with have also benefited. I think that if we look at any of our community centres somewhere along the line they have tried to take advantage of some of our programs in the sense of being involved and proactive.

But the one thing that we should recognize with the community centres is the fact that even though there is provincial monies involved with that, a lot of time what is even more important is you have individual participation. You have people who have come forth to volunteer. There is a tremendous amount of sweat equity involved with a lot of these projects that get underway, and these are the types of things I think that as a government we should encourage and try to work with in trying to get things more active, even in Kirkfield Park, you know, through their community centres and some of their activities there. These are areas that we all look at in trying to improve.

The member is right that we also, I guess, to an extent, under the Winnipeg Development Agreement there are certain neighbourhood infrastructure programs that could qualify for community centre improvement. We are looking at applications possibly in that area, too, so I am very optimistic that community centres will continue to play a very dominant and prominent role in the communities, and we look forward to good-faith partnerships with them in trying to work things better for the community and in working with the community and with anybody who really is looking at improvements for the community.

\* (2040)

**Ms. Barrett:** That was a very interesting if extensive response to my clearly extensive question. I understand what the minister is talking about when he is talking about the MWCRP program and the Winnipeg Development Agreement program and the Green Team. Some of those programs have implications for community centres.

I think a lot of that program money is capital. Some of it is program, but a lot of it is capital, and while no one would ever say that those programs did not have

positive impacts for the community centres, it still does not get to the heart of the matter which is that for many, and particularly for many of the oldest communities in the city where the need is the greatest, the community centres are the least active, and there are a lot of reasons why those elements all go together: a small pool of available resources in the role of parents, a lot of single parents, a lot of two-parent families who have to work two and three jobs to make ends meet, a whole number of social and economic problems that impact on much more than the community centres. It seems to me that the community centres which used to have a positive impact on some of these neighbourhoods are dying, they are really dying, and none of these programs that the minister has talked about really, to my way of thinking, address these particular systemic issues.

The minister did talk a bit about the fact that the city under the new model that it is talking about, that the minister talked about in his opening remarks, was looking to relinquish control of community centres to their local boards, et cetera. I think he mentioned that there was a bit of concern on the part of the government potentially in that regard. He said that it provided opportunities and challenges if this goes through. I think that my concern is—where there are healthy community centres, putting more control or authority into the local community centres is not necessarily a bad thing. The problem is that many of these community centres, as I have said before, some of them are gone and they just are not going to be able to function because the community does not have the human and economic infrastructure available to support the community centre. We are not living in the '60s anymore. We are not living in the '70s anymore. The economic and demographic realities for many of our families, particularly in the oldest neighbourhoods in the inner city, are such that community centres, if they are designed under the old way of looking at things, cannot function. There just are not the resources available for them to do so, and giving them control over their funding, et cetera, is only going to make it worse. It is not going to help.

Yes, individual MLAs should be working to ensure that their local community centres have access to whatever program money is available, but there is a larger more systemic concern here and one that I did

not see the minister address when he talked about 56 of 77 community centres participating in the drop-in program. That says something to me. It says that there is a huge need out there for more of this kind of activity. Is there a systemic recognition on the part of the Department of Urban Affairs in its role as co-ordinating department to address the kinds of issues that are reflected in the community centre problem, which is, as I have said before, symptomatic of a much deeper problem on the part of many of the community centres. I still do not see that recognition.

I am not suggesting that the minister come up with a huge program right now, but I do think it is important that he respond to this concern and make some commitment towards working with the city, working with his other departments in addressing this issue. It is an issue again that may not be under Urban Affairs' primary jurisdiction because Urban Affairs is a small department and does a lot of linking rather than direct program delivery.

It seems to me that the whole concept of relooking at community centres and how we as a government, not only as individual MLAs but as a provincial government, can work with the city and with the community centres to revitalize them because they could be a very important part of making the city a more vital place to live and addressing many of the social and economic ills that face us today, which are youth unemployment, the issues of gangs, family breakdown, all this kind of thing. Community centres should be an integral component in any kind of service delivery system that looks towards ameliorating those problems.

(Mr. Chairperson in the Chair)

**Mr. Reimer:** The member brings up some very interesting points of view and, to an extent, I cannot disagree with her to too many of the things that she has mentioned because I think that as with any type of program you have to do an evaluation as to the direction that it is going and the benefits that you are putting your dollars towards. I think that it is only critical and it is only astutely common that you should be asking what type of results you are getting with the monies that are being spent and, as pointed out by the member, that a lot of the money at the present time

does go within the capital allocation of community centres and the physical bricks and mortar of the community centres.

I think that what we try to do with the Green Team in funding on the program size, if you want to call it, is through the drop-in centre type of philosophy where we are looking at, as she is aware, the Green Team is going ahead this year. I have indicated to them that I feel that if community centres are wanting to have drop-in centres at their community centres, that there should be funding available for them at that time because I think that it is part of a very positive initiative in the community to have a place for the young people to go when they want to be there, not necessarily through the normal eight-to-five or nine-to-five type of hours but from the evenings or on weekends and things like that so that when there is a need in the community for the young people to gather, they should go to the community centres to gather, and that is when the drop-in centres should be open.

So I have no problem at all in allocating Green Team funding to that type of endeavour through the community centres. I think that that is a very worthwhile spending of dollars, and I think that it is monies well recuperated in the sense of building community worth and community involvement with our young people.

\* (2050)

At the same time I have no problem—the member has mentioned that we should evaluate our programs. We should look at where we can get our sort of best, biggest bang for our buck in the monies that we are putting through my department or through any department. I have an advantage, to a degree, of working with the Department of Education through the urban Green Team, so it would be a natural progression to look at programs that could possibly facilitate co-ordination between Urban Affairs and Green Team, possibly through training or amalgamation of training programs or something of that forth, so that there is a further enhancement of the Green Team approach in trying to look at the problems of youth and the correction of ways that we as a government can be most effective in the utilization of our dollars.

I should point out that the MWCRP is under review. There is an independent review underway of the whole program, and we are looking at possibly, the review may come out with a refocusing of direction. There is a possibility there of looking at monies going into programming instead of trees and grass, as pointed out, and buildings and bricks and stone, to look at a more positive direction of the funding.

I think that we should look at it that way. The Child and Family Youth Secretariat may be looking at resources. I am not familiar with that. That would have to come under questioning under the Minister of Family Services (Mrs. Mitchelson) as to which direction is going there with programming in some of her department.

I should point out that we are not the direct funders of community centres. I think the member knows that. The City of Winnipeg is the one that is the direct funder of it but, because of the community responsibilities of all governments, I think that we are just as astutely aware of the value of community centres, that sometimes community centres, with memberships and the fact that they dwindle from time to time, they sometimes come back just as fast. Sometimes we see that in all kinds of neighbourhoods, where sometimes they have to go down before they go up, and then they can come back just as strong as before.

I can think of a small, little club out my way called Glenlee, how the memberships kept dwindling on that, and it was just a matter of getting people together and away it went. Another good example that the member for St. Boniface (Mr. Gaudry) is familiar with is Archwood Community Club, a very small community centre. It just needed a nucleus of some more people that decided they were not going to let this community centre deteriorate, and they got involved and they brought it right back.

A lot of it is the community itself and the community wanting to take hold of its problems and come to some sort of resolve, so I feel that, just as there are challenges and opportunities in the community centres, a lot of times the volunteers that rise up to meet these challenges are the ones that become the new leaders in the community. I feel that there is room for that type of optimism.

Programming dollars are something that can be looked at, like I say, through our Green Team and some of the programs we go through. I should point out that under the Winnipeg Development Agreement there are other initiatives that are applied to the community centres that possibly could be taken advantage of because, as she is aware, the Winnipeg Development Agreement is not limited to one particular area of the city. It is open to all areas of the city, which has the advantage of all areas, whether it is in St. James or in Westwood or anywhere, that they can try to fit in the criteria of either a development program or a neighbourhood improvement program.

There are other areas of incentives that are available and neighbourhood revitalization and neighbourhood infrastructure programs. These are all areas that I feel some of the various components in communities can look at and they can also take advantage of. So there are programs around. There is the availability of possibly dollars, but I think that the biggest aspect of it is for people to take the initiative, take the responsibility, take ownership of their community. When that happens community centres will grow. They will prosper. There will be more involvement with the community. It brings forth a better sense of where people want to live, work and raise a family. So these are some of the things that I think we all strive for, and community centres give an excellent opportunity for people to get involved, not only with their children through various aspects of coaching or being involved with the various sports programs, but also to be involved with other programs that can be of benefit to the community. So there is lots of room for growth within the community through the community centres.

**Mr. Daryl Reid (Transcona):** Mr. Chairperson, I thank my colleague for giving me the opportunity to ask some questions. I have some questions relating to a problem that has been occurring, and I am sure the minister is quite familiar with this, a problem that has been happening in the community of south Transcona now for quite a number of years, and that is dealing with the flood situation and its impact on the families that are living in that particular part of Transcona.

With the extensive snowfall, nearly double the annual average that we have, and, of course, the problems we have encountered over this past weekend with once

again further heavy snowfall potentially compounding the problem with flooding, I wanted to ask the minister some few questions relating to the plans that the province has, perhaps in conjunction in a partnership arrangement with the City of Winnipeg, to try and alleviate or to end that perennial problem.

It is my understanding that the city has approved tentatively \$1.7 million from their capital program based on whether or not the provincial government will also match that funding to allow the project to go forward. Now we have seen what the impact is on the community of south Transcona over the last several years where we have had once-in-a-hundred or once-in-300-year floods coming in consecutive years, so it has been quite a detrimental impact. There has been sewage backup with raw sewage floating around the ditches of the community, so it is quite a serious health risk as well for the residents living in that area.

I wanted to ask the minister, can he tell me what plans he has with respect to whether or not the province is going to be matching the city's \$1.7 million which, I think, is contingent on the province also contributing to that particular flood relief program?

**Mr. Reimer:** I share with the member for Transcona the concerns of the south Transcona residents because, as he has pointed out, this has become an annual, if you want to call it, event out there, the unfortunate flooding of quite a few residents because of the water flow in there and then I believe they even got hit quite severely with a rainfall that came in there and now we are looking at some very, very serious flooding in the area because of the snowfall and the accumulation of snow in the last few days which is even going to compound it. So I recognize the concerns that the member for Transcona has, along with the member for Radisson who has brought this forth to me, and also the city councillor in the area, Councillor Shirley Timm-Rudolph, has been in correspondence with me regarding the south Transcona and the proposal for a large retention pond.

When this was first brought to my attention, it was brought forth—I will try to do it in a chronological order, if I recall and maybe staff can correct me if I get it wrong. I believe that late last year we got a request from the City of Winnipeg that they were going to

include this in their 1999 budget for an appropriation of \$1.7 million or I guess it was just over \$3.2 million shared 50-50. When the budget by the City of Winnipeg then went for review, it was moved up into the 1997 budget with the City of Winnipeg and it was included that time with their estimates, and they included it in their estimates of borrowed capital that they would use as the funding for.

\* (2100)

The resolution was forwarded to me. As the member was aware, the City of Winnipeg brings forth their resolutions from the floor of council. This is when we as a province respond to it. They passed a resolution which was unanimous on the floor of council stating that they are willing to fund the Transcona project on a 50-50 basis if the province would participate also but with bringing in new money on our part to finance the project. That was their contention above and beyond what they call the UCPA III. Now, UCPA III is Urban Capital Project Allocation funding. We have had a project allocation funding I, UCPA I, a II that just expired, and now we are going into UCPA III that has been part of our budget process right now. It is approximately \$96 million. Those funds are the funds that we as a province have to allocate to the city in looking at any type of capital projects and the implementation of it. We use that category for project funding.

Now, the City of Winnipeg specifically, in their request to the province for funding of this, indicated not to use those fundings, to use new funding of allocation of funding from the province. We do not have that ability, or I do not have that ability, to get that new type of funding of \$1.75 million, because our budgeting with the city for capital allocations is dealt with through this UCPA III, this Urban Capital Project Allocation funding.

Now, if the City of Winnipeg would give me a different type of resolution saying that that funding for that pond, if you want to call it, can be allocated out of that category, we can proceed with it, because that is the only place that I can get funding out of my urban department, through that Urban Capital Project Allocation category. I do not have the ability to go to

a new fund to get \$1.75 million. I can allocate funding through that particular part of my budget.

I have written to the city explaining my position and asking them that if they will bring forth a resolution, and I believe now that Shirley Timm-Rudolph is on EPC, she may have a little bit more ability to persuade the council to reconsider that commitment. We are prepared to proceed on a 50-50 funding basis with that allocation. I think I have explained it to the member properly. If not, you can ask other questions on it.

**Mr. Reid:** Mr. Chairperson, the minister has given me a pretty good background to it. I thank him for that explanation.

The minister also mentioned that he is I think embarking on a third UCPA at the current time, and it is my understanding from what he is saying here that that has not been concluded, the discussions have not concluded to that point. I want to also ask at the same time, has all of the funding that was allocated through the UCPA II agreement been expended to this point? Is that money all gone or is there any money remaining that can be attached to that particular project to give the city some flexibility too?

**Mr. Reimer:** Yes, I believe that all the funds under UCPA II have been committed. The last amount that was available for commitment was the York-St. Marys extension into The Forks. Was it \$15 million? That was the last. I believe there may be, until everything is sort of finalized, some monies available but not enough to cover that \$1.75 million.

We are very tight with our UCPA II. It depends on how things all finalize, because there were a number of projects under UCPA II that have to come to a finalization. If there is money left over, it certainly can be possibly allocated as a partial payment towards that area, but we would not be able to evaluate that until we knew how the final estimates and everything else come in throughout UCPA II project allocations. There is not that much money in it left.

**Mr. Reid:** So if there is only a small amount of money that is left—and the minister said that there may be a willingness, depending on other projects and the priorities that are there, to break the project funding

over the two project years—then I take it then that the only holdback is, since you say you are willing to allocate the money out of either one or both of the projects, the UCPA II or III, that the city would have to agree, being a partner to this agreement, to that money coming out of the UCPA agreements and that at this point in time the City Council has not agreed to that.

**Mr. Reimer:** The member is correct. In the resolution itself—the member is basically right. The resolution that came forth from the council specifically stated: funding to be allocated other than UCPA funding. When I have only that ability and that avenue of funding available to me and which is new money in a sense because we are going into a whole new arrangement, that is the area that I can utilize for funding.

I have very, very little funding left out of UCPA II which would not even barely cover possibly even the initial stages of development of the Transcona project, but at the same time the city has said—they simply indicated in their resolution not to use that type of funding. So what I have done is corresponded to the mayor stating that if they are willing to rescind that resolution in council and come forth with the ability for me to utilize that money, we have no problem in funding it on a 50-50 cost-shared basis.

**Mr. Reid:** The money that is needed or required for this project, the City of Winnipeg is insisting that this be new money outside of the UCPA III agreement or agreement II and that the province would have to kick in an additional \$1.7 million from some other fund, not to take away from the agreement funding itself. They want to have all of their projects currently on that particular list paid for out of the UCPA III, and this project would not fall under that category. Am I interpreting that correctly?

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

\* (2110)

**Mr. Reid:** Can the minister tell me how long ago he wrote to the mayor advising the mayor on this matter, that the province would be prepared to fund this flood abatement program, if we can call it that, the water retention pond in south Transcona? How long ago did

he write to the mayor on this advising that the province would be willing to pay for this project out of the UCPA III agreement?

**Mr. Reimer:** I believe it has been within the last week to 10 days. It has been very shortly that the letter went out.

**Mr. Reid:** If the City of Winnipeg refuses to change their position where they are calling on the province currently to take the money from some other source, does that mean that the province then will not be contributing to the project unless it falls specifically under the UCPA III?

**Mr. Reimer:** I can only point out to the member that because there was no room within my budget to allocate an additional \$1.75 million within the budget that we are now considering, I have no room or avenue to access additional funding unless I look at my next year's budget and bring forth a proposal at that time. If that happened, we are looking at almost three years down the road, as the member would recognize, before anything could finally transpire in Transcona. If we look at trying to utilize the UCPA III money that will be approved now, we are looking at possibly getting in the ground this year with a finalization of next year for the project.

If it were always up to budget limitations and decision makings that come with any type of budget as to putting funds in for something next year that I cannot guarantee would be passed—I have more of a comfort feeling working with what I know is in my budget now where I can find funding than to speculate on new funding for next year, when I know the considerations of budget are more in line, with not being that optimistic that new monies like that can be found.

I have a fair degree of comfort in saying that within the UCPA III, I can work within there, and that budget, that amount of money, are the budget considerations that we are doing right now that will be passed.

**Mr. Reid:** I take it then that this project will go ahead as far as the province is concerned as long as the funding comes under the Urban Capital Partnership Agreement III and that it is essentially in the City of Winnipeg's ballpark right now and as long as the city

councillor who sits as a member of the EPC, even before the minister's letter went to the mayor, could in some cases have a role to play or have some influence on the decisions potentially to be made by the City of Winnipeg to allow for this project to go forward under UCPA III. Am I interpreting that accurately?

**Mr. Reimer:** The councillor for the area has lobbied fairly extensively for this project. She is very familiar with some of the alternatives and the avenues of direction that we as a provincial government can go.

I would think that since the letter that I sent to the mayor is maybe only just about a week old, I would think, hopefully, that I would hear some sort of response back on very short notice as to what the decision would be as for the funding of this project because, as pointed out by the member, it is something that is of a significant nature, the amount of discomfort and dislocation that the people of south Transcona go through every year, whether it is a bad rainstorm or the flooding that we will experience in the next short while. So I think that in the fairness of working with the community that a resolve on it should come to some way or the other as soon as possible so that the people there in that area can know what the answer is going to be:

**Mr. Reid:** Just one last question, Mr. Chairperson, to the minister. Would it be possible to get a copy of his letter that he has sent to the mayor?

**Mr. Reimer:** Yes, I think that until I get a response from the mayor I feel more comfortable in getting that. So what I can do is I can give assurances to the member that as soon as I get a response back from the mayor I will make sure that he and the member for Radisson (Ms. Cerilli) are fully aware of what the response is that I get. As soon as I get it, I will make sure he gets a copy or is made aware of it.

**Ms. Barrett:** On behalf of the members for Transcona and Radisson, thank you for that assurance.

I would like to go back a little bit to the Green Team and some of the issues that the minister raised in the discussion about the community centres. Again, just a

question of clarification. I think the minister said in his first response that—he talked about the relinquishment of control to community centres that was in the city's paper on their new direction—it is not new directions but their paper that he talked about in his opening remarks. Did I hear the minister to say that he had some concerns about this proposal or did I not hear that?

**Mr. Reimer:** I did not mean to imply that there was not the ability for the community centres to respond, you know, in a manner of positive direction that they would take. I guess it is like anything. Whenever there is a different type of direction or policy taken towards community endeavours and things like that, there is always that apprehension that things will be different. But I think that actually the community centres have been lobbying this way for a long time. I can recall, like I say, when I used to be involved with community centres that we were always asking for more autonomy and more abilities to make decisions and be our own entities in the community because, if anything, it is the community centres that have the pulse of what is happening, and they have the ability to respond a lot quicker than a lot of times what Parks and Recreation or the City of Winnipeg can come about with.

So if I gave the impression that there was a concern on the negative, I apologize because I feel that the community centres have got the ability to respond quite positively towards community mores and norms that they feel they should be involved with, and the volunteerism that usually comes out of these things usually rises to the top in trying to set up new programs or new directions, new involvements, and it is usually the volunteers that will come forth. I have seen that happen so many times with community centres where they will pick up the ability to do things.

The various programs that are put on by community centres, a lot of times, because of the uniformity of Parks and Recreation, from what I recall, community centres were doing things that maybe they did not have to do because they could redirect some of their energies towards a program that had better results, that had better involvement and to some degree generated some revenue for the club that they felt they could highly benefit from. So each club has its own community forte, and they will sometimes make these even better

because of the fact that the city now has given them more ability to make their own decisions on it.

As pointed out, one of the initiatives that was brought forth by the city in the '97-98 budget was that community centres will be operating the arenas. They would, as they put it, solicit community interest in the operating of civic arenas, wading pools, indoor and outdoor pools. These are very significant directions that the City of Winnipeg is taking. If they feel that the volunteers can take over that type of responsibility, I think there has to be some fairly significant input, not only on the city's end of it but on the community's end of it, as to where the responsibilities lie and, naturally, to a degree, the safety precautions.

\* (2120)

**Ms. Barrett:** I certainly do not disagree with the minister that local groups often have a better handle on the local issues and better ideas about what kinds of programs could be implemented to deal with their local concerns. Certainly, the needs of a community around Langside are different in quality and quantity, I would suggest, than the needs of a community in South St. Vital. At the risk of overgeneralizing, I do think that the reality is that those two communities are very different organisms. One community is live and vital, vibrant and growing, and another one is running the risk of imploding and dying, literally and figuratively.

So, in that regard, I am not disagreeing with the minister. I do have a very deep concern that the—and I will call it an offload, because I think basically for many community centres that is what it will be. Those responsibilities will have a detrimental effect in those neighbourhoods where we most need a vital and vibrant community centre functioning.

The minister earlier talked about, sometimes community centres have to go down before they can come up, and sometimes these community centres just need a nucleus of committed people to get re-energized and reactivated and to take control. Again, I am not denying that that is the process and the life cycle in some neighbourhoods. In some neighbourhoods you lose kids' population because the cycle works its way through, and then five or 10 years later there is another

influx of young families with children and then the cycle regenerates itself again.

That is not the cycle I am talking about in largely the inner city of Winnipeg. That is not an upwards and downwards and natural regeneration cycle. What is happening in the inner city of Winnipeg is the death of these neighbourhoods, the death of any kind of infrastructure—social, human, economic—that will help bring those communities back to life, that will give hope to those young kids, that will give hope to the seniors, that will provide assistance to single parent families or families that are operating with three and four jobs. This is a very different situation than the situation that the minister is discussing, which has its own validity in other parts of the community.

I think the concept of turning over wading pools and indoor and outdoor swimming pools to the community again has some potential validity in certain parts of the community, but certainly in my community and the community that abuts on my community, there is a wading pool at Sargent and Home. There is no way, I would venture to say that, if the operation of that wading pool were turned over to the community, that pool would be operational, and it certainly potentially would not be operational with trained staff to provide the safety that is required. The people in that community are spending their time surviving, and that wading pool should be able to provide an assistance to that survival, but not if it is the same people who are just hanging on are being told that they have to take control over. So I think there has to be a recognition on the part of the city and also the province that the city of Winnipeg itself is not homogeneous. It is made up of a very large number of very disparate communities, and it is impossible for one scenario or one theory to work well in all parts of the community.

I would suggest that what is important is for the government, in all of its roles, to look at not how it will work. Again, I do not mean to overgeneralize because there are problems in virtually every part of the city, but I think we all agree that for the depth and breadth of problems, the inner city of Winnipeg, which is expanding exponentially, that is where the real crisis is upon us. I think that is the kind of community that needs to be seen as the benchmark against which programs are measured.



Programs will work in River Heights; programs will work in St. Vital; programs will work in Fort Garry; programs will work in Lindenwoods. More or less. Where we need to ensure that the programs are going to be there, and will target the people they should be targeting, is in the older core parts of the city, and, as I said, that core is expanding.

I can see it in my own community. There are streets along which two years ago—we were talking earlier about how two years ago today, we were out canvassing for the last provincial election. There was not a street then that I, or some of my other colleagues in that general area, would not go down up till 8:30 p.m., up till dusk, canvassing alone. Today there are a number of streets that after four o'clock in the afternoon I probably would not feel comfortable going down alone, and it is a very important concern. So I want to reflect that, that the programs that are in place need to be focusing on those kind of things.

I will end my discourse by asking a specific question. Back to the Green Team. Is there an analysis available, or is one being done of last year's program, that would include things like which community centres, which community organizations participated? What part of the city did they come from? Was there a good take-up in the older communities where the need is potentially greatest? I guess in the next set of questions, what are the criteria? Is it just first-come, first-served, or is there any vetting of programs, any ability on the part of the government to skew, if you would, the program?

So those are the kinds of questions I would like to ask about the Green Team, just the degree of analysis that has been done on the program and any ability on the part of the program to perhaps put more resources into certain parts of the city.

**Mr. Reimer:** The Green Team has proven itself to be very, very popular here in the city of Winnipeg. Last year I believe it was just over 750-or-so young people who got involved with the Green Team, and there was, I believe, 340 or 347 sponsors of these groups. The take-up on it was very diverse within the city of Winnipeg, but if we are looking for an analysis of where the concentration of the take-up was, it was noticeable in the inner city areas. We had a very strong participation in the—well, I do not like to say the core

area—but the central area of the city of Winnipeg where there was a good take-up by community organizations, community nonprofit organizations, where we had a strong participation by the Green Team. In some of the outlying areas of the city of Winnipeg, in the suburbs, it was not that strong.

But I was very satisfied with the mix. There was a strong mix of, as pointed out, the drop-in centres with the community centres. There was some very significant pick-up by groups that did graffiti painting. There was a significant amount of groups that did cleanup and riverbank enhancement and green space enhancement through parks. There were walkway improvements. There was greenery improvement through some of the areas like Omand's Creek, Omand Park, Bruce Park, some of the small parks in and around the city. There were a lot of good initiatives through that. So, even though, as mentioned, it was a citywide project, there was a noticeable amount of younger inner-city students and young people that did pick up jobs with the urban Green Team. So it was, I think that it was, very beneficial for this segment of the city of Winnipeg.

\* (2130)

This year I would hope that we would get the same type of pick-up for the youth. We may be challenged for our numbers because of the strong economy that we have here in Manitoba and Winnipeg. The youth unemployment rate here in Manitoba now is, I believe, the second lowest or possibly even the lowest in Canada right now. So there will be a significant amount of students that will get jobs through the private sector and through the other areas of participating in Manitoba's economy. So those are some of the areas that I think that we will be competing with, but I do not find that disheartening for the Green Team because the last thing that we would want to do is just employ youth for the sake of making our numbers look better than last year. If anything, it is more of an advantage to have the private sector picking up the youth unemployment and providing jobs through the natural economy than to have government supplying it.

The Green Team has done a tremendous job and will continue to do a good job of employing youth and high

school students through the summer and I think that, as I pointed out, will be in severe competition with the private industry because of the strong economic growth we have in our province and because of our programs and our—so we will leave it at that.

**Ms. Barrett:** The minister may want to leave it at that, but I do not think so. One very brief question: Do the young people who are involved in the Green Team, they do not have to be or do they have to be currently enrolled in school? You said at one point “students” and then at another point “young people.”

**Mr. Reimer:** They are students. Right now the first application is university students, and then when high school is closed, that is when the second pickup is for high school students. I meant young people in that vein.

**Ms. Barrett:** So the reality is that students who may be 16, 17, 18 and have no current connection with the school system are not part of the target group for the Green Team. Is that an accurate statement?

**Mr. Reimer:** Yes, I believe that is the criterion, yes.

**Ms. Barrett:** A tangential question, but we will bring it back to the Green Team. The minister spoke earlier about not being particularly familiar with the Child and Youth Secretariat, with the programs of that government entity. I am wondering if he has read the report or has been briefed on the report in the strategy considerations for developing services for children and youth.

**Mr. Reimer:** I just got my copy through my mail the other week. I have not had a chance to go through it in a detailed manner. I have seen it, but I am not familiar with the contents, no.

**Ms. Barrett:** I have not made it—my own—either yet, but I have gone through it in a cursory fashion, and just tonight while one of my colleagues was you asking questions I went through it again to look for specific things. This has some very interesting information, policy considerations and statements that I think have some role to play in our discussion around community centres and problems in the inner city.

One of the principles and conditions in the policy directions stated services must change from being crisis and reactive in nature to being proactive and preventive, and programs must be targeted at the highest needs, not provided universally.

Now, I am not going to get into, although I could, a discussion of the concept of universality. I am not going to do that. I am going to say that within the context of the issues that we have been talking about tonight, both of these principles, if they were taken to heart by the Ministry of Urban Affairs in its linking kind of a role with other departments could have a major impact on even some of the programs that the government itself provides.

The MWCRP and the Green Team being only two that I will talk very briefly about. If, in effect, you were to take these two principles and apply them to those two programs, you would say, in the context of the Green Team, for example, h'm, the students are having a better time, not necessarily a great time, but a better time of it economically. There you did say you were going to be challenged in competition with the private sector for youth jobs this summer. We also know that there is a horrendous problem of youth underutilization, if not employment, in the inner city. That is one of the major reasons why gangs are increasing, that there is not a lot for the youth in certain neighbourhoods of our community to do, so they find something to do.

So an argument, I think, could be made for having, as part of the terms of reference of the Green Team, a focus on the specific needs of those kids, those young people, targeted at the highest needs, not provided universally. Now, the Green Team obviously is not provided universally, but it does appear that it is available to a very wide segment, that it is available to virtually any community organization in the city. I am suggesting that if you follow this principle, you would target its focus more.

Back to the proactive and preventive nature of programming. Again, back to the role of the community centre, when community centres, 25, 30 years ago, were a hot bed for music in Winnipeg. I wish I had been here then; my goodness, I would have really enjoyed it, but this is something that Winnipeg is known for in the North American music scene: the

richness of the club scene in the '60s and early '70s. It was not only just a richness for those bands, but for the young people who went to those community centres to listen to those bands. That was something very proactive and preventive in nature because any time someone is doing one thing, they are usually not doing another, and that is the role of community centres: to find a positive outlet for the energies of young people, because an outlet will be found.

\* (2140)

I think even that, if you took a look at just those two principles, it could help reframe some of the programs and projects that are undertaken by the Ministry of Urban Affairs and certainly should be looked at in the context of how you link with other departments. I would strongly urge you to take a look at this report and most particularly the pages outlining—there are two pages that outline some of the high-risk factors for young people today in Manitoba. Now it is not specific to the city, but I think you can extrapolate in many of these instances severe problems in the city of Winnipeg. So that would be a couple of suggestions I would have; without changing any amount of money that you are putting in place, without even adding any new programs, you could refocus and make a difference.

**Mr. Reimer:** I thank the member for that insight in a sense of direction and her comments about universality. I see nothing wrong with evaluating programs that we are involved with at this particular time in our government and in our spending of money. I think it is prudent upon our part to try to look at the best utilization of any dollars that we spend, whether it is in programming through the Green Team or through the Justice department or any other areas of expenditure because of the fact that I think it behooves us as a government to question our directions and our community sense of worth and our community responsibilities that we as a government have in trying to address not only the expenditures of money and the economic side of government but also the social side of government and the ability for government to be there to help people who cannot help themselves.

I think that that responsibility should be there, and I think that there should always be a self-evaluation, if

you want to call it that, of where we get our monies and where our monies can get the best value and the redirecting of fundings that are established in so-called programs that have been there year after year after year.

I have no problem saying that, hey, let us look at these and find out where we can get better utilization, and if that money means going into programs or supplementing programs or looking at enhancing some sort of community asset that has established itself and has proven to be of community worth, that we supply it or supplement it with catalyst funding or additional funding.

Those are the types of initiatives that I think government should be willing to explore at any time, and I would feel that within my Department of Urban Affairs I have no problem in giving that type of direction, that we continue to do that to try to find the best utilization of our dollars and which way we are going. We have strived to do this, and I believe we have come to some very, very good, strong, good-faith partnerships and relationships through our Winnipeg Development Agreement and our Urban Safety program. We have done a tremendous amount of good-faith networking and good-faith partnerships in the community.

I think that these are some of the things where we can get some very positive utilization, because you go to the community, you recognize where there is an asset of community participation, and you build upon it with a catalyst of funding or seed money of funding. It is like the nurturing of a garden. You plant good seeds and you get a good crop out of it.

We have had some excellent results with a partnership with Rossbrook House. Rossbrook House, I think, does tremendous work in the community. The two Sisters that are involved with that, Sister Leslie and Sister Bernadette, have done a yeoman's job there for over 20 years, 21 years that they have made that place an example of a dedicated structure where young people can find safety and security and a sense of self-worth. We had no problem at all trying to build a partnership through the Winnipeg Development Agreement with Rossbrook House, and I am very pleased to say that it has proved to be very, very beneficial, where we have an investment through our

WDA contribution over the next five years of just over \$87 million. [interjection] Did I say million? [interjection] Oh, pardon me, \$87,800; I am sorry. It was, I am sorry, \$87,800, a total project cost of \$175,000. So with Rossbrook House, there is an example of a strong relationship.

We also built up a relationship through the Urban Safety program with the Fort Garry Boys and Girls Clubs for the establishment of a Winnipeg Boys and Girls Club in Fort Richmond which is to provide a developmental and recreational program for children in the six- to 14-year-old age group in and around our Manitoba Housing complexes in that particular area. There, again, it was \$174,000 under the WDA contribution, for a total project cost of just over \$574,000.

The ALIVE program is an educational program for the Grades 6 and 7 students, and it is conducted by the City of Winnipeg police department, and here again the Winnipeg Development Agreement's contribution was \$58,800 out of a total project cost of just over \$201,000. The counteraction program, again with the Winnipeg Police Services educational awareness program for the businesses in the area in alerting them to the prevention and deterring of crime, this has taken on a very positive aspect with the business community on educating them to what to look for and how to organize their business in the fighting of crime and theft and vandalism in their stores. The Winnipeg Development Agreement contribution was \$82,500 out of a total allocation for that whole project of \$674,000. These are examples where the other project partner has found contribution, because one of the criteria is to set up long-term programs in the community so that there is an ongoing benefit to the community. It is not a one-shot or a one-year project. It is an ongoing project. Usually we try to make it for at least five years so that there is something that will end up being of a solid nature and a permanent nature in the community.

One other program that we have initiated under the Urban Safety program was the employment preparation for young offenders through the Manitoba Justice department, a demonstration project getting high-risk youth through employment training and on-the-job training. This was, as I mentioned, a good-faith

partnership with Manitoba Justice in setting it up, and it proved to be quite beneficial.

There was a project that was just started last week which is called CAMP, which is a circus and magic partnership that was just on, performed during the last week, and this was a partnership with the Winnipeg International Children's Festival. I had the opportunity to be there for the kickoff of it, and to see the young people. There were well over—I believe they were targeting almost 100 young people to be involved with the project for the week of the spring break. I think their total participation after they started to settle in was somewhere between 65 and 70 young people.

What it did, it gave them a chance to participate in various aspects of magic and circus performing acts with the idea of demonstrating and performing in front of their peers and their parents and at the same time practising for the Children's Festival that comes up in June of this year. I was there for the wind-up, and there was a tremendous amount of satisfaction and participation by the young people in self-worth and self-esteem as they were able to express themselves in front of their own peers and, more importantly, in front of their parents that they brought down to show them. A lot of times it was the first time that they had ever been able to express themselves openly in public like that, and the project managers there were telling me of the pride and the sudden blooming, if you want to call it, of these young people of doing something on their own and showing some sort of satisfaction that they did out of their own accomplishment. So it was an awakening by a lot of these young people as to their own self-worth.

\* (2150)

These are some of the things that are very, very important, because it was geared towards high-risk groups between the ages of 10 and 12. These were young people that were brought out of Rossbrook House, some of the inner city schools, and some of the areas where there was some very high gang activity and youth problems, and it really showed that there was a place for this type of demonstration in this particular area.

Another part of the Urban Safety program that has picked up very fast is in the Lord Selkirk Park area. We

are working very hard in trying to bring that to a safe and secure area. One of the things that we were able to initiate there was to set up a Community Police office right in that complex, and we have had a very positive response from the tenants association in the area and, more importantly, as Minister of Seniors, there is a seniors block that is also in that particular area and it has given a sense of security to the seniors because of the fact that there was a policeman right on the site right now.

I believe the constable—his name is Constable Ducharme—has really taken to become part of the community. He walks the beat; he is seen by the people; the people can identify with him. It has proven to be a very, very strong and positive influence in the area, and I commend Chief Cassels and the attitude of having more and more community policing. I have made the offer to him that in some of my other housing complexes that if he feels there is a need to set up a police force presence in there, that we will make, through my Housing department, every effort to accommodate space for his placement.

We have talked about possibly at Gilbert Park. Gilbert Park is a very good example of a good tenants association. They have a very strong organization there. In fact, it is one of the few housing developments in my housing portfolio that has a waiting list to get in, and that is something that says something for the tenants association. But, there again, what we have done is we have empowered the tenants to make decisions. We have given them the ability to spend money. We have allocated a certain amount of our maintenance and M and I funding to them, and they have the responsibility of spending that money.

They have the ability to hire contractors for minor repairs. They have the ability regarding the snow clearing, I believe it is, and some of the cleanup when tenants move. We are trying to delegate more and more authority to the tenants association so that they take hold of their own complex. It has proven very beneficial at Gilbert Park. In The Maples they have a tenants association there. There again, they have a very, very small vacancy rate in that housing complex also, and it is mainly because of the involvement of the tenants association and people who want to take hold of their community.

Lord Selkirk Park, I originally was talking about that. We are trying to work very closely in trying to bring some sort of stronger sense of community in that area. We will continue to work with their tenants association in trying to bring some sort of sense of safety and responsibility in the area. It is an ongoing problem, but I am optimistic that we have turned the corner with the police presence in the area. The fact that the tenants association is becoming more viable and making their presence felt more and, with that, I believe that they warrant the delegation of decision making regarding some of their budgetary considerations and things like that.

We work very hard in trying to build up a sense of community participation throughout the department and throughout our programs that we have as a funding mechanism. I believe firmly that we should be using our funding as a catalyst to work within the community to build upon the positive aspects in the community. To reinvent new programs or to get involved with reinventing the wheel all the time any time there is a problem I think is a waste of money to an extent because a lot of times there are people in the community, there are programs in the community that are proven beneficial and have a track record of success. These are the types of people or programs that we should be courting more and possibly even enhancing to a degree so that they can become part of the solution more and, if anything, take over ownership of the problems and of the community in trying to come to a resolve on it. The government has a role, but it is the delicate balance of how far do you take the government into every program.

**Ms. Barrett:** Yes, the minister has given some very good examples of initiatives and projects that have been undertaken by the department. A couple of other comments on the Children and Youth Secretariat strategy paper that actually have some specific relevance to the minister's department. They talk on page 13 about funding links with other initiatives and actually mention the WDA, Innovative and Preventive Child and Family Services Program, urban safety and the urban sports camp, and the neighbourhood revitalization under WDA. So you can see that already there are connections that are there, needing to be enhanced perhaps, but they are there.

Two things I would like to add as far as the Children and Youth Secretariat and how it relates to what we have been talking about. Under the topic of Restructuring Existing Services, there is a paragraph that says that parenting courses are most effective when provided to the parents of very young children. Courses could be delivered within the existing licensed daycare system or in association with neighbourhood schools and community centres.

So here again is another potential role for the community centre as a service delivery system: parenting courses, parenting networks, et cetera. A favourite of mine from years and years ago was the Core Area Initiative project called parent-child centres. I think it must have been under Core I because shortly after, in the early '90s, the core area funding died for the projects. There were five centres, and we asked the then Minister of Family Services to please consider funding those centres. The total cost would have been in the neighbourhood of \$300,000 for the seed money necessary to enable these five centres to continue operating. That did not happen.

I wonder if had something like that carried on—proven, volunteer-driven, locally delivered, very different services depending on the neighbourhoods that they were in, the perfect programs that the minister is talking about—if we had maintained that, there were literally hundreds of families who might very well have been enabled to provide better parenting skills. What a lot of these parents needed was some time out, some time with their kids, to talk with other parents. What are your problems? What drives you crazy? What do you do about it? Just those very basic interactive kinds of activities that often parents, i.e., mothers with small children, do not have the opportunity to engage in, and the sense of isolation that leads in many cases to very difficult social problems. So it is a small thing, could be delivered through community centres, could be delivered through other areas.

\* (2200)

Finally, there is a whole series that talks about how you can pay me now or you can pay me later. In effect, in child welfare, a high-cost institutional bed costs \$73,000 and a foster home \$24,000, a family group conference \$6,000 per family, and then it says, by

contrast, the annual cost per family of a parent mutual-aid network for high-risk families is \$2,609. Again, something like a parenting class out of a community centre or parent-child centres, very cost-effective, very preventive in nature, exactly the kind of thing that should be happening.

So, just some suggestions—I hope the minister takes a look at this strategy, and I hope the minister talks with the other departments that are involved in this because there is a role. I believe, for program delivery under the Department of Urban Affairs, plus maybe even more importantly the perspective that the minister can bring to some of these issues and the urban resources that can be brought to bear on this.

Finally, the minister talked in his discussion about some of these programs which are very good. He talked about the camp project that took place, a very short-term project, and the positive outcomes that were as a result of that quite simple, not very complex situation. Yes, the problem is that you need to build on that. You have to have continuity in those programs. You have to have something—those kids have at least one experience with a positive self-image. If they do not continue to build on that positive self-image, if they go back into a family situation which is negative, a school situation where they are getting further and further behind, nowhere else to go except the street, very quickly the positive impacts of this program will be negated.

That is the great thing about Rossbrook House. It has been there forever. It is a community institution and they do wonderful work with those kids. The problem with Rossbrook House is that it is trotted out by everybody as this wonderful example of what can happen, but Rossbrook House needs not to be a token. It needs to be a prototype of the kind of community process that can be implemented. They do not spend a lot of money on overhead; they do not spend a lot of money on salaries. Most community groups do not, but they need that seed money. Community centres need that seed money. You cannot work with volunteers in most cases without some kind of support, usually in the form of a staffperson at one level or another.

The odd community centre runs very well with that, but the community centres in the core of the city do not

have that resource to fall back on. They need something to energize that group of parents or that group of seniors or that group of young people that could act as a resource in providing services or interacting with kids in an inner-city community centre. I think we really need to rethink the concept that only parents can function in the volunteer capacities in community centres or other organizations.

So I think there is lots that we know how to do, and this for me is one of the most frustrating things about this kind of thing, is that it is not that we do not know what works. We do know what works. We are very inventive. This camp thing was really quite a brilliant idea. The pictures of the minister, on the other hand, were not all that brilliant, but never mind, I take awful pictures as well. The problem is that we know what to do, but we lack—and I am not saying just this government, and I wish there were some of the other government members here to hear this. It is not just this government. None of us have ever done as good a job as we need to do, but this government has been this government for 10 budgets. This government is not only the current government; it is the former government and the former, former government. So it is almost a decade. We are talking a long time here.

Let us build on the expertise and the knowledge that we have in the community and do something with it. The problem is we trot out Rossbrook House and do not ever say, okay, how can we replicate Rossbrook House in a number of other communities? Not to that extent, but how can we use the resources in our community to make the community work better? That is going to require political will and an economic focusing that is not here yet. There are some possibilities, but it needs to be worked on. So, ending then, I do not know precisely that there is a question.

**Mr. Reimer:** I would just like to add to what has been said in pointing out to the member that under the Winnipeg Development Agreement there is a very exciting component, the Innovative and Preventive Child and Family Services Program, which has been implemented by Minister Mitchelson and the Family Services department. That is an initiative of \$4.5 million, and the intent of it is to develop pilot projects and to test new directions. So I would think that there is room through that initiative under the Winnipeg

Development Agreement that we can—I really cannot give too much detail as to what and how things are transpiring because, as mentioned, it is under the direction of the Minister of Family Services. I can only point out that with an allocation of \$4.5 million I would think that there are some good programs or some directions that can come out of that. I know that the department is looking right now at, their department is looking at, how to implement that and which way they are going. I cannot give the member any indication as to when and how. They would have to ask during the Estimates of Family Services as to what the utilization is going to be.

That is one area where I think that we, through the Winnipeg Development Agreement and Urban Affairs, can work quite closely with Family Services. As regards the suggestion made by the member for looking at innovative partnerships and innovative input and direction, I look forward to the proposals that come forth from Family Services to be part of it because I feel that there will possibly be some exciting new directions coming out of that effort.

\* (2210)

**Ms. Barrett:** I hope the Minister of Urban Affairs feels that he can contribute to those projects.

This is a new, quite a new project, and I just want to know a little bit about it, more than has been in the newspapers, and that is the North Main strategic development project. How much money is coming from the province? I assume that the status is—we are fairly early on in the project, but if the minister could give me an update on that.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

**Mr. Reimer:** Maybe what I can just give is some of the parameters of what the North Main Economic Development is. It is a \$1.5-million program being implemented by the Province of Manitoba. It supports the commercial revitalization of the North Main commercial strip. The subprogram's intent is to define and enable a new positive commercial role for North Main. The program authorizations for the North Main Economic Development—oh, it is just Appendix A.

I understand that the proposal for the study of the area is in the process of being finalized, and the objectives of the proposal are to encourage and support the physical improvement and the expansion of businesses in the North Main commercial district. The proposal also is to strengthen the existing and stimulate new commercial development and employment opportunities on North Main Street, and also, thirdly, the objective is to link the North Main economic development program with the North Main strategic development program, the aboriginal community facility program, and other complementary programs of the WDA.

So the proposal has gone out. I believe that it is in the very formative stages or finalization stage of awarding the contract for this implementation study. I look forward to it. I believe that the time frame is very short for the study to be initiated, and I would hope that we can find some sort of resolve on it, even this year sometime to get things going in that area.

**Ms. Barrett:** I am talking about the North Main strategic development project, which is a \$6-million project that is under the auspices of the city, but I understood that it was to have some provincial input, or am I inaccurate in that?

**Mr. Reimer:** We will be part of the committee on this. My understanding is they are just in the very formative stage of implementing the development of the strategy, and other than the fact that we will be part of the committee, I do not think that they have moved too far on it yet at all. We have moved in our sector of the North Main economic development one, but as for the City of Winnipeg's commitment regarding the \$6-million North Main strategy, to the best of my knowledge, they have not gone too far into their implementation yet.

**Ms. Barrett:** The \$1.5 million that you talked about earlier under the North Main economic development part of WDA includes a contract for study you said. Could you explain a little more about the \$1.5 million, what the components of that are going to be and how you see that linking with what the city is coming up with the North Main strategic development project?

**Mr. Reimer:** I think what we will look for is the direction that will come out of the study itself. The \$1.5 million will be part of assisting in developing the priorities of the spending of this \$1.5. The study will give us a direction, and through that study we will have an ability to possibly flow the monies through the priorities that are set up through the study. What they will be, I could not speculate at this time as to what the study is going to come forth with.

The study does have the objectives in the broadest sense, as pointed out in my previous answer, regarding the encouragement of support of the physical improvement and the expansion of businesses, to strengthen the existing and stimulate new commercial development and employment, and also the linkage of the North Main economic development, the North Main strategy and the aboriginal community within that area. So once the study has been formalized, I would think that there would be a direction that would come out of that study, that we can look at some sort of objectives that we can set and priorities for expenditure from and through that study.

**Ms. Barrett:** So the cost for the study will come out of the \$1.5 million dollars. Did the minister say the contract had been awarded or was in the process of being awarded, and if it has been awarded, to whom?

**Mr. Reimer:** I believe there was a call for proposals. I do not know how many we received. Approximately—whatever, but I do not believe this has been a final award of who won the award, if you want to call it that. But, as to how many responded, I believe the person that handled it is not at the table here right now, so I cannot give her the exact number as to how many people or how many outfits responded.

**Ms. Barrett:** That is one of the problems with going free flowing, and that is fine. Do you have a time frame for when this study is to be done? I assume this million and a half is this fiscal year.

**Mr. Reimer:** Yes, I have just been informed that the package went out to 19 firms to respond. The parameters for reporting once the contract is awarded, and I have been led to believe to that we will be awarding to one of the firms within a very short time,



possibly before the end of May, and then they will have four months to respond to it.

**Ms. Barrett:** Okay. Were you aware—was the department aware when they sent out the contract call tender of this North Main strategic development project and, if not, do you now have plans to incorporate this study and potentially the million and a half into—not incorporate, but work alongside the city's strategic initiative?

**Mr. Reimer:** One of the things that was quite explicit in the Winnipeg Development Agreement—there are, I believe, 25 various components of funding that have become quite explicit in our dealings and our directions that we set up with our other two funding partners—is that we did not want to get into an overlap and duplication of funding. It became quite prevalent right from the very beginning not only in the correspondence, but in the verbiage that came through with the meetings that let us not layer programs one on top of the other and duplicate the wheel, if you want to call it, for the sake of getting money flowing.

\* (2220)

So, when committees meet—this is one of the reasons why the management committees meet quite regularly when they are looking at all various components of the Winnipeg Development Agreement, whether it is a funding proposal that is entirely by the city or by the province or by the federal government—there is a recognition and a correspondence of not overlapping or duplicating what we are doing with funding from the City of Winnipeg, so that we are not both throwing money through the same manhole, if you want to call it. So, yes, we have become very conscious of where the money is going, how it is being spent, and who is spending it, so that we are not doing the same thing that one of our other partners is doing.

**Ms. Barrett:** So you said earlier that the province is part of the committee that is going to oversee the \$22-million North Main strategic initiative that is being formulated by Joe Bova and Mary Richard and the city. So the province will be an active participant in that committee and, if so, does the minister know who the other players on that committee will be?

**Mr. Reimer:** I think the member may have misquoted. It was not \$22 million. It is only \$6 million on the North Main strategic development. The economic development that we are involved with—when I say we, I mean the provincial government—is \$1.5 million.

We would not be part of the so-called funding through the City of Winnipeg, but we would be aware and we would be privy to directions, so that we would make sure that there is not an overlap or a duplication through the planning committees that would be set up through the City of Winnipeg and the other two partners through the North Main strategic development. We would be aware of what they are doing, yes.

**Ms. Barrett:** I would like to revert now to the beginning of the process when we were talking about the prior year's Estimates and particularly something that we spent a great deal of time on last year which was the Capital Region Strategy. I am sure the minister remembers that. The minister actually did reference that discussion in his opening remarks, so I would just like to follow up a little bit on this.

I believe the minister mentioned—again, I just took notes so he will have to correct me if I am interpreting this incorrectly—that there was going to be a task force established to make recommendations dealing with the enhanced operations of the committee and how to implement the Capital Region Strategy.

If that is accurate, I would like to ask the minister to give me some background on the task force. Who is on the task force? What other terms of reference are there, if any? How does he see this playing out? What reporting mechanisms are there, to whom, anything he knows about that task force.

**Mr. Reimer:** It is relatively an output working off the recommendations of the Capital Region Committee. One of the steps along the way of the implementation of the Capital Region Strategy was the fact of the communities wanting to have a stronger lead and direction by the province in keeping the Capital Region Strategy working towards its objectives.

So it was discussed at one of the meetings that a committee be formed or a task force be formed. What the task force objectives would be is to look at ways

that the province can work in co-operation with the Capital Region Committee in bringing forth a positive direction, positive scenarios where there is a willingness to work co-operatively between the municipalities.

(Mr. Chairperson in the Chair)

So what was asked—it was a small task force of five members. There was one member from the City of Winnipeg, and then St. Francois Xavier had one and Headingley together. There is the Selkirk planning committee for one, Springfield and Tache and some other communities.

What it was, was there was a grouping of about two or three communities, each appointing one committee member for a total of five committee members, and this has been struck. They are in the process, I believe, of having a meeting shortly from what I understand—a regional meeting very shortly on that with the idea of trying to come up with a direction and a directive back to the committee and back to the minister as to what type of stronger role they see that this committee should take.

I feel that it behooves the committee to give the minister and the government more of a direction, outline and goals that they feel they should be pursuing. In this way they are part of the decision making, and they are part of the task force or the committee that makes the decisions on it and not government, per se, being the only decision maker involved with it. So I think that it is a positive step. I think that the more that the districts in and around Winnipeg—pardon me, the more that Winnipeg and around Winnipeg recognize that the best way to work towards resolve of problems is to work co-operatively and building on consensus, that it is better for the whole community. So Winnipeg has appointed their member, and we have got the other four members, and I would expect to hear from them in a short time as to what type of other directions they want us to take.

**Ms. Barrett:** Did the Capital Region committee give the task force a time by which they should report back or a regular reporting mechanism, or is it out there doing its job, or at one of the meetings of the Capital Region Strategy they will say, oops, maybe we should

hear from the task force, or is it a little more definite than that? Also, again, could the minister clarify the two comments that he made about the task force—I am assuming they are terms of reference: the enhanced operations of the committee and how to implement the strategies. Are those the two parameters that the task force has been given, or are there any more specific areas? Is there any one of the, I think there were five main groupings in the strategy report—does the task force have any prioritization of those main groupings, things that they would work on first, or are they pretty autonomous in what they are going to do? I guess, what kind of directives has the task force been given by the full committee, in a shortened form?

\* (2230)

**Mr. Reimer:** I should point out to the member that the task force is relatively new. It is something that grew out of a concern by the committee to try to bring it more down to a smaller working entity, instead of always having all the communities there. I believe there are what, 13 community centres around Winnipeg—[interjection]—17. I cannot remember the exact number. But, instead of having all these communities and the City of Winnipeg together all the time just to discuss, it might be better to condense it to this task force. So this is a relatively new entity in that it was, I believe, just struck with the final member coming on stream just before Christmas for the membership.

As for its role and its objectives, I think what we are trying to do is to give them the sense of trying to set up some of the priorities where they feel they would like to take the community and the committees, and I have not had a chance to correspond with them as a formal entity yet.

As a task force, like I mentioned, it is in the very formative stage. As to their meetings, I believe that we would hopefully have some meetings set up very shortly, so that we could try to get some sort of not only resolve but maybe a definition of priorities from them, possibly before the summer rolls around, certainly before the end of summer for sure.

**Ms. Barrett:** Talk about a glacial time frame here. It has been three months according to my calculation

since the last member of the committee was appointed. According to what the minister has just said, there has been no meeting set up yet, and the minister hopes that there will be something by the end of summer.

I guess my question would be who calls the meetings, and if there is not going to be any quicker turnaround or communication between the minister and this committee, then I wonder at the utility of having such a task force in place if it has been completed as far as its members are concerned for three months and nothing yet has transpired. Now, perhaps I am misunderstanding what the minister said, and if I have, I hope he tells me what the reality is.

**Mr. Reimer:** I have just been informed that the last member who was appointed, it was only within the last 30 days, so I guess I was a little premature in saying that everything happened before Christmas. I knew that we were talking about it before Christmas, but I understand that the City of Winnipeg just appointed their person within 30 days ago. That is the last person that needed to come on stream, if you want to call it.

We have been of the opinion that even with the formation of this task force, if there is a need for some sort of professional assistance to help them in setting up their parameters of understanding and direction, that we are prepared to assist them in setting this up. We feel fairly confident that this is the best way to try to get a resolve, to try to get a sense of purpose within the Capital Region Strategy in the sense that if we can get a task force to come up with objectives, they then can be taken back to the committee as a whole of all the communities around the city of Winnipeg, and we can start to work toward trying to come to some sort of resolve for the whole area.

It is a system that I think can work quite well, and it puts a little bit more emphasis on the fact that the Capital Region Strategy has the ability to make some decisions, not only that affect the city of Winnipeg, which is part of it, but the whole area, so that there is a sense of working toward the betterment of the community.

At the same time, it has the ability to assess again, which I have talked about before, where there is overlap and duplication and where there is the ability

for communities to share resources or common directions, and these are some of the things that a task force and a smaller group can look at possibly much more readily than the whole envelope of all the communities looking and trying to come to some sort of consensus building on it. I believe it is the best vehicle to try to get some sort of direction with the Capital Region Strategy.

**Ms. Barrett:** I do not disagree that a task force of subcommittee or an executive, or whatever the title is for this group, is not a bad idea. I think that it is probably a very good idea, but it is only as good as its actual implementation. You have said that the province is prepared to assist this group. Has a staffperson been assigned to work with this task force? Who appointed the task force? Was it a selection made by the Capital Region committee itself? Who will call the meetings of this task force? Again, I guess, is there any expectation that there is a report back other than at the regular meetings of the entire committee?

**Mr. Reimer:** The participation in the task force was strictly determined by the cluster of municipalities for a member to come forth. There was no appointment by our department or any other level of government other than the individual levels of government for the municipalities. The City of Winnipeg appointed one of their councillors as a member. I believe the member is Glen Murray. He is the member that has been appointed by the City of Winnipeg to be on this task force. The initiative to call the first meeting, I guess, will be up to the Department of Urban Affairs. Once I have got the comfort that the task force has been formally structured, which I believe it has been, just has been, I have no qualms about calling a meeting to get to know them in a sense, and to have a meeting with them. I would hope that I can call a meeting possibly within the next month or so anyway. It is a matter of trying to get everybody together. That is always the hardest part, trying to get the timing of six politicians to come together at the same time. That is the hardest part.

**Ms. Barrett:** I hope the minister does take this task force to heart and do something, because there is a lot of work that has gone into the Capital Region Strategy. We have discussed this at great length in the past and there are some major concerns, but it requires commitment on the part of everybody to discuss this.

This is, I think, a positive hiving off, if you will, of a group of people that could actually function in between the regular meetings. But it needs to be set up. It needs to actually start meeting and having some parameters put on it. I wish the minister well in getting them together.

One final comment or question about last year's Estimates, and that is with the City- Provincial Environmental Planning Committee that the minister mentioned in the Estimates last year and in the annual report on page 34. The '95-96 annual report talks about the committee, and that it issued its report on the status of 23 issues it considered during the year. I am wondering if the minister can share with us when this year's report will be available.

**Mr. Reimer:** I have been led to believe that this committee has been disbanded and it was through the initiative of the City of Winnipeg. The city was of the opinion that it had outlived its usefulness and there was not the need to continue with it, from what I have been led to believe.

\* (2240)

**Ms. Barrett:** So the province then just said fine, the city does not want to do it so we do not see any need to try and convince the city that perhaps there might be a continued utility for this planning committee.

**Mr. Reimer:** There had been consultations with the Department of Environment provincially, and the Department of Environment indicated that they feel the City of Winnipeg is now in a position where it can do an evaluation and has the capabilities of evaluation on itself. The city felt that they did not need to participate in that study anymore. So there was consultation with the Environment department and agreement in conjunction with their department that the city has the ability to make that type of decision now.

**Ms. Barrett:** What types of decisions is the city now being left on its own to make?

**Mr. Reimer:** I think that what could be of help is if we had the last meetings of the commission and the documentation that went towards that decision. We do not have that. We can get it for the member. It will

give us a bit more background as to the lead-up to that decision. We will endeavour to track that down so that there is more complete information for you.

**Ms. Barrett:** Thank you, I would appreciate that. I am not trying for a moment to say that more committees are better or that you should keep a committee going if it is not necessary, but these are major issues that this committee has dealt with in the past, so I would appreciate getting some background information as to why the city feels that it is able to do that on its own.

On another topic, we have been talking about the core of the city, and I would like to raise an issue about one part of the core of the city which is the downtown area, and one part of the downtown area which is the Eaton's situation. I know that I asked in Question Period of the minister, shortly after the Eaton's announcement came down, what was being developed, and it is clear from his answer and the Minister of Industry, Trade and Tourism's (Mr. Downey) answer that the lead department at that point was I, T and T and that they had a staffperson who was co-ordinating whatever actions were being undertaken on the part of the province to deal with this issue. I wonder if the Minister of Urban Affairs is working with the staff of I, T and T, what is the Department of Urban Affairs role, if any, in attempting to deal with this potentially devastating problem for the city of Winnipeg?

**Mr. Reimer:** I have been informed that there has been a multidepartmental committee set up to try to come to a recognition and resolve of the Eaton's situation down there. The person from our department is our Assistant Deputy Minister Heather MacKnight who will be sitting on that committee, and, as has been indicated by the member for Wellington, Industry, Trade and Tourism has taken the lead on this department.

I should point out to the member that I know Mayor Thompson has been very, very concerned about the fact of what might happen to Eaton's. She has perhaps one of the most direct accesses here in Winnipeg to the ear of Eaton's, if you want to call it, in the sense that because she used to be a buyer for Eaton's, she worked for Eaton's for quite a few years. In fact, she was a senior buyer with Eaton's and has become very well known to the Eaton family. I know this personally because I have been to various functions where the

Eatons family have been to, and there is a very close relationship between the mayor and Eatons. I would think that her ability to persuade is very strong, and in any type of relationships I would think that we have got a very positive aspect in the sense that the mayor of the city of Winnipeg will have just as much clout, if you want to call it, in talking to the Eatons as anybody in trying to keep Eaton's store some sort of a viable entity downtown.

Within our government, Industry, Trade and Tourism is the lead department. We are part of the multidepartmental setup that has been formed. With having one of our staff, our assistant deputy minister, on that committee I would be kept informed. But as to date I believe that we have not had much—they are just in the formative stages of discussion. So as to a report, I have not seen anything yet.

**Ms. Barrett:** Again, maybe not glacial in its timing, but we are in a very short time frame. The Minister of Industry, Trade and Tourism (Mr. Downey) sent a letter to George Eaton on March 18 outlining what the government was prepared to do and identifying Dennis Cleve of his department as the contact person. It is now April 7. Not a lot of time has passed, certainly not in traditional governmental time frames, but we are dealing here with a crisis. We are not dealing with something that can be dealt with in the normal time frames. If this multidepartmental committee has not met or the minister has not heard about any activities that this multidepartmental committee has undertaken, I have some serious concerns about this. We are talking about an anchor, major anchor for the downtown area, an area that hangs on year by year that has potential for growth, has potential for stability. Without something in that 880,000-square-foot building, downtown Winnipeg is going to lose its balance literally. We do not have a lot of time. I would suggest to you that Mayor Susan Thompson, with her personal connection to George Eaton, at this point is not probably the most influential person or entity that should be discussing this issue with him.

\* (2250)

He is not, I would imagine, going to respond to a single person even though she was a senior buyer, has personal contacts and is currently the mayor of the city.

If there is not a very clearly defined position taken by the Province of Manitoba on this issue which affects two-thirds of the province of Manitoba, why would George Eaton give a care about what happens with Eaton's?

It is totally incumbent upon the province to take the major leadership role here. If the province is not prepared to say this is essential to the health of our city, the city that incorporates two-thirds of our province, our city that the minister just earlier tonight said was a huge economic engine, if the government waits for three weeks before it even has a meeting about this multidepartmental committee on an issue of critical importance, with a time line that is less than three months away, bottom line less than three months away, then what message does that send to George Eaton and the vulture buyers in New York?

It seems to me it sends a pretty dreadful message. I would like to have the minister explain to me why nothing has happened.

**Mr. Reimer:** I have to point out to the member that Industry, Trade and Tourism, and I think she recognized this, is the lead department on that. They have assigned people to do the phone calls, to do the research, to do the background, to do the whatever needs or information has to be gleaned. I, as Minister of Urban Affairs, would not be privy to what is happening on that basis simply by the fact that it is handled and directed strictly by another department.

We would become involved in a sense because as the Urban Affairs minister, we have the assistant deputy minister sit on the committee in the logistics and the basic consultation basis with this committee, this interdepartmental committee. The ongoing and the day-to-day inquiries and correspondence, it would be better to be questioning I, T and T as to what is happening and what progress or direction is coming out of their meetings or correspondence or telephone calls or whatever they are doing. I just do not have that type of information available to me to really make the answer properly.

**Ms. Barrett:** Excuse me, but the minister says he does not have information on the role of the multidepartmental committee dealing with this critical,

very time-sensitive issue, that it is handled strictly by another department. I cannot believe that the Minister of Urban Affairs—knowing he is coming into Estimates, knowing that the issue of Eaton's is a hugely important issue for the city of Winnipeg and should be a hugely important issue for the entire government of the province of Manitoba—does not have a report from his assistant deputy minister on this issue. Now something is wrong here.

It has been 20 days since that letter was written by the Minister of I, T and T, which means it has been at least a day or two earlier than that that the I, T and T took the lead on this. I cannot imagine the minister not wanting to know what is going on. If the Minister of Urban Affairs does not care about what is going on with Eaton's, then the people of Winnipeg need to know this and the impression that they have that this government does not care about the city of Winnipeg, that it puts very little importance to the city of Winnipeg, is borne out completely. I cannot believe that the minister does not have the interest in finding out from his assistant deputy minister about what is going on with this committee. Why not? What are you waiting for? June 29?

**Mr. Reimer:** There has to be a recognition by the member that the tragedy of any type of bankruptcy of a large scale, or the potential bankruptcy of a large scale major retailer like this, is something that is of enormous magnitude in its parameters of repercussions within the industry, not only within the industry, but as pointed out by the people who are working, the employees of Eaton's, the employees of the suppliers of Eaton's commodities, the stores that are in and around Eaton's. It has a huge magnitude of ramifications of what can happen with Eaton's.

Discussions that involve any type of bankruptcy or working with creditors or working with trying to come to some sort of resolve with the suppliers is something of a very delicate nature within business. Government has a role possibly to play, as mentioned by the member, of trying to find out what is the best way to facilitate these types of situations within the city of Winnipeg, but it is not something that is made public in a sense that all moves are open and transparent as to what negotiations are happening and transpiring within the negotiations.

There are formats and formulations that come about in any type of foreclosure or proceedings toward foreclosure. The development of assets, the listing of assets, the creditors, the securing of creditors, the paying off of creditors, the lines of communications that have to be set up between the suppliers and your creditors and the disbursement of funds and the end product of trying to keep the business viable is always in the back of everybody's mind as trying to save the company. These are all very delicate correspondences and very delicate situations of concern.

The only time that these things should become public knowledge is when there is a resolve on all these problems or definite objectives have been set up or definite solutions have come forth from all these discussions. Once that comes about, then there is the comfort factor of all the various people that are working, the employees and everything else like that, all these things have to be brought into consideration when they start to do negotiations with such a large economic catastrophe with the so-called bankruptcy of Eaton's.

To be privy to everything along these things for the sake of knowing what is going on sometimes can be of a detriment in trying to come to some sort of resolve of an amicable solution towards keeping Eaton's here in Winnipeg. So the negotiations that are going on between Eaton's right now that this government or I, T and T is involved with should be kept in a proprietary nature in a sense because these are very delicate negotiations and very delicate situations. To say that I should be aware of everything and everything that is going on, this is a huge undertaking that Eaton's is going through in the restructuring and at the same time trying to cling to its own existence and at the same time trying to establish itself in the market as a large retail giant. These are tremendous pressures that the company is going through right now, and they are trying to be, I guess, as diligent as they can be in trying to come to some sort of resolve. So naturally I would not be privy to a lot of the decisions that Eaton's is going through in trying to look at which way and the directions that they are going to be involved with staying or who is staying or who is not staying here in Winnipeg.

\* (2300)

We are concerned naturally by trying to protect not only Eaton's and the jobs that go along with Eaton's but the whole entity in itself. It is an institution here in Winnipeg that goes back to, well, when was it, the turn of the century, I guess, when Eaton's first came here, and it is a long-established business that granted we should try and do everything we can to keep in Winnipeg, but when the realities set in and the economic decisions of viability dictate how things happen, a lot of times decisions are made that we can have nothing to do with and we cannot control those decisions. So we cannot be privy to every decision that is going to happen over on Portage Avenue regarding that building.

**Ms. Barrett:** The minister's answer would have rung truer had it been the first answer that he had given, not the second answer he had given. First of all, the minister was not lecturing but the minister knows, does not have to tell me or anybody in the city of Winnipeg about the importance of Eaton's. That is the whole point of this concern, the importance of Eaton's, economically, socially, historically, Eaton's as an entity and that physical building there. We already have a glut of downtown office space for a variety of reasons; 880,000 square feet coming onto that market can have nothing but an enormously devastating impact on the value of retail space in the whole city of Winnipeg. The ripple effect could be catastrophic with unbelievable consequences to the assessment process and the assessment money that would come into the City of Winnipeg.

All of those factors are vital and should—I am not asking that the minister share with me details about negotiations, nor am I asking that the minister say anything other than what I did not hear him say, which was, I am in contact with my representative on the multidepartmental committee that is talking about the issue of Eaton's; we are talking very seriously amongst ourselves and with other partners and stakeholders in this process.

Had the minister said that to me, that would have been the end of it. But the minister did not say that. The minister said: I do not know what is going on with that multidepartmental committee, not, I do not know the specifics. Nor would I expect the minister to know the specifics. As a matter of fact, it makes eminent

sense that I, T and T is the lead department in this because they have a lot more staff than Urban Affairs does. They have the people, I am sure, who can deal with the number crunching and all the fiscal elements here and also who do, supposedly, have expertise in industrial and business development. This makes eminent sense, no question about that. It also makes eminent sense that there is a representative dealing with this issue from Urban Affairs because of the enormous impact on the city of Winnipeg and, by extension, the province of Manitoba should Eaton's fall apart.

But for the minister to say—and I believe he was being honest in his first answer—he does not know what is going on, that is something that I find very difficult to believe. I am sure there are meetings happening. I am sure things are being undertaken, and I would not for a moment, as I have said, want to ask any specific questions or get any information that needs to be kept private for the time being, no question about that. All we want is to see that the provincial government takes this thing seriously. Frankly, I do not see that the Minister of Urban Affairs takes this seriously if he has his ADM, who is a very critical person in the department, being on a committee and does not ask his ADM what is happening, generally speaking. Why else is she on this committee if not to come back and report back to the Minister of Urban Affairs so he knows basically what is going on?

So I will leave it at that. I am very disappointed, I must say, in the response, but frankly not completely surprised by it, because I think it does show that while the government may talk about the importance of Winnipeg and the economic engine that Winnipeg has, when it comes right down to it, this minister does not appear to have enough interest in the issue to ask his staffperson for a report on it, particularly when he knows we are going into Estimates. He must know that I am going to ask questions about Eaton's. I ask questions of him in the House.

I will leave it at that. If the minister would like to respond, I do have another major financial concern that I would like to raise before we end tonight.

**Mr. Reimer:** I do not have too much more to add to what the member has mentioned other than the fact that I can assure her that the concerns she has are concerns

that we as a government have too, that we are very, very concerned about Eaton's and the viability of Eaton's and are striving to work towards some sort of resolve that is of benefit to not only Eaton's but more importantly to the employees of Eaton's, because there are an awful lot of people that would be affected by any type of closure of a large department store like that. The Eaton family I do not imagine would be hurt by what would happen, but it is the employees of Eaton's and all the jobs that go along with it that I think we as a government are very, very concerned about.

**Ms. Barrett:** I would like to go on to another potential problem facing the city of Winnipeg and that is the Winnport situation. For years we have been hearing about Winnport, and we in the opposition have supported the concept of Winnport. We have met several times with key players in Winnport for two or three years now. I have some concerns about how some of the environmental—and other concerns about how Winnport would be developed and implemented, but the concept had and continues to have our support.

However, there has not been much movement. There has been a lot of, oh, things are moving along; yes, we anticipate \$6 million and 6,000 jobs and all this kind of stuff, but no specifics that you—tangible specifics. Now we read, just last week, where the president of Winnport, Lynn Bishop, is admitting now that the footprint of Winnport, if you will, has been severely truncated. We have lost, it would appear, at least the toes of the footprint of what Winnport was envisioned originally to be, even in its initial stages, which was to provide a 24-hour cargo airport facility serviced by planes owned by airlines. Now we find out that no, Winnport itself will have to lease or buy the planes, that the jobs that were talked about for a long time, Lynn Bishop says, will be severely reduced.

\* (2310)

Things appear to be not all they should be at this point in time. I am wondering if the minister or any of his staff are participating in—I mean, I know the government is on the Winnport team, and I am wondering if the minister has anything to share at this point about Winnport and the problems that are involved in it at this point.

**Mr. Reimer:** The member has mentioned Winnport. Winnport has become more and more of a topic recently with the fact that, under the Winnipeg Development Agreement, there was an allocation of funding through the Transportation department for \$5 million.

Part of this allocation of funding was to set up a business plan to look at various components of how much capital should be raised from the outside—when I say “outside,” I mean outside of government through private enterprise and private entrepreneurship—the assembly of land and how that should go about, the jurisdiction of that land, because there is land in the city of Winnipeg and there is land from Rosser involved with it, and the jurisdiction of that land.

They are also in the process of dealing with the airport authority through this business plan. From what I have been led to understand, these are the directives that have been put forth through the Winnipeg Development Agreement and the business plan, I believe, has not been finished as yet. The time frame on it was—it is very close to completion from what I understand, but it has not been presented as yet. So that is more or less where the Winnport initiative is standing right now. There has been, as mentioned by the member, an article in the paper regarding the leasing of airplanes and the setting up of contracts for that, and those are other areas I believe that they are looking at and trying to develop.

**Ms. Barrett:** A couple of questions. Who was working on the business plan? Secondly, how does the information that we have just received this last week impact on the business plan? Is the change in the scope of the first phase, if you will, of Winnport going to be reflected in the business plan? How does the timing mesh together?

**Mr. Reimer:** I have been informed that Winnport is the organization that is doing the business plan. We have not seen a copy of the business plan to date yet. They have not presented us with a copy of it yet, of the final one I should say.

**Ms. Barrett:** I would like to speak a bit about the I.D.G. Stanley report. It is a very extensive report, dealing with many of the issues surrounding the full



implementation of Winnport, some very important issues. One of the ones that I am most particularly interested in is their discussion of the management structure of Winnport and the alternative models that are being put forward as possible models for the management structure. They suggest that instead of a public development corporation or a private development corporation there be a public-private partnership arrangement that would reflect Winnport landowners and the airport authority and private ownership. The people in the public sector would be Rosser, Winnipeg, the province and the Government of Canada.

They talk about in particular the landowners, saying the landowners have formed an unincorporated association with representation of the major landholdings in the planning area. Do you know who these landholders are, what this unincorporated landowners association, who they are made up of?

**Mr. Reimer:** Other than going through the Land Titles Office, I could not give the member the specific names of the landowners in that area other than I have been informed that there are approximately 20 or so various landowners within that component—more than 20, I am being told—within that area. We do not have the actual list of the landowners.

**Ms. Barrett:** Mr. Chair, one other area in the IDG Stanley report talks about how you actually implement Winnport and the problems surrounding, the challenges facing an entity that crosses several political jurisdictions and has a lot of potential partners.

What they recommend is a new jurisdictional entity which would take the airport area out of the jurisdiction of the city and the Municipality of Rosser and create a new administrative entity that would deal with land use regulation and development, taxation, sewer and water rates and municipal servicing obligations.

\* (2320)

Then there is a sentence here—well, two sentences—that when I read them flew out at me, and I think the minister will understand that when I read them, and they are, and I quote: The principal advantage of this alternative is that it does not subject the new entity to

any restrictions inherent in the existing legislation. Essentially, it allows the province to start with a clean slate.

You can imagine my consternation when I read these two sentences, thinking, oh dear. I am wondering if the minister could comment on that concept of a new entity which would not be bound by any current legislation.

**Mr. Reimer:** The property in question is interesting in the sense that there are two jurisdictions that, so-called, oversee it. You have the City of Winnipeg with part of it, and you have the R.M. of Rosser with part of the property, too, and then, as has been pointed out, there is also the government level of ownership through the Department of Transportation that has a chunk of that property federally.

So the fact of jurisdiction, I think, came out of the fact that when there was a fair amount of discussion as to Winnport, one of the areas they looked at for consultation was an operation in Huntsville, Alabama, that entity down in that area, and the fact that down in Texas, I believe it is, there is another entity that is under the management of the infamous Ross Perot, and it is set up as a, what is the word for it—I guess, a free market or a duty-free zone or some free-trade zone. It had that type of situation.

I guess there are a lot of different scenarios that can be brought up in trying to create the Winnport situation here in Winnipeg, and the concept that the member has brought up regarding an entity outside of the jurisdiction of the—how should I word that? How did you word it? Outside the jurisdiction of provincial authority, I believe you said.

**Ms. Barrett:** Yes, the Stanley Report says the principal advantage is that it does not subject the new entity to any restrictions inherent in the existing legislation. It allows the province to start with a clean slate.

**Mr. Reimer:** I do not know how we would interpret that “clean slate.” I can only think that the rules and the regulations regarding normal business practices and environmental concerns and jurisdictional directions would have to be complied with in a sense of building codes and environmental codes, and that would have to

be adhered to in any type of establishment that is set up within the jurisdictions of Winnipeg or Manitoba in a sense. I believe what has been alluded to and something that the City of Winnipeg and Rosser are looking at—and it could be part of the answer that the member is looking for—is because of the fact that the two entities both have a so-called shared interest in Winnport, that they do come to some sort of understanding of the jurisdiction and the jurisdiction responsibilities between Rosser and Winnipeg. I believe the City of Winnipeg and Rosser are working on some sort of an understanding of that right now. Whether they have come up with an answer, they have not relayed it to us yet.

**Ms. Barrett:** I am still not satisfied. I am very concerned that a new jurisdictional entity that was not technically responsible to existing legislation allows for the potential for a great deal of bad legislation to be put in place, bad in a sense that you could theoretically draft legislation that would allow environmental concerns to take a back seat, that would allow the private part of the partnership to have more control than the public part. There are a whole bunch of currently available good restrictions to unfetter development that potentially could be eliminated through this jurisdictional entity.

**Mr. Reimer:** I think it should be pointed out that, in any type of plan or jurisdictional authority or something along that manner where there is government funding involved with it which we have indicated regarding our \$5-million allocation that we have put, we would recognize anything that was of a difference in structure that we would have to make a decision on, and it would have to come before some pretty close scrutiny under our government if we were having a departure from the norm of any type of new entity that was being formed through the report. We would still have a very strong indication and a strong presence in any type of decision that was brought forth in any type of new jurisdictional or a different type of jurisdictional direction that the report is recommending.

No recommendation has been brought forth to us. There has been no decision. The business plan has not even been presented to us yet. We are dealing in a sense of speculation in a sense as to what and if could happen. So, until we get a report, until we get a

recommendation, that is when decisions have to be made; that is when there is room for discussion and decision making. It is a bit speculative to set up definitive answers at this time on those.

\* (2330)

**Ms. Barrett:** I recognize that it is speculative at this point, but I did want to raise the concern. Is the minister, is the department, concerned about the delays of Winnport and the changing concept of the—I suppose it is phase one that is being changed. It sounds from the media coverage that it is a much scaled-back phase one. Maybe this is a question that the minister could ask Mr. Bishop or the Winnport committee.

If this is the new scaled-back Winnport phase one, are there going to be any changes to the anticipated infrastructure costs which, according to IDG Stanley, have more of the front-end infrastructure costs in phase one charged against the various levels of government than the private developers? The major roads, for example, in phase one, \$4.5 million would be charged to the developers, the private part of the private-public ownership and \$27 million would be charged against the various levels of government, which is quite an extensive change. All of the waste water, sewers and water mains would be government expenses, and only a small portion of drainage facilities would be charged against the private developer. So at the end of the first phase the total for that kind of infrastructure would be \$10.2 million for the private part of the partnership and \$36.3 million for the public partnership. Now that, over the final phases, reverses itself, and there are more costs associated with the private developers. But in the first phase it is front-ended against the various levels of government.

So what in effect they are saying is widening Inkster-Brookside Boulevard, which is in the works now, change Silver Avenue and deal with Saskatchewan Avenue, for example. In a sense, and maybe more and more on spec because they are at least a year late in even starting Winnport and now it is being cut way back in its focus, is the public part of this partnership going to get out of Winnport what they expected to get out of it when they sort of agreed to the process in the first place? And what is the department's role in dealing with this situation?

**Mr. Reimer:** In addressing the first part of the question that the member asked regarding the speed of decision making, I guess it is like everything, naturally you want to get on with the project and get things moving because it has a tremendous amount of potential and appeal for the export of our products. If anything, we have seen a very significant explosion, if you want to call it, in our agri-food business here in Manitoba, which is very, very conducive to exporting, which has grown at a very significant rate. One of the biggest advantages of having a 24-hour operation airport here in Manitoba is the fact that we can ship continually around the clock out of Winnipeg.

Winnport would fit into this scenario quite readily because of the fact that we have the Central time zone. We are central in North America in a sense that it is, from what I understand, less than—I have been told it is between a 200 kilometres to 300 kilometres difference between Tokyo and Los Angeles and Tokyo and Winnipeg in air miles, so the transportation of goods is just as an advantage to go to Winnipeg as it is to go to L.A. We have the advantage of shipping into about a 20-million person market in a very short period, so naturally the speed of trying to get Winnport going is of a concern to us, and naturally we want to get this industry going.

One of the criteria that has always been first and foremost with Winnport is the private entrepreneurship and private money involved. The fact of having private involvement with it is very, very important. It is like the adage that we have seen on TV, the cliché of “show me the money.” That is exactly what has to happen to get the private industry involved here. They have to be involved with it. This will not be solely a public partnership in trying to get this thing off the ground. We are of a firm commitment that unless there is a private initiative, private ownership and private participation but, more importantly, private money involved with Winnport, we cannot be the sole jurisdiction of funding on this entity.

It is very important that this come about. The business plan that was proposed, if the business plan is adjusted, as has been indicated in the newspaper, is scaled back, we would only expect that our partnership would have to be scaled back at the same amount. We will not be sole proprietor, if you want to call it, of

funding for this project. It is made very clear that private money has to be on the table, because it is just not a go-show if it is just our level of money. Whether it is our money or federal money, we cannot just layer the public's dollars onto something that private enterprise is pushing and promoting, and, like I say, they have to be at the table.

So naturally we are concerned. We would like to see it go as fast as possible. We have tremendous markets to export. We have a pork market that is growing by leaps and bounds. The hog marketing board and the marketing of hogs is something that is becoming quite aggressive here in Manitoba. The market for hogs in the Far East, from what I understand, into China, into Asia, into Japan and Taiwan is a huge market that we want this market to expand. So when we look at these partnerships we do not necessarily just mean that it is our money on the table. We expect it to be accountable, that it is not only our money but the City of Winnipeg's and the feds' as a public component also. It is something that we feel optimistic that Winnport will still happen. We just feel that, like anything, we would like to see it happen a lot sooner.

**Ms. Barrett:** The minister said that, if Winnport is scaled back, then the public contribution will be scaled back by the same amount. It is my understanding, for example, that the widening of Brookside Boulevard is well underway, that for the expropriation of the final piece of property the Order-in-Council came through to deal with that. It is in the budgets this year. It is a go.

For example, this is kind of facetious, but what portion of that widening of Inkster Boulevard would not take place if Winnport is scaled back by 25 percent. I think I know what the minister is talking about. Let me just ask a couple of other questions in light of this too. In the article it talked about the fact that while the airlift, i.e., the cargo planes, is scheduled to begin a year from now. They were scheduled to begin in 1996 with seven or eight flights per week. No additional private-sector financing has been solicited, and later it says that in order for them to work with the mini FedEx that Winnport is developing which, they anticipate, will generate about 200 jobs, they have to raise \$30 million in new private-sector financing this year for that to happen, and that is a key component to this as well. Mr. Bishop is convinced and sure and confident and

optimistic. These are not words that fill me, frankly, with a great deal of security given what has happened to Winnport in the past while.

Does the minister have—I guess I am circling back to the beginning of the question. Does the minister have contingency plans. Will he put some of this on hold, for example, the Brookside twinning on hold until that \$30 million is in place, when he said, show me the money. Is he prepared to say, we are not going to do this until you show us the money, Mr. Bishop?

\* (2340)

**Mr. Reimer:** Brookside Boulevard was identified even before Winnport was identified as a target for expansion and expenditure. Brookside Boulevard has been, if you want to call it, the home of some very large trucking firms here in Winnipeg. In fact, I believe here in Winnipeg we have seven of the 10 largest trucking firms in Canada and the majority of them are located on Brookside Boulevard. Brookside Boulevard has become a safety hazard to an extent because of its two-lane nature and with the amount of trucks that were running up and down that stretch of road, so Brookside Boulevard was actually identified quite a few years ago before even Winnport came on to the horizon, that it needed to be expanded.

Brookside Boulevard will continue on the course that has been outlined for expansion. There will be no scaling back of funding that I was relating to regarding Winnport. It has been pointed out that the truck traffic and the fact that we are trying to encourage truck terminaling here in Manitoba. It only gives good common sense to have good roads, and Brookside Boulevard has been identified as a safety hazard, as a road that should be improved and twinned. It is shown that the trucking business here in Manitoba has grown at a very, very extraordinary clip. From what I understand, there is room for over 200 new drivers in the trucking industry. It is something that we have captured, in a sense, because of the entrepreneurship and the hard work of some very dedicated individuals in the trucking industry. So the twinning of Brookside is just a natural extension of good safety features and economic sense for a business that was there long before Winnport was even on the drawing boards.

**Ms. Barrett:** It also will make the BFI trucks have a much easier way of going out to the landfill in Rosser. However, that is another topic which we will get into later.

I know I know this. I know I have seen it somewhere, but I cannot put my finger on it. Are there other capital infrastructure projects that are envisaged for this year that relate directly to Winnport?

**Mr. Reimer:** Not that I am aware of, no.

**Ms. Barrett:** Okay. So, given that Brookside is going to be twinned, regardless of Winnport—that is an independent decision that has been reached for reasons not dealing directly with Winnport—what the minister is saying is that the exposure of the province and/or the city for infrastructure costs to Winnport, there is no exposure at this point in this year's budget. By that I mean, there are not infrastructure projects that are going underway solely or largely because of Winnport that would not be undertaken if Winnport were not moving ahead.

**Mr. Reimer:** I really could not speculate as to other jurisdictions or other areas, but to the best of my knowledge we do not have anything planned, no.

**Ms. Barrett:** So the Saskatchewan and Silver Avenues extensions and expansions and I think in the case of one of them moving the road—[interjection]—Sturgeon Road, thank you—none of that is on the drawing boards for this year, so that if Winnport—heaven forbid—were to go belly up or to extend its deadline for another period of time, there would not be infrastructure underway that would not be needed if Winnport did not exist.

**Mr. Reimer:** No, not to our knowledge.

**Ms. Barrett:** Could the minister refresh my memory as to when this business plan that is underway is supposed to be in hand very shortly?

**Mr. Reimer:** The member was asking about the submission of the report. I would think that we would be getting that report possibly within the next two or three months from Winnport.

**Ms. Barrett:** Mr. Chair, I certainly do not want to have access to anything that I should not have access to, but I am wondering if it would be possible for the minister to let me know when you have access to that business plan just so I know it is in hand and can perhaps ask questions about that.

**Mr. Reimer:** You betcha.

**Ms. Barrett:** Thank you. I have several other areas that I would like to get into, and I am wondering if it is the will of the committee to call it twelve o'clock.

**Mr. Chairperson:** Is it the will of the committee to call it twelve o'clock? [agreed] The time being twelve o'clock, committee rise.

### EXECUTIVE COUNCIL

**Mr. Chairperson (Marcel Laurendeau):** Would the Committee of Supply please come to order.

This section of the Committee of Supply has been dealing with the Estimates for Executive Council. We are on Resolution 2.1(b) Management and Administration.

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I just had a couple of questions coming out of this particular area, line of questioning, that the Leader of the New Democratic Party (Mr. Doer) was asking, and that is with respect to Executive Council. With Mr. Leitch, the Premier had indicated that he gets an annual salary. In one of the Public Accounts, the '94-95 Public Accounts, Executive Council indicated that Mr. Leitch in addition received \$18,836.

I am wondering if the Premier would be able to indicate what that money would have been used for or why Mr. Leitch would have been provided that money.

**Mr. Chairperson:** Could I ask the honourable member to identify which Accounts he was looking at?

**Mr. Lamoureux:** Yes, Mr. Chairperson, it is Public Accounts '94-95. It is highlighted.

**Hon. Gary Filmon (Premier):** I am going to suggest that that is a question for Public Accounts committee.

We are dealing with the 1997-98 Estimates of Expenditure, and we are dealing with the numbers that are in there. I think he would have to go to Public Accounts committee to have that question answered.

**Mr. Lamoureux:** I know that the Premier has at least attempted to be as up front as possible with respect to tabling information with respect to salaries which people are making within the Executive Council. I think that it would, in fact, be appropriate to pose the question, are there additional monies that are given, in whatever way, to members of the Executive Council? Here is just one example which was brought to my attention.

I guess, ultimately, I would ask the Premier, has Mr. Leitch, for example, because his name is the one that appears in Public Accounts, been receiving additional monies, and what would he have been receiving those monies for?

**Mr. Filmon:** I am informed that this section that he is referring to would include any expenses that would be incurred with respect to travel, entertainment, registration at conferences, whatever else would be allowable expenses for the Clerk of the Executive Council.

**Mr. Lamoureux:** An individual who works for Executive Council, would they not have a spending account, or does the department not have some sort of a spending account that would take those sorts of expenditures? I am wondering why the money would have been given to—I trust the reason why it is showing up under his name is because a cheque would have been cut in his name.

Are these reimbursements then that we are looking at? If that is, in fact, the case, is this something that has been ongoing over the years? For example, in the next year's Public Accounts, will we again see expenditures?

**Mr. Filmon:** I am informed that it is a reimbursement for allowable expenses, out-of-pocket expenses, and is no different than that which shows up for other public servants in similar fashion in the Public Accounts.

**Mr. Gary Doer (Leader of the Opposition):** Dealing with some policy issues now, the Premier on previous

occasions, in fact in a town hall meeting in 1995 had stated that the government would be saving \$10 million to privatize the Home Care Program in Manitoba. The Minister of Health, the new Minister of Health (Mr. Praznik), has said that there is very little savings to be realized by the privatization.

Was the Premier given wrong information by his staff, and why did he communicate this to the public in terms of justifying the original decision to privatize all of home care?

**Mr. Filmon:** Mr. Chairman, I think that at the time we were dealing with a vastly different proposal. We decided to scale down the privatization from a larger privatization to no more than 25 percent, I believe, of home care, and subsequently contracts have been issued for the new clients in only two quadrants.

With all due respect, this is not my area of responsibility; it is that of the Minister of Health. I do not have the details at my fingertips, but I am operating based on my recollection of the events. The decision was made to award a contract that was referred to in Question Period today to the Olsten temporary, or at least Olsten health services, and it was for an area in which there were savings to be realized. Those savings I think have been referred to by the Minister of Health.

**Mr. Doer:** It is the Premier's word about the \$10 million, so I thought that he would be responsible for his own public commitment and his own public statement. Of course, his statement was at variance from the former Minister of Health who said they did not know what the savings would be. Then, of course, the Premier said there would be \$10-million savings, and now the new Minister of Health is saying a very small saving to deal with the proposal, their so-called scaled down proposal.

So there are two Ministers of Health who have said one thing, and the Premier who said quite the opposite in the town hall meeting. Was the Premier wrong when he made the \$10-million statement?

**Mr. Filmon:** Mr. Chairman, I would expect a little more honesty on the part of the Leader of the Opposition when he refers to—firstly, it was a proposal that was vastly different from what has been awarded.

As I indicated, the estimates were of full privatization of services, that there could be savings in the amount of \$10 million. I at all times indicated, we as a government have indicated, that we would not be absolutely certain of that until we had gone through a tender process in estimates and had tenders called for and then contracts awarded. The proposal is entirely different to what was being debated two years ago in that it represents now an award of a contract for the new clients in two quadrants, hardly anywhere close to the proposal that we were discussing two years ago.

So it was not a promise; it was not a commitment. It was an estimate of a possible award of all home care. We are not anywhere close to that. We are dealing with a small fraction of what we were dealing with potentially at the time. Whether we are dealing with a privatization that refers to 5 percent of home care at the moment, if that is so, then what would 100 percent achieve?

If we were going to do it, who can compare now when they are such vastly different proposals? All we can say is that we have awarded a contract based on an area that does save money for the taxpayer, and the government is satisfied that it is the right decision to make.

**Mr. Doer:** Well, the word "honesty" is thrown around by the Premier and he should be very careful, because his former Minister of Health had a different number than he did on the same proposal. His present Minister of Health has a different number than he has on a different proposal—[interjection] Let me finish. His own advisory group, a home care advisory group appointed by the government, said there would be no cost saving and it would cost more. So they had a different position of honesty than the Premier in his statement about the \$10 million.

Connie Curran said it would cost more, a person who received a great deal of remuneration on behalf of the Manitoba public. Dr. Evelyn Shapiro said it would cost more and did the studies in Vancouver, Quebec City, and a number of other jurisdictions internationally. So all we have in terms of honesty, we can believe Evelyn Shapiro, Connie Curran, the government's own advisory committee on home care and two Ministers of

Health, one now and one previous—albeit that the Minister of Health is now looking at a different proposal, the present minister—or we can believe the Premier.

Was the Premier telling the truth when he said \$10 million, or was he just trying to justify a horrible ideological decision when he made that statement in the town hall meeting to the public of Manitoba?

\* (2010)

**Mr. Filmon:** Mr. Chairman, I know that the Leader opposite is trying to enter into some sort of philosophical debate, and he stretches the truth wildly and irrationally by trying to make comparisons on entirely different proposals. All we do know is that a contract has been awarded for the new home care services in two quadrants of the city of Winnipeg amounting to, I think, a small fraction of the total home care to be delivered in this province.

That contract will be delivered at a price that will save the taxpayer money in the province of Manitoba, about 10 percent less than the cost would have been to do it through our direct forces. So we do know that this has nothing to do with ideology. It is a practical solution to a practical challenge, and that is to be able to provide home care to an ever-increasing demand at a savings to the taxpayer, and that is precisely what we have achieved.

There is no ideology involved, otherwise we would have proceeded with full privatization without going through this kind of process of demonstrating whether or not there can be savings and picking and choosing those areas in which we can produce savings while providing an appropriate and at least equal level of service to the clients of home care.

**Mr. Doer:** Of course, the Premier will note that there was quite a bit of opposition from the public to the extreme and ideological decision of the government. [interjection] I apparently did not hear all of what the Premier said earlier today when the Minister of Education was interrupting the proceedings. If she wants to be part of the Estimates process in here, perhaps the Premier could bring her to the table. If not, I would ask her to be called to order.

If I have missed something that the Premier stated earlier in the afternoon when the Minister of Education was yapping on in such a rude way, then I think that the Minister of Education should be controlled by the First Minister and allow us to have our disagreements, but let us have our disagreements on our own. We do not need any help from the Minister of Education, I assure you.

I would like to ask the First Minister a question on the privatization of home care. On the whole issue of home care privatization, can the Premier indicate to me the quality standards that were used by the government to make this decision? There are two parts to health care, obviously. It is the cost and the quality of care. I mean, you could get somebody that did not have any experience providing a health care service with inadequate or substandard—and I am not saying this company has not—but how can I tell a constituent in the northeast quadrant of the city, a person, a new home care patient, say, on Hawthorne, how can I assure them that the quality standards that have been available and documented by all kinds of studies on nonprofit, publicly administered home care, how can I assure them they are going to have the same quality of care under the new private system?

**Mr. Filmon:** Mr. Chairman, with all due respect, that is an issue of detail that should be more properly asked of the Minister of Health in the process of Estimates debate for the Ministry of Health where all of his officials will be there with him. All I can tell the member opposite is that from a policy perspective the issue is set up in a fashion that says we will only proceed with the privatization if (a) we can save money for the taxpayer, and (b) we can assure that the standards of care will be at least as good as they currently are.

**Mr. Doer:** I expect that these were the questions the Premier would have asked the Minister of Health (Mr. Praznik) and the Minister of Finance (Mr. Stefanson) prior to the Premier approving the contract. These are the questions he would have asked. [interjection] You did not ask these questions to the Minister of Health on behalf of the—

**Mr. Filmon:** Yes, and I was assured it would be done.

**Mr. Doer:** Then I would like to ask the Premier, and let the record show that the Premier said, I am assured it can be done, that he did, therefore, ask the questions to the Minister of Health, as he should have, that the Premier will know the continuity of care is one of the key ingredients and the minister, when he finally discovered his reports from his advisory committee and other groups, the former minister, would have noticed that the continuity of care was one of the key predictors of quality of care for elderly and disabled people that had to have home care services.

Can the Premier indicate whether the continuity of care is part of the standards that have been identified for this new contract? Can you please tell us how that will compare with the present publicly administered system?

**Mr. Filmon:** Mr. Chair, that is precisely why the contract was not awarded for existing patients, so that they would continue with their continuity of care, and that the new providers would provide services only to new patients coming on. The objective would be that they would have the same caregivers on a continuous basis. The member opposite knows that that continuity of care is not guaranteed by our present system, that if something happens to a provider, if the provider of care, the employee of home care for some reason is ill, transfers with his or her spouse to a different area, leaves for another job, goes on holidays, we have all these reasons why there is not an assurance of continuity today other than on a best efforts.

But the same best efforts will be made in respect to the contract with Olsten as are currently made with respect to the services provided by home care providers in the Manitoba health system.

**Mr. Doer:** The Premier will know that Dr. Shapiro and others and the government's own advisory task force compared the issue of quality of care and continuity of care with the nonprofit system here in Manitoba and a number of other systems that were private and profit in other jurisdictions and found that because more money was devoted to competitive salaries in a nonprofit system, that you had a longer period of time where people worked and you had a longer and greater continuity of care that contributed to the quality of care.

I would like to know if the government took that into consideration when they made their decision for the private, profit company that they have retained for the new patients. I was not talking about the existing patients in terms of continuity of care; I was talking about the comparison of systems which the government had available to it.

**Mr. Filmon:** I am informed that one of the considerations is that every attempt will be made to continue to have continuity of care, just as is currently provided by the civil servants employed in Home Care.

**Mr. Doer:** Has the Premier obtained from the new successful bidder their comparison on average length of employment as a home care staff compared to the existing average length of stay for the existing nonprofit system here in Manitoba?

\* (2020)

**Mr. Filmon:** I think we are getting into all the detail that should be gotten into in Health Estimates, Mr. Chairman.

**Mr. Doer:** I just want to know whether the Premier asked that question because he had a number of reports available to him through his previous Minister of Health—the Curran report, the advisory committee report, the Dr. Shapiro report. He had three reports available to him that made the statement and made the analysis that for quality of care, the more competitive the salaries were in home care, you had a greater opportunity for continuity of care which improved the quality of care. So there were numbers there, hard numbers there on this quality of care comparative factor. In fact, there were even grids available to the government, as I recall them. I am just going by memory, but there were grids available.

Can the Premier table today or have his Minister of Health (Mr. Praznik) table with us, send a letter to us, comparing the experience of Manitoba on length of stay and quality of care compared to this new private successful bidding company?

**Mr. Filmon:** Mr. Chairman, we also know that the continuity of care varied even within our own system, so there are great variabilities. As I said before, one of



the objectives that has been put before the contracting company is that they, as much as is feasible, attempt to ensure that there is a continuity of care that would not disrupt that care for the individual, so that they could have that sense of security by having the same person come to them on a regular basis.

**Mr. Doer:** I agree that there is continuity for everyone in every profession. I just want to know whether they have, because of the correlation between quality, has the government got any numbers and can they table it today, or do they not have the numbers?

**Mr. Filmon:** With all due respect, those are questions that should be put before the Minister of Health (Mr. Praznik) in the Health Estimates.

**Mr. Doer:** So I have to assume that the Premier did not ask the Minister of Health these questions and does not know the answer.

**Mr. Filmon:** No, Mr. Chairman, I am just saying that I do not have the staff of the Ministry of Health nor all of their statistical data here. The Minister of Health would have that. I think that if he really wants that information, he should ask the Minister of Health in Health Estimates instead of trying to play political gamesmanship here.

**Mr. Doer:** While the Premier may think it is political gamesmanship to ask about quality of care on home care, we do not, and that is why we will keep asking them. We do not care what cheap shots he throws back at this side of the table. That is fine with us, and it is acceptable to us.

The Premier indicated that he does not have those with him. Would that have been part of the cabinet submission to approve this final decision for this private company? Would this not have been in the cabinet submission that would have been reviewed by his staff before it got to the final decision making of cabinet?

**Mr. Filmon:** Those issues would have been very carefully looked at by the senior staff of the Department of Health. The basic requirement is that they have to meet or exceed the current standards. That is the basis on which the contractor will be judged.

**Mr. Doer:** Did the government use the same kind of advice from their Department of Health experts as they used in the Rimer Alco decision?

**Mr. Filmon:** Again, the Ministry of Health senior administration gave us their best advice on Rimer Alco. Their best advice was to award the contract to the lowest qualifying bidder, and that is precisely what was done. They were recommended by the Department of Health in their submission to Treasury Board, and that is how Treasury Board made its decision, as I understand it.

Not being on Treasury Board, I am only repeating information that I have been given. These are things that if the member wants to get into, again, detailed debate on that, he should bring them forward to the Minister of Health.

**Mr. Doer:** Of course, we already tabled documents in this House that refutes what the Premier stated. We have tabled the recommendation from the government's own health committee on the Home Oxygen Program, and, of course, it does not recommend the company that the Premier chose.

I recall a day when everybody in this House, including the former Minister of Health, stood up about the decision of the CF-18 and talked about the fact that the government of the day, the federal Mulroney government of the day, did not follow the advice of their own technical committee dealing with the awarding of a military contract and instead chose to award it to the province of Quebec and to a company that was not suited to get that contract. Everybody in this House stood up for western Canada and for Manitoba and against the federal Mulroney Conservatives. [interjection] That is right; they certainly did. I wonder which way Jean Charest voted on that issue, but we are not going to get involved in the federal election right now.

We had the best bid, and there was a tendering process. There was a technical committee not made up of politicians but made up of experts to review the cost and quality of the contracts. The proposal was to go with Bristol. Of course, this federal Tory former government went with their own decision and justified it just like the Premier is today—oh, we had two

identical bids, and we went with one, blah, blah, blah, blah, blah.

But the bottom line is this Premier (Mr. Filmon) had one set of advisors, one set of health care experts who provided a recommendation to the government which they in their so-called wisdom supplanted with their own decision. I think it is unfortunate that where a Legislature has in the past demonstrated somewhat of a unanimous voice about this kind of decision making in the awarding of contracts, that this Premier would be rejecting the advice of his committee just like Mulroney did with the CF-18 contract.

I think that is wrong, which leads me to my next question, and that is we have proposed an all-party committee to deal with the Bristol issue. I am sure his office under this line is dealing with the Bristol jobs that are so important to our community. We note again that there are other contracts going all across Canada, being awarded by the federal government to other aerospace jobs and aerospace communities that Manitoba is in competition with.

Can the Premier please tell us whom he has talked to, or whom his office has talked to about Bristol? Will there be an announcement this week on Bristol? We have heard rumours about the 16th. We have heard other rumours that it will not be the 16th. Can the Premier indicate what the status of the situation is of Bristol in terms of people that rely on those jobs in the community?

\* (2030)

**Mr. Filmon:** Before I respond to the question about Bristol, I have to indicate that I cannot let stay on the record more untruthful comments being put forward by the Leader of the Opposition. He said that the Premier chose to award the contract to Rimer Alco. I have said to him in this House, and I have said publicly a point that has never been challenged by anybody, that I did not know anything of the award of the contract until it was raised in this House. I had nothing to do with the award of the contract. It was done through the normal process that takes place in government. Departments go through their analysis process. Departments make recommendations to Treasury Board. Treasury Board has the authority to award these contracts. That is the process that was followed.

He refers glibly to a committee of health experts that made the recommendation with respect to an award of contract to a multinational firm that he is championing. That committee of health experts was a committee of all sorts of people, some of which might have been construed as health experts, many of which were procurement people. There were people from Rural Development; there were people from Government Services; there were people from the procurement arm of Health, none of whom could be in any way suggested to be health experts. There was a user of the service who would not be construed as a health expert.

There were all of these people who were on a committee, and of that group I would say the vast majority of them would not be construed by any rational thinking person as health experts. They made, on the basis of their own priorities, a recommendation, a recommendation that when it was looked at, as I understand it, by the senior managers of Health, they said this is not going to be acceptable because it is not the low bidder. It is not the lowest qualified bidder. So they made the recommendation on behalf of the lowest qualified bidder, a recommendation that was accepted by Treasury Board, and the rest has been canvassed very, very well publicly.

With respect to the comparisons, for instance, as to whether or not we accept all recommendations that are made to us by various different groups, expert or not, the member opposite knows full well that we had a committee of so-called experts that recommended to us that we ought to de-insure the annual physical examinations to healthy males between 25 and 65 years of age. I could be wrong in the age bit—[interjection]

**An Honourable Member:** Seventy it was, initially.

**Mr. Filmon:** Seventy years of age. We did not accept that recommendation. Is he going to condemn us for that? We had a committee of so-called health experts that recommended to us that we convert the Seven Oaks Hospital into a geriatric centre. We did not accept that recommendation from those health experts. Is he suggesting to us that we should have accepted that? The fact of the matter is government reviews every single issue and takes its recommendations and tries to abide by certain principles. Our principles are the lowest qualified bidder receives the tender, and that is

the basis on which the home oxygen supply was made and no amount of fudging of the issue by the Leader of the Opposition will change that. That is precisely what happened, and it was the basis on which Treasury Board made the decision, Mr. Chairman.

With respect to Bristol, Bristol is a file that is being actively pursued by the Deputy Premier, the Minister of Industry, Trade and Tourism (Mr. Downey). He has one of his senior staff on the liaison committee, on the committee that is working with the unions and the various management people at Bristol Aerospace. Bristol Aerospace are an organization that we have kept in close contact with, and certainly they have been with us on numerous trade missions in South Africa, in Malaysia, in various different places that I have travelled with Mr. Burrows, the president of Bristol Aerospace. I am informed by the Deputy Premier that he met twice last week. I met briefly with Mr. Burrows who introduced me to senior representatives of Agusta Helicopters and Westland Helicopters, who were here last week with respect to a potential for a very large, I think \$40 million, \$45-million contract. We are doing everything we can to ensure that Bristol continues to be a very big player in the aerospace industry of Manitoba and to promote their efforts to continue to be a strong and viable company.

We certainly are also very much aware of the fact that we have fostered co-operation by virtue of funding an aerospace industry association that works co-operatively, that is resulting in Boeing now subcontracting some substantial work to Bristol Aerospace. Again, an endeavour on our part to ensure, an endeavour on everybody's part, to ensure that Bristol remains a very viable company in Manitoba with a great deal of work prospects here in the near term. We are doing what we believe is very appropriate, and that is supporting any opportunity to expand Bristol's business here to ensure that they continue to have work flowing in, work that will keep the job numbers high. We certainly are also closely working with those who are monitoring their process of attempting to find new ownership.

Now, the member opposite automatically assumes that new ownership will somehow be a detriment to Bristol. He obviously has not spoken to management at Bristol, because I think that the record is fairly clear

that the current owners, Rolls Royce, have not necessarily reinvested any significant amount of the profits in the operations here in terms of retooling away from a shrinking defence business into a more commercial-oriented business. In fact, they have an outstanding MIOP offer from this government as part of a proposal that was intended to help them retool towards commercial aircraft business and away from defence business.

All of those things were as a result of a great deal of effort to look into the business and to try and assist with moving them into a business that would be a growth business for the future, as opposed to the shrinking defence dependent business. [interjection] It is working, but we are not seeing necessarily the capital reinvestment from the current owners. So new owners who come forward with capital to invest in the business would be a boon to Bristol Aerospace and something that all of us should applaud and all of us should work towards.

I do not understand why the Leader of the Opposition is taking a negative perspective and simply trying to fight against a change of ownership if the new owners would be ones who would invest in the future of the aerospace industry in Manitoba. That is precisely what we are attempting to work towards.

**Mr. Doer:** Well, I thank you for the Premier's hallucination about us fighting the decision to have a new owner. If the Premier wants to read back the statements, he will not find it either in my question or in my previous question to him. I think all of us in this province want to have a heads up about what will possibly happen with the Bristol operations. All of us know that there is considerable amount of federal contracts being awarded all across this country, included in that to companies that are competitors to Bristol or even companies that could, in fact, purchase Bristol and enhance the possibilities at Bristol, and put an actual line in the plant there or do other work that could expand the employment base.

So we have not obviously taken a position that, quote, new ownership in itself would be negative or positive. I guess it depends on who buys it and what their intent is, whether it is positive or negative. So for

us we do not believe we have peace in our time because it is being sold, nor do we believe that the status quo with the situation there with the declining number of defence contracts and the declining amounts of money being spent in defence would, over the long haul, serve that plant well, and with the amount of work it is getting. So I do not know where the Premier has created this illusion of our position, but I do think that the workers there want to know what is going on. The community wants to know what is going on.

\* (2040)

We obviously have been involved in the past, both in government and in opposition, with the Boeing operation, and we think that obviously with a lot of the new contracts and sales that have been made it is going to be quite positive at Boeing, notwithstanding some of the concerns that were stated last summer about the situation at Boeing.

But I just want to know if the Premier knows of any companies that are looking at purchasing the operation and when the announcement may or may not be made. I am aware of the helicopter contract, but the Premier will also know the federal government in some places right now in Canada is awarding billion-dollar contracts to aerospace companies in Canada.

**Mr. Filmon:** I do not have a list of the potential buyers other than what I have read in the newspaper, Mr. Chairman.

**Mr. Doer:** Has the Premier looked at the recent announcements by the federal government for aerospace technological contracts and the procurement contracts that have been awarded in the aerospace industry? It seems to me that again we are having these huge amounts of contracts awarded including the CF-18 contract which was extended, as I understand it, without any consideration at all of Bristol, a kind of a situation that we had in 1986 again repeated after all the opposition from the Liberals in the past period of time.

We see this same process being exercised by some of the same people who were so critical of the former Mulroney government. Has the government analyzed that, and can it advise this House accordingly?

**Mr. Filmon:** Certainly, Mr. Chairman, we are well aware of the propensity of successive governments in Ottawa to award aerospace contracts into Quebec. We have had briefings from our Ottawa office that informed us that despite the approaches, and we had certainly encouraged Bristol to approach the federal government with respect to the new extension of the CF-18 contract, the CF-18 maintenance contract, and that was awarded untendered to Canadair, and we are disappointed in that. We have, certainly in our discussions with the federal government, indicated that we are very, very concerned about keeping up the content of work for Bristol Aerospace in Winnipeg. The member opposite will have noted an award of, I think, \$50 million for development money to Canadair-Bombardier to develop their new executive jet.

This is a lot of money that is going into Quebec, and it certainly carries on the pattern that we have seen in the past, and as the member knows, the Liberals when they were in opposition made negative comments about that, and now they are carrying on the same process, and these are things that obviously put stresses and strains on the Canadian federation as people look at the treatment that is given to different regions and perceive a favouritism being shown towards one region of Canada versus another. These are very difficult issues to deal with.

We are very, very anxious to see more work go to Bristol, which is why, as I said, I spoke last week with Mr. Burrows and with the representatives that were with him of Agusta and Westland in our hopes that they will get a significant share of the new helicopter contract.

**Mr. Doer:** Yes, as I understand it, the Agusta contract, or the helicopter contract, could be worth approximately \$50 million, which is quite a bit less than even the cancelled contract for Manitoba, and that the maintenance extension for Canadair was worth over \$1 billion and awarded by the federal government. Can the Premier confirm those numbers?

**Mr. Filmon:** I cannot confirm those numbers, Mr. Chairman, but I do know that the EH-101 would have produced between \$250 million and \$300 million worth of contracts to the Manitoba aerospace industry.

Interestingly enough, Bristol would have been the smallest player out of that, probably getting less than \$25 million. The biggest were Paramax, Standard Aero Engine, and Advanced Composite Structures, I think they are called. They would have been the biggest ones, and Bristol would have been the smallest of them, but that, of course, died with the decision in the fall of 1993 by the Liberal government to cancel the EH-10.

Oh, sorry. The other reference to \$50 million was in the ballpark. I think it was \$45 million is what would come to Bristol.

**Mr. Lamoureux:** Mr. Chairperson, I, too, like all members of the Chamber, share a great deal of concern in terms of the future of Bristol Aero. I guess in looking at some numbers that were provided for me, and we look currently in the province of Manitoba where we have approximately just over 4,000 or 4,135 employees, and we make up somewhere in the neighbourhood of 9.8 percent of the overall aerospace industry in Canada.

So I believe our ranking is somewhere around No. 3, and we have always, or at least I know I have on behalf of our party, emphasized the importance of the aerospace industry, and I guess I would ask the Premier before I do some comments, and some of the remarks that he has put on the record with respect to the feds, would ask the Premier if, in fact, he sees the Bristol scenario potentially going in the same type of a direction of the de Havilland in Ontario. Does he see any similarities here?

**Mr. Filmon:** If he is referring to the fact that Canadair took over de Havilland and that he is looking to Canadair to take over Bristol, I do not understand what parallels he is seeking. I will say that the 4,135 jobs that are in the aerospace industry in Manitoba are now much less as a result of any federal initiative, and the federal Liberals have severely downsized the work that was being done in this province. For instance, the CF-5, which we used to call the consolation prize that was given by the Mulroney government to Bristol for having lost the CF-18 unfairly to Canadair, that work disappeared and is disappearing. The last bit of it is just on the way out of the Bristol plant thanks to the decisions of the federal Liberal government.

\* (2050)

They are certainly doing much less in the way of procurement in Manitoba for federal defence purposes. Whether that is related to the withdrawal of the Air Command from Manitoba by the federal Liberal government, it probably is in some way related. In fact, the strength of the developing part of the industry, because again it was a huge loss, the loss of the EH-101, and the \$260 million of work that would have accrued here was probably worth close to 1,000 jobs. That all was destroyed by the decisions of the federal Liberal government since 1993. So I do not think that the 4,135 number that he refers to should be given in any way as credit towards Liberal decisions. In fact, I guess we could be looking at at least 1,000 jobs more were it not for federal Liberal decisions and their impact on Manitoba.

Certainly, the growth areas have been as a result of Standard Aero Engine gaining substantial jobs and contracts from the United States Air Force and worldwide, and also from the growth in Boeing, and Boeing's subcontracting even within the industry here. I think that the member opposite is probably quite supportive of growth in the aerospace industry here in Manitoba, and I would hope that he would take that message to his colleagues in Ottawa and work very hard to try and change their decisions so that more and more of the work that they have available to be contracted out in Canada comes to this aerospace industry in Manitoba, which is highly capable of doing the work, not only efficiently and in top quality, but cost-effectively.

**Mr. Lamoureux:** Mr. Chairperson, I will pass on the remarks that the Premier, is, in fact, putting on the record just so that at a later time I will be able to bring some more of the facts, because there is no doubt in my mind that if 50 percent of what the Premier has just put on the record is factual I will be absolutely amazed.

Mr. Chairperson, if I stand corrected—I do not believe this government has bought 25 aircraft lately or that they have invested millions upon millions of dollars in investment into the aerospace industry. They are very quick to criticize the federal government in terms of causing damage to the aerospace industry. I would question the government in terms of to what degree,

what they have done, to ensure the longevity of this particular industry in the province of Manitoba. They definitely have not financially invested it. In fact, when it came across the Boeing strike, it was the federal government that assisted in getting involved with training programs that prevented, or at least got people back to the table, which allowed for the negotiations to continue to ultimately resolve the strike. This government's approach dealing with the aerospace industry in terms of training programs go to Red River College and other potential facilities. Find out just what this government has actually done to ensure that there is going to be growth.

Now, the Premier is going to stand up because he is going to be provided all these wonderful programs which he believes he has brought in, and as a result of that, we now have 4,100 jobs. Quite frankly, Mr. Chair, the reason why we have that is because we have good, qualified Manitobans that are quite prepared to fill those jobs in the state-of-art production lines such as Boeing and other aerospace industries, which have allowed us to see growth in this industry. Nothing that this government has done has allowed for that growth.

In fact, the Premier talks about the \$260 million taken away from Manitoba with respect to the Mulroney helicopter deal. Ten minutes ago, the Premier stood up and said that there was a \$250 million investment from the federal government. I would go further by saying, if, in fact, we broke down the amount of dollars that are spent on defence in the province of Manitoba versus the province of Quebec, just strictly speaking with aerospace and the amount of aerospace industry that is in the percentage in the province of Quebec compared to the province of Manitoba, it would be very interesting to see if, in fact, the Premier is correct when he says that Manitoba is getting shafted.

I do not believe that that is, in fact, the case, Mr. Chairperson. I would look to the Premier to actually be more factual. When he talks about provincial-federal relations, what good is he attempting to get across when he is not prepared to put the facts on the table and be more straightforward, not only with individuals in this Chamber. I would trust and hope that the Premier is more forward and upfront with our federal counterparts in Ottawa because they see the gamesmanship that is being played.

Yes, Mr. Chairperson, the F-18, the loss of the F-18 contract back in '86-1986 I believe is when the contract was awarded out—was a complete shame, absolute shame. The F-5 contract was just something which was supposed to make Manitobans happy. Yes, maybe it would be wonderful if we were still flying F-5s or the Freedom Fighters across Canada. Is that what the Premier is, in fact, suggesting? At least we had individuals like John Harvard, the member of Parliament for St. James, that went out and assisted in getting those F-5s being sold to other countries which created some jobs. At least acknowledge where maybe the federal government has been doing work. I would wager, if I was a betting man, the Premier, that I could come up with, or if I had the same resources that the Premier has in his office, that I could come up with more things that the federal government has done to sustain an aerospace industry in the province of Manitoba than this government has done.

When he asks about, well, I do not know what the member for Inkster is talking about with de Havilland versus Bristol. Mr. Chairperson, de Havilland was an aircraft company that started to take a bit of a nose dive inside the province of Ontario, and there was government, political involvement that many would argue saved de Havilland. What I was asking the Premier was, does he not acknowledge that maybe the government should be doing more? What sort of backups? It was interesting, the Leader of the New Democratic Party posed the question, well, do you know who is putting in any bids, to the Premier, and the Premier comes back and says, well, no, just what I read in the newspaper. I find that absolutely amazing. He talks about that he has met with Mr. Burrows. He says his lead minister, the Deputy Premier (Mr. Downey) is out there doing all these negotiations. Well, if that is the case, they do not know anything else. They do not know who Rolls Royce is approaching or they have no idea.

I would have felt a little bit better if he would have stood up and said, well, we have an idea who they are negotiating with; we cannot disclose it because we want to keep it in confidence. That would have made me feel a little bit better in the sense that at least he is in some sort of a loop with respect to the sale of Bristol Aero.

The Premier has not given me any indication, any indication whatsoever, other than platitudes that he might be giving Bristol Aerospace and its employees that this government is serious about trying to assist or save Bristol Aerospace. That is why when we ask the Premier in terms of does he see any similarities between de Havilland and Bristol Aerospace. There were governments that got involved. Does he not believe—I have seen this Premier sit in his chair, or who knows where he has been sitting, while we have been losing manufacturing jobs in this province.

\* (2100)

Since 1988, we have lost manufacturing jobs. We had more manufacturing jobs in 1988 than we have today under this administration, so we should be concerned when the government takes a laid-back attitude, letting the economy, or certain sectors of the economy, just kind of whittle away. First we had Labatt; now we have Molson. We had Rogers Sugar. We want to see a Premier that is prepared to be more aggressive at ensuring that we are going to be able to retain some of these manufacturing jobs, especially those manufacturing jobs that, in fact, can be competitive.

I would argue that the aerospace industry does have a prominent role to play in this province well into the future, and what we do not need is a Premier that is quite content to pass off any responsibilities or any blame onto Ottawa. The Premier has to start taking some responsibilities, Mr. Chairperson, or we could lose those jobs at Bristol Aerospace. What is the Premier actually doing to protect those jobs at Bristol Aerospace? That is a legitimate question, and I do not believe the Premier has answered the question. We would expect him to be having some meetings, and I am glad to see he has met with Mr. Burrows, but to tell this Chamber he does not know in terms of who Bristol Aerospace is actually talking to or whose Rolls Royce he is talking to. I find that astonishing, given the importance of this particular sector.

Instead of trying to deal with the issue at hand, what does he do? He takes his shots at the federal government. As I say, I will pass on the comments from the Premier, and I will bring back, and maybe it will be during concurrence or another opportunity,

because I get this feeling as we get closer to a federal election, we are probably going to see a little bit more of the politics of bashing the Liberals in Ottawa.

I hope I do not become too defensive of my federal counterparts in Ottawa, of course, but having said that, I will acknowledge if, in fact, the Premier can demonstrate. So do not just come to the House and just blame Ottawa with nothing to be able to demonstrate that, in fact, they are being this big, bad government and this government is all wonderful and doing wonders for the aerospace industry.

I want to see things that are tangible before the Premier stands up and starts making light of an issue by not addressing the question that was put right straight forward and that was, what specifically has the government done? These are valuable jobs. The people that are working for Bristol Aerospace want to hear and get assurances from this Premier that he is prepared to do whatever is possible in order to ensure that these jobs are, in fact, going to remain. I would leave it at that and ask the Premier to answer those specific general questions.

**Mr. Filmon:** That was quite a stirring defence of the federal government that was put forward by the member for Inkster. I assume that he is seeking a nomination federally somewhere or perhaps even a call to the Senate.

I have never heard anyone try to do so much with so little because, quite honestly, he will see, if he checks the records, that during the time when he and his colleagues, who are now in government in Ottawa, were criticizing the Mulroney government, there were over 5,000 jobs in the aerospace industry, which have shrunk, according to his figures, to 4,135 as a result of the lack of commitment by his federal colleagues here. If he believes that the people, that the workers at Bristol Aerospace or Boeing honestly think that they can thank John Harvard for their jobs, I will tell you he had better try and fly that one there. Only fasten your crash helmet when you go there to say that, I would suggest to him. That is an absolutely absurd position to take.

He asked specifically what have we done with respect to the aerospace industry in Manitoba, and this is an interesting one because he has just stimulated my

thoughts. I recall when he was the official opposition in this House—it was either late 1988 or early 1989—when we as a government in partnership with the then federal government, the federal Conservative government—I was on the same stage as the former Minister responsible for Western Diversification, Mr. Mayer, at Boeing when they put in something over \$20 million, the feds, and we put in \$7.5 million to Boeing so that it could move into the retooling to do the 777 work, to anticipate what we knew would happen and is happening today, which is a massive expansion in their market for these commercial aircraft.

We made the substantial investment in repayable loans I might say, and his party and critic had the audacity to criticize us saying we ought not to have wasted taxpayers' money on investing in a repayable loan, no less, in a large multinational corporation that could well afford to do it on its own. That is what the Liberals in this Legislature said, and he has the audacity to sit there and say that he is a friend of Boeing and Bristol and the aerospace industry in Manitoba, when they criticized that investment which is now paying the dividends as Boeing is rising to 1,200 employees and to 1,400 employees and giving off substantial work to other subcontractors including Bristol, adding other hundreds of jobs in the aerospace industry in Manitoba. Mr. Chairman, he is absolutely talking out of all sides of his mouth and he knows not what he is saying, and that is exactly what we see every day.

In addition to that, this government has a MIOP offer to Bristol should they take us up on the opportunity to retool for the commercial field as opposed to the current emphasis that continues to be in that plant on defence industry spending. We also have invested in Stevenson Training Centre, which is, of course, training people for the aerospace industry. We have aerospace training programs being developed in our community colleges. We have aerospace programs being developed at Southport Aerospace and investments being made there.

So he does not know what he is talking about very, very candidly, when he talks about these issues. The fact is this administration has been consistently supportive of the aerospace industry and the major players in that industry in Manitoba, and he and his federal Liberal colleagues have not been consistently

supportive of it, despite all the rhetoric that he puts forward, Mr. Chairman.

**Mr. Doer:** I guess the fact that we have never been in office federally allows us to condemn the Mulroney government for the original CF-18 contract and the \$1-billion extension untendered contract by the federal Liberals, and I say a plague on both your houses when it comes to the fact that Manitoba's aerospace industry was second in the nation at one point. Some of the political decisions that have been made by Ottawa on our community have worked against the best interests of our workers and our communities and our industry.

I think that is very, very unfortunate, and I think it is continuing today, unfortunately, because of the domination of the numbers of M.P.s from Quebec and actually the substantial effort—we started this all-party group to deal with the Air Command. I think one thing Quebec does better than we do and that is work together between the political parties, and I would include myself in that. I think in the aerospace industry they have made a deliberate effort to be united, to speak with one voice across both the federalists and the separatists, and all the federalist parties in Quebec. They have spoken very strongly on an aerospace industry, very consistently. Yes, they have population, et cetera, and political seats, but they also have that focus, and I say to the Deputy Premier (Mr. Downey), we did not want to just see an all-party committee dealing with the Air Command because part of the Air Command was the aerospace industry and their procurement policies.

I think that to some degree when we proposed the idea of the all-party committee in Question Period a couple of weeks ago on a couple of industries, we were very sincere when we joined the committee of the Deputy Premier, and I thought that committee should have gone on past the provincial election and on to some of the other decisions that are being made now affecting Manitobans. I say that, as I just mentioned, with a plague on both the federal houses, but perhaps a plea for all of us to work together in this industry.

I want to move on to another project of jobs and concern to Manitoba and that is Repap. The Premier will recall his 1989 press conference on the sale and divestiture of Repap. If I can recall correctly, at the



time we had some positive statements to make and some negative concerns about the announcement that was made at Repap.

\*(2110)

(Mr. Jack Penner, Acting Chairperson, in the Chair)

I think we worried aloud about the treaty land entitlement issue, and that is still an ongoing challenge for all of us. We disagreed with the former Minister of Finance on the extension of the cut area to the Swan River Valley area, and that eventually has been changed partially with other contracts. We opposed the chlorine bleach carcinogen issue with the expansion plan, and said so publicly in the Legislature to the public. That plan has been dropped. We talked about some of the guarantees. We did not see them in any contract or any documents for highways and other economic activity, and talked about more security and predictability for First Nations people to be involved in the long term of this forestry operation.

We have always known that the best asset for Repap has been the forest. The biggest asset, the most important asset for the public interest, is the forest and the wood supply, and it continues to be the greatest asset for the Repap plant in The Pas, in our view. We also have a very dedicated workforce in The Pas and in a number of other adjacent communities both in the sawmill and the plant, and, of course, we witnessed just recently that after the government announced again another agreement in 1995, that Repap in 1996 and in 1997, it was announced that it was up for sale, and the sale of Repap to Avenor would affect the situation in The Pas.

Then Avenor announced that it was going to sell the B.C. operation as a stand-alone plant and was looking to get out of the business here in the Repap plant in The Pas. It did not surprise us. Avenor, which is the old Canadian Pacific operation, did not seem to us to have experience in the niche markets that The Pas served with both the sawmill and the plant itself.

Of course, in the end of this deal along came Domtar with speculation that they were going to take over both Avenor and Repap. Of course, the Avenor deal went south. As we understand it, the initial deal that was

negotiated by Avenor executives was not really communicated or sold to the shareholders of Avenor. It was defeated. There was also the threat of the Domtar takeover which was announced again by some of the players just shortly before the deadline for the shareholders' meeting just a couple of weeks ago.

We believe that the plant and the jobs and the forest are of value. They are of value, first of all, to Manitobans because it is our forest. The sawmill was originally scheduled to be closed in the 1989 deal, but has since maintained its economic viability somewhat due to the market and somewhat due to other changes that have been made. We now know that the plant is potentially in play again, either by Repap or somebody that may take over the plant in Manitoba.

I would like to know from the Premier what is the status of the second announced expansion plan at Repap, and what is the status of this forest wood supply which is owned by Manitobans, which is the primary asset, what is the status of that situation? Surely, we do not want to see Manitobans just have this operation pieced off to another private company which wants to get control of the wood supply without us having some say of the value of that company and the jobs and the economic activity that it presents to Manitoba.

**Mr. Filmon:** Mr. Chairman, I think that the member opposite has adequately gone through all of the various different scenarios that have been affecting Repap. At the moment, they still own the mill in The Pas. Because of their financial health, they are looking for investors or buyers with respect to their whole operation.

Everything that I have been told and has been confirmed for me by their management in The Pas and certainly verified by members of the business community and the leadership in The Pas is that the mill in recent times has been profitable primarily because of the sawmill operations. The lumber operations have ironically carried the operation through during periods of low value for their pulp and their craft paper side.

That was the area, I might say, that Repap showed the least interest in when they took over the mill in 1989. Their objective was to go into a bleach kraft operation

that involved shipping for coated papers in the U.S. and so on. They have been carried through with very, very solid employment numbers over the period of the last half dozen years by virtue of good lumber prices and a very productive sawmill operation.

They are currently well along the way in the sawmill upgrades that they are doing but not yet begun with the phase 3 which was the BCMTT conversion of the mill itself for the kraft operation. That was to have involved, I believe, a couple of hundred million dollar investment in a new process, and that remains outstanding as an obligation of Repap. It has been confirmed for us and for any potential buyers of the mill that that obligation goes with the mill if it transfers ownership, and the penalty for failure to deliver on that phase 3 expansion would be our rights to the timber supply.

That is the hammer that we hold over any operator of that particular mill at any time. They do not have the approval of the forest management licence for the full timber supply, and they stand, of course, to lose some of the timber supply as they did when they did not fulfill the early obligations from the 1989 agreement and part of the lumber supply was taken away that allowed us to give a sufficient timber supply to Louisiana-Pacific with the creation of the oriented strand board mill and some 400-odd jobs, including the forestry jobs in that area in the Swan Valley.

So that remains the ultimate hammer that we as a government hold over Repap or any successor company, that if they do not fulfill job creation and investment obligations that were made by Repap to this government, then they stand to lose their rights to the full timber supply that was implied by that agreement. So we certainly have made that information available, and I believe that, certainly, Avenor made inquiries and was given that information, and any prospective buyer would certainly be given that full information as well.

\* (2120)

**Mr. Doer:** Repap does not have the \$200 million in liquid assets to invest in this plant at this point. In fact, I would imagine it is in pretty strong leverage position. I have not looked at the share price in the last few days, but it has been—I think from the time the government

announced the second deal in 1995 the shares have dropped dramatically, and I think there are some real losses of money in British Columbia in the plant there and some real questions about the New Brunswick operation. I think it is safe to say that right now, at this point in time, Repap does not have the money to proceed with the obligations made to the provincial government and the people of Manitoba.

**Mr. Filmon:** Certainly, Repap being a publicly traded company, that information is obvious from its financial statements, and I would not disagree with the conclusion that the Leader of the Opposition has arrived at.

I guess the question is is he suggesting that we somehow trigger or force an action that could throw a thousand people out of work in The Pas, or should we continue to do as we are, which is to maintain the employment and look to achieve an investment that will see the continuance of the jobs and the economic opportunity and maybe even some growth in The Pas, which we believe is possible with the right set of circumstances.

**Mr. Doer:** Yes, well, the Premier will recall over the years that we have not tried to take a position contrary to the expansion in chlorine bleach and then ask the government where is the obligation that was agreed to in 1989 and announced by the government.

We have tried to be consistent, and when others have criticized the provincial government for not proceeding with the expansion, we thought that was inconsistent with our position that the expansion for chlorine bleach should not take place, that the environmental assessment should take place and that we really worried about the long-term sustainability of that technology and that downstream potential negative impact. Similarly, we have not stood up in the House about Avenor and Domtar and other proposals and said to the Minister of Finance (Mr. Stefanson), here is your word, here is the paper that says \$200 million. We have not taken that position.

I guess the real question is, where do we go from here? Do we look at some of the players that are looking at taking over Repap who potentially may spin this out again to another owner, or do we look at the

long-term possibility of—it seems to me, it is kind of interesting, Repap has got a forestry supply, nonlicensed. It has got a bit of a niche industry going quite well in the sawmill originally scheduled to be closed down.

It has got the kraft paper situation, and so are there other options we should be looking at besides the options just Repap is looking at? If you look through the years, we have not stood by and waved the previous two agreements in the government's face because we do respect the fact people are working, and it is a profitable plant based on our forestry resource, and we are happy to see that people are working. We have not agreed with all the decisions that have been announced by the government, and you know what those decisions are that we did not agree with, but we are at a really interesting point now. Where do we go from here? Where is the best way for us to proceed?

One of the options is that Repap is able to weather this situation. That is one option. The other option is another company buying it. One of those companies could spin it out to another company, and I guess I am just asking the question, has the government looked at what is best for Manitoba and Manitoba workers, and are there other options we are exploring as a contingency plan, not to, quote, take dramatic action, but Repap is taking dramatic action. It is selling itself to Avenor one week and potentially on the market with Domtar the next week, and there are other people, as they say, kicking the tires, this week.

So what is best for us? Are we taking a look at that or are we just allowing that? I am just asking these questions in a way that respects the employment in Manitoba and respects the fact that the government has given its word on the licensing procedures that would take place for both an expansion of the plant, although I think at this point that is a moot point, and the forest supply.

**Mr. Filmon:** Our objective would be to maximize the value of the forest supply, which is a Crown resource, a resource that belongs to all the people of Manitoba. Our objective would be to ensure that it creates the maximum possible jobs for the Manitoba economy, in particular the people of The Pas and surrounding area, and our objective would be to ensure that it brings the

greatest possible return to the economy and the Treasury of Manitoba through that process.

There are issues that would involve the greatest security that we could achieve, that the jobs would remain in Manitoba, perhaps expand in Manitoba, but, certainly, the kind of steady employment and secure operating conditions that have prevailed over the last half dozen years we would want to try and ensure remain there for the distant future.

We have certainly been approached and offered comments with respect to other options that are available to people who are seriously considering other options. With respect to the confidentiality of the approaches that have been made to us, I cannot go into any detail other than to say our bottom line would be to give the maximum possible security to the operation, to the maintenance of jobs, and the solid economic foundation of the operations, the continued operations of the company. That is our major consideration.

**Mr. Doer:** I can respect the confidential nature of, I am sure, some initiatives that would be developing on Repap and the forest operation in the North, and I would agree and have always stated that the sustainability of the forest with a predictable employment level and a good employment level to me is much better than a peak and valley and a rapid deterioration of a sustainable resource. So I have no difficulty dealing with a kind of a longer-term sustainability of that resource rather than some of the peaks and valleys we see in other communities across Canada, including British Columbia now, I think it is Prince Rupert, and I think we see the plant in New Brunswick, another situation. I much prefer that option. I think the workers and the northerners prefer that option.

We have the whole issue of treaty land entitlement and how that fits with a more sustainable way of dealing, but if we were to deal with the sustainable way of working with First Nations people in the North and the sustainable way of maintaining that industry, to me that makes more sense than the kind of flashy, dare I say, press conferences, announcements and expansions, et cetera. In the long run, it is better for our kids, it is better for our province, and I think that we will respect that. I have said it before and will say it again, on

Repap and the forestry resource which we, as the Premier has indicated, it is only ours to steward not to own and that included in the stewardship is who owns it on a private basis.

I have some other questions and I think I—  
[interjection]

**Mr. Filmon:** I appreciate the responsible approach that is being taken by the Leader of the Opposition. I just want to reference the fact that in a number of areas of Canada right now the forest products industry is facing very difficult times with many plants being shut down, pulp and paper, lumber, other types of plants. British Columbia, New Brunswick, Ontario have been referenced. Hundreds, in fact thousands of jobs being jeopardized and lost, and we have been fortunate I think because of people taking this kind of positive long-term attitude towards the sustainability of the operations to have seen one successful transition into local ownership at Pine Falls, and a company that just, three or four years ago, was in great jeopardy of being closed. In fact, its sister companies did close in a number of locations under Abitibi-Price's ownership, and local ownership was not found to be able to fill the breach, and so there are significant differences between how we attempted to handle the situation.

The same thing is true of The Pas, that its operations I would argue are stronger today than they might have been seven years ago because of the significant investment that was made in the right places over that period of time. Unfortunately, some plans did not proceed, and maybe that was for the best as well, as the Leader of the Opposition has indicated.

\* (2130)

So we do not want to put pressure on to force a sudden decision that may be the wrong decision. We would like to work co-operatively with the current or successor owners, and there are options that very seriously are being pursued, and we will attempt to play a positive role. We will take the advice of the Leader of the Opposition as it was intended to be, in a positive sense that long-term sustainability of the jobs and indeed of the forest resource and indeed our environment are all interconnected.

Now, the economy, the environment, the forestry resource and the jobs for The Pas and surrounding area all have to be part of the ultimate equation that we settle on in resolving this issue. So that is my response to him, that we take his advice, and I do not think that anything we are doing is inconsistent with what he is saying.

(Mr. Chairperson in the Chair)

**Mr. Doer:** I have a couple of questions, and one of them may be a little more controversial. I do not even like to change the tone here, but the Manitoba Telephone System, now here is an area where we disagree, and I am not going back over the old battle. We have already agreed to disagree, and we will fight that battle down the road with the public where it belongs. But the Premier made a commitment in May, going by memory again—I like to go by memory—May 2 I think it was, to us a day that will live in infamy, but, of course, we knew in December when we exposed the brokers that in our opinion the die was cast. The Premier denied that and said they were just evaluating this operation.

The Premier made the commitment that 70 percent of the shares would be owned by Manitobans. Can the Premier indicate today what percentage of shares are owned by Manitobans?

**Mr. Filmon:** The date was April 2. I recall because we did not want to announce it on April Fool's Day, so we waited an extra day to make the announcement, Mr. Chairman, but the information that the member is seeking is not available to me. I do not know whether it is available through the company, Manitoba Telecom Services. I am not sure that they would reveal the identity of their shareholders. Certainly, I am not sure how the Securities Commission regulates that privacy of shareholding, but I would not have that information.

**Mr. Doer:** I will have to check my May day versus April 1 day, but just trying to go by memory, I think it was in May. I think it was actually a sunny day, and it is April 6 or 7 now.

The Premier made the commitment of 70 percent. He made the promise to the people of Manitoba that it would be 70 percent. It was in his press release, it was

in his announcement, it was in his statement to the House. He made the statement. How do we know he has been able to keep his commitment?

**Mr. Filmon:** Oh, indeed, we did keep our commitment. I believe it was 74 percent ultimately, 73 percent of the shares that were issued were bought by Manitobans, and they had to have their identifying information, including their social insurance number, in order to buy those shares. So we are very confident that we kept that commitment.

**Mr. Doer:** Yes, the government had incentives for Manitobans to buy. Why did the government not put in any strings to the incentives, that they would have to maintain their ownership here in Manitoba for a period of time, these public incentives which really are a subsidy from the former owners, those being all the shareholders of Manitoba.

Why would the government not have a longer-term commitment so that it could keep its word? Because as I understand it from people I know in the financial industry, a lot of Manitobans flipped their shares immediately. These people received a financial incentive to buy shares as Manitobans. Then they flipped their shares, and we have nothing to show for it a couple of weeks later when the numbers of Manitobans decreased through initial profit-taking by the people of Manitoba who got the preferred financial conditions to buy the shares.

**Mr. Filmon:** Mr. Chairman, the incentives were provided by Manitoba Telecom Services, and they were provided to employees, former employees and to Manitobans in a variety of ways. I am also given information that I think is very reliable to suggest that in the purchase in the open market of shares subsequent to the initial preferred offering, closed offering to Manitobans and to employees of the company, there was substantial uptake of shares by institutions and funds based in Manitoba. So it is very, very difficult to judge the mix if it includes pension funds that are resident here in Manitoba, to the benefit of and to the holding of Manitoba employees, if it includes significant investments by large corporate and institutional buyers here in Manitoba, again resident here, for the benefit of Manitobans.

So it is very difficult for us to argue against that. I think that is a strength when you have Manitoba-based corporations, institutions and funds investing in a company such as Manitoba Telecom Services.

**Mr. Doer:** The Premier did not change the Premier in the House on an issue of safety with the telephones on the highway, said that there was no Minister responsible for the Manitoba Telephone System. Yet we have members on the board of directors. The Premier did not change or delete the minister responsible for the telephone system in his cabinet shuffle.

Can he explain the discrepancy between what he said in the House and what he said in his announcements to cabinet and his Order-in-Councils which included a minister responsible for the telephone system?

**Mr. Filmon:** I am not sure exactly that I get the point that the member is making. The way the process works is that the Minister responsible for Highways and telecommunications continues to be the Minister responsible for Highways and telecommunications. Because of the passage of the act, the new act respecting Manitoba Telecom Services, he is no longer the minister responsible for what used to be a Crown corporation, Manitoba Telephone System. So that is deleted from his responsibility.

That is the way the transition works. He is still the minister responsible for telecommunications. Telecommunications policy issues would be responded to by him, but he is no longer the minister responsible for a Crown corporation known as Manitoba Telephone System.

\* (2140)

**Mr. Doer:** Is the minister still responsible for The Manitoba Telephone Act?

**Mr. Filmon:** That act was repealed by virtue of the new act.

**Mr. Doer:** The new act includes obligations and responsibilities and rights of the provincial government in its act. When the Premier made his cabinet shuffle announcement, he deleted people but he did not delete responsibility for this act in terms of the present

minister. So there was no change in the status of the Orders-in-Council that were agreed to or signed off by the Premier. There was actually the status quo of announcements.

We could not square that with the Premier's comments that nobody was responsible now for the Manitoba Telephone System in terms of asking questions in this House. The Orders-in-Council were as I recall it, and I will check my files, but as I recall it, the Orders-in-Council did not change. Is that not correct? I am sure the people have them here.

**Mr. Filmon:** The new act which repealed The Manitoba Telephone System Act sees responsibilities for financial obligations of Manitoba Telecom Services in their relationship with the government; that is, with respect to the debt that continues to be guaranteed by the government of Manitoba and the repayment requirements for that debt.

So I believe that the new act designated for those purposes the Minister of Finance (Mr. Stefanson) as the minister responsible for those issues. Everything else that falls in the realm of telecommunications policy issues then are responsibility of the Minister of Highways and telecommunications, but he is no longer responsible for a Crown corporation entity known as the Manitoba Telephone System, because it does not exist.

**Mr. Doer:** I will double-check the Order-in-Council, but I believe that the Order-in-Council was not changed when the Premier made his announcement of cabinet changes. It was the status quo. Was that an error or am I in error? I will double-check it. As I understand it, the same status for ministers responsible for the Telephone System were in place. Mr. Findlay's name was still listed in a similar way to the last time, but I will double-check that.

Besides that, the minister responsible for telecommunications—to us part of telecommunications is the safety of people using telephones, so we will continue to ask the Premier questions notwithstanding his protestations to the opposite.

**Mr. Filmon:** My understanding is that on the day that the Minister of Highways and Transportation and

minister responsible for telecommunications was reconfirmed in his role, the new act, the Manitoba telecom act had not yet been proclaimed. So two days later or three days later when it was proclaimed, it automatically then cancelled his further responsibility for the Manitoba Telephone System.

**Mr. Doer:** I was right, but I was wrong. Well, if you do not ask, you do not find out. Okay.

When the Telephone System closes down a telephone call box on the Perimeter Highway, it is no longer the member for Springfield's (Mr. Findlay) responsibility; it is the member for Kirkfield Park's (Mr. Stefanson) responsibility.

**Mr. Filmon:** In fairness, it can be seen as an issue of telecommunications policy, or it can be seen as an issue of safety on the highways. In either case, certainly the member for Springfield can respond in that respect, and I believe he did ultimately respond in that respect.

So it was my error in saying that he did not need to respond in his role as responsible for telecommunications and for highway safety. So I was wrong when I said that he was not to respond as Minister responsible for the Telephone System—no, I am sorry, I was right when I said he was not responsible to respond as Minister responsible for the Telephone System, but I was wrong when I said he did not need to respond because for telecommunications and highway safety he was the right person to respond.

**Mr. Doer:** Well, now that we have got that straight—so if the Manitoba Telephone System is now under The Manitoba Telephone Act which was amended, passed unfortunately and regrettably and against our deep objections and the objections of the majority of the public, if the Telephone System is now under the responsibility of the Minister of Finance (Mr. Stefanson) and telecommunications is under the responsibility of the Minister of Highways (Mr. Findlay) and transportation is under the responsibility of the Minister of Highways, who do we hold accountable, and I appreciate the Premier's acknowledgment that somebody is accountable.

Who do we hold accountable when the Manitoba Telephone System, now that it is going back to a more

traditional private-sector way, closes down calling boxes or pay phones in inner city communities where they were put in place in the past because of the issues of safety of the citizens who did not have a lot of phones in certain communities and needed the safety and security of a telephone which was asked for by a public nonprofit corporation and the shareholders being members of this Legislature? Who is responsible then?

**Mr. Filmon:** Well, there is no longer a minister that can be held accountable for the actions of the telephone company in making certain policy decisions. On the other hand, there can be any number of ministers who might be urged to take action with respect to a decision of the telephone company that does impinge upon public safety or that does impinge upon the public's access to needed services.

So it could be any number of things. I mean, it could be raised, as it often is, as an issue for the Minister responsible for the Status of Women (Mrs. Vodrey) if that telephone were in a position where it might give some safety and security for single women who might be vulnerable. I mean, one could urge action by a certain minister with respect to a decision of this corporation, but you could not hold any particular minister responsible for that decision because it is a private corporation. [interjection]

**Mr. Doer:** Those people on No. 6 Highway would have had a lot more ability to get things done when they had the Minister of Agriculture (Mr. Enns) as part of the board of directors of the Manitoba Telephone System—[interjection] That is right. Well, also it is a reflection upon your influence as a member of the board of directors and part of the board of directors in this Chamber as opposed to a private company.

The four members of the board that have been appointed by the provincial government, and I do not know whether the chair of the board is one of them—the first board has been appointed by a combination of interest—but the four individuals that are the purview of the provincial government, who recommends those appointments to cabinet, and who do they report to in terms of their responsibility?

\* (2150)

**Mr. Filmon:** My understanding is that at the next annual shareholders' meeting, which will take place sometime later this spring, an election of directors will take place. Cabinet will appoint four members to the board based on the recommendation of the Minister of Finance (Mr. Stefanson) who is technically the holder of the golden share or the province's share in the corporation. The others will be elected by the shareholders at that meeting.

**Mr. Doer:** So this Minister of Finance holds the golden share, does he? He holds the golden share. He holds the Lotteries Corporation; he holds Finance. He has quite an array of responsibilities. [interjection] Yes, he has also got debt here, too.

**An Honourable Member:** More all the time.

**Mr. Doer:** You are running for the federal Conservative Party. As I understand it, you have doubled the debt. I was quite shocked to see that after I knew your alleged position on debt. It will be interesting. However, back to—[interjection] That is right. Be careful. We may not run a candidate there. They will all vote Liberal. You have got to be nice to us for awhile. No, we always will run a candidate. Just be nice; just be careful.

I would like to ask the Premier then if, because we hold the debt and the debt must be repaid over a period of time and we appoint four members of the board, then I could ask the Minister of Finance to look at the public interest in terms of safety of citizens if there was any action of the telephone system that was contrary to the safety of our public, whether it is motoring or otherwise.

**Mr. Filmon:** Mr. Chairman, I am sure that the member could ask any number of people, as he often does. He could ask me to look after the public interest. He could ask the Minister of Finance (Mr. Stefanson). If it was a safety on our highways issue, he could ask the Minister of Highways (Mr. Findlay). I am sure he would have quite a range of people he could ask to take responsibility for the safety of citizens.

**Mr. Doer:** Well, I will quote that back to him when I ask him the question when they close down any phone

offices. I thank the Premier for that advice. I would just like to ask him any question that he would try to answer in the next while, so if he is now giving me the commitment that he is responsible for the safety of citizens in Winnipeg and Manitoba and for those towers on the highways, on 391 up North and the Perimeter Highway, and for those pay phones that are so vital to citizens, I thank the Premier for that commitment, and I will let the member for Inkster ask some questions on the economy now. I am very happy to get that answer from the Premier. Thank you.

**Mr. Lamoureux:** I acknowledge the Freudian potential slip there. Having said that, Mr. Chairperson, I want to follow up a question with respect to the Premier. I made reference to Molson and Labatt. I made reference to Rogers Sugar. I am wondering if the Premier could indicate—and particularly with Molson, you, know, I was in my vehicle at the time when I heard being broadcast that Molson was going to be shutting down, and it would appear to be that the primary reason is they only had 12 percent, and they were hoping to increase the percent in the province to a larger share, and that would have then justified their remaining in the province of Manitoba.

I am wondering if, in fact, the Premier had any idea that these companies were looking at closing down and, if he did, what sort of actions did he take?

**Mr. Filmon:** Mr. Chairman, I just want to put on the record, and I know that the member for Wolseley (Ms. Friesen) will pass it along to her Leader to look at the record, that I said he could ask me those questions. I did not say that I would be held responsible for all the issues of the Manitoba Telecom Services. I just want to clarify that position.

In response to the question of the member for Inkster, certainly I had ongoing discussions with representatives of the major breweries located here, going back for half a dozen years. I know I met with Sam Pollock, who those hockey fans will remember as the former general manager of the Montreal Canadiens and became the chairman or CEO of Labatt Breweries. He was with one of the breweries—

**Mr. Filmon:** Was he Molson? Anyway, I had discussions with him, I had discussions with several successive CEOs of Labatt over the years. The member for Concordia (Mr. Doer) refers to one former Winnipegger, and at all times the questions were of awareness on our part that the market forces were changing with respect to the new rules of trade. GATT, for instance, caused the United States to challenge Canada's restrictive laws that said that you could not sell beer in a province unless you had a plant in that province. I know that it was the government of Bob Rae that I think sparked one major challenge from the United States that saw that action actually lost in a trade dispute about five years ago.

As soon as that happened and that restrictive circumstance for Canada was struck down by international trade decision, we knew that each of our major breweries was put at risk. So I have met over the years with a number of the senior executives from these breweries to discuss how they were approaching their operations here in Manitoba. I might say that we always were concerned about Molson because they had such a shrinking share of the market and such a small share of the market that we always felt that they were the most vulnerable. It was a great shock to us that Labatts was the first to close down when they had close to 70 percent of the market share.

There obviously was not any subsidy or government action that could have prevented that in the sense that they had major plants to the west of us that could supply all of western Canada. So we then immediately turned our attention to Molson, and they, in fact, immediately after the Labatt decision invested I believe it was a couple of million dollars in some upgrades to the plant here and in a major campaign to try and capture more market share by trying to convince Manitobans that if they showed a loyalty to this plant that they could maintain the plant here.

Well, despite a fairly significant investment in a program to try and get market share, they actually saw a shrinking market share here during the next couple of years. As a result of that, we were then faced with the decision by Molson to close down that one major remaining plant here.

**An Honourable Member:** Molson.

\* (2200)



Those are things that are as a result of forces that are certainly well beyond our control. The best information that we have from people is that we are looking at a continuing rationalization of the brewery industry in Canada to the point that likely the two major competitors, the Molson chain and the Labatt chain, will eventually get down to about three plants each in Canada, and that they will serve the entire Canadian market from three plants. It has been argued that they could do it from two plants and get not only adequate distribution but adequate productivity. So that is the rationale behind that decision.

Similarly, with respect to sugar, and sugar, of course, is quite an anomaly from our perspective in that we believe we had the lowest-cost production sugar in the country right here in Manitoba. Our sugar beet growers were very, very efficient. The plant, although it was very old, was producing sugar at very competitive and low cost, probably lower than many of its competitors. But, again, as a result of federal decisions on trade that did not support the sugar industry here in Manitoba, and we urged the federal government to ensure that they did support sugar as part of their overall negotiations with the United States, but it is my firm belief that essentially the federal government sacrificed our sugar industry here in favour of other issues that they wanted to achieve with the United States on trade. So those jobs that were in the plant here in Manitoba were the consequence of it, as well as the loss of production to a number of sugar beet producers, very efficient sugar beet producers.

Now, one will argue, and probably rightly so, that those sugar beet producers will go into other crops, but we lost a significant value-added industry to Manitoba that was very important to our agri-business sector, and it is very regrettable. But certainly that was something that was well beyond our control, and needed some federal action that was not forthcoming.

**Mr. Lamoureux:** Mr. Chairperson, with respect to Rogers, and again, ultimately, I would argue or question whether the Premier or the government has done enough in order to maintain or, in some areas, improve the circumstances in the province, and I will cite a couple of specific examples. We talk about Rogers sugar plant, and the Premier himself says that we have the cheapest processed sugar in the country.

Well, there are other sugar plants in the country, and if, in fact, we are as efficient as the Premier talks about, why not promote or do something with the possibility of employee ownership?

Did the Premier, in fact, even look into that, and if so why did we not hear about it? Was the Premier aware that this, in fact, was going to happen? You know, if the sugar plants from across Canada were closing down, then one might argue about the tariffs or imports and how they are being subsidized, and so forth, but to the best of my knowledge, these other sugar plants in Canada, this is one that was just being shut down for no doubt a number of reasons, but if we do have a good quality product and it is the cheapest in terms of processing in Canada, why is this Premier or this government not prepared to look at other options and just prepare to accept the loss of this particular industry?

When we talk about Molson or Labatt, the Premier says, look, ultimately we are going to see three scattered across Canada of each company if they, in fact, do not amalgamate the two companies themselves, and one never knows. Well, what about microbreweries and things of this nature? Has the Premier looked at the possibility? You know, it was interesting, when I posed the question did he know about Molson, he somewhat skated around it. He did not indicate whether or not he knew that they were going to be closing down that particular plant, or when he did find out about it, it was too late. If, in fact, they would have had 14 percent, would they then have guaranteed? Were there other things that we might have been able to do to add more modernization to the plant?

The Premier criticized the Liberals about our position with respect to Boeing a number of years ago. Well, was there something that could have been done? I look at a Premier like Frank McKenna who is very aggressive at trying to get jobs, and the Premier will say he robs jobs from other provinces and things of that nature, but, quite frankly, Mr. Chairperson, what I see is a Premier who is prepared to be aggressive on being able to retain and bring jobs to the province.

I am not going to suggest that you have to open up the Treasury Board and start competing, because it

would be unrealistic for us to be able to do that given some of the other provinces like Alberta and the type of Treasury Board that they have, but one can legitimately question in terms of why it is the Premier appears not to have had the information in advance or at least be aware of it and has not been seen as coming up with alternative solutions. What has I, T and T done, for example, to promote microbreweries in the wake of Molson cutting back? There are things which the government can be doing in order to facilitate or minimize or marginalize, if you like, the number of jobs being lost in some of these industries.

Mr. Chairperson, because it is somewhat limited in time, the other issues that I want to touch upon briefly with the Premier is with respect to education. I am interested in knowing from the Premier what his policy is with respect to the financing of public education, because we have seen a growing reliance on the financing—and this is a favourite topic between myself and the Minister of Finance (Mr. Stefanson) as I see him smile. There has been a growing reliance on the financing of public education through the property tax. The Premier when he was in opposition, or at least his critic at the time, talked about trying to get the general revenues paying a larger share. I would be interested in hearing the Premier's comments with respect to that.

I would also be interested in hearing—under this health care reform, we are moving towards these regional superboards. You know, I look at it, and I was an opponent of the regional boards first of all coming into place because I felt the government was going to be using these boards in order to deflect criticisms levelled at the government, if you like. Mr. Chairperson, what I was interested in hearing from the Premier is what he believes or why he believes that these boards, now that we are going to have them, cannot be, in fact, elected. We suggested from the Liberal caucus that the most ideal time to provide that election in all likelihood would be the next municipal go-around in 1998 when we have the municipal elections. So, in reality, you would be looking at electing school trustees, municipal councillors and the health regional board representatives.

Mr. Chairperson, these are some of the issues the Leader of the New Democratic Party (Mr. Doer) talked about. Crime, it was, in fact, highlighted today in

Question Period. What is the government doing in this area, because when you put everything to the side, the perception is—and I have canvassed my constituents on this particular issue—that violent crime in the city has gone up, and has gone up dramatically. That is what the perception is.

Mr. Chairperson, when you watch the six o'clock news or you read the newspapers, at times it gets very scary in terms of the way in which we see some of these crimes coming across. What people want is to be able to feel comfortable and have some hope. A somewhat scattered question, as you can tell, but that was all I was going to be asking for this evening.

\* (2210)

**Mr. Filmon:** Just to finish off the commentary on the policy with respect to sugar, the net result of the fact that the federal government did not listen to our pleas for a national sugar policy was that they chose to, in fact, support jobs in eastern Canada, in Toronto and Montreal, where they use imported cane sugar, so that they do not benefit the agriculture or the production side of the industry. They simply benefit producers in Cuba and various other countries around the world, and import this cane sugar to create processing jobs by virtue of its being dumped in eastern Canada. They abandoned completely the sugar beet industry of western Canada.

**An Honourable Member:** Sugar is still being produced in Alberta.

**Mr. Filmon:** Because of the fact that the market was shrinking, they forced Rogers into a position where they had to choose among their plants. They chose to continue to support a newer plant, with newer, more modern equipment and infrastructure in Alberta and closed Manitoba. That is the net result of that policy decision by the federal government. I am sorry the member would not have spoken so strongly and passionately to his colleagues in Ottawa, instead of now crying over spilt milk here in Manitoba. He would have been far better to go after his federal colleagues as we did for several years, saying, you must have a national sugar policy or we are going to lose the industry in Manitoba. Then, when it happened, what happens, their Liberal colleague here in this Legislature

says, what did you do about it? Well, that is what we did. Even after, he talks about whether the plant could have been run by a local co-op or by a management or employee buy out.

I wrote to the CEO of the Rogers Sugar in Vancouver and said: please, do not dismantle or sell that equipment, because we would like to try and engineer a local buy out. I met with the former governor of North Dakota, George Sinner, who came here at my request. We wanted to try and see what we could do with respect to a partnership, perhaps, with the American sugar beet producers south of the border. Looked at all sorts of options. Rogers Sugar, incidentally, just simply said no. It is our plant; it is our equipment to do with what we want. In fact, it was only a matter of weeks later, they said we have already substantially dismantled the plant. That is the kind of thing that happens. It happens because people do not look at the long term when they are given an opportunity to. I wish that he would have been as passionate with Mr. Goodale as he is being here in this Legislature.

With respect to Mr. McKenna, I would say to him just very simply, that he may want to check with Mr. McKenna and see whether or not the job creation that is taking place there is anywhere close to the job creation that is taking place here in Manitoba. I happen to know, because I regard Mr. McKenna as a friend, that he would change job creation stats with me any day of the week. We have had very substantial increase in our job creation here. If he wants to go and trade results with Mr. McKenna, he is welcome to do that, but if he wants to run on those results, he will lose provincially. [interjection]

Oh, everything is different, of course. Their unemployment rate is higher; their job creation rate is higher. They are a province that is about 80 percent of ours in population, but they are not even close to what we have been able to achieve in the last eight years in job creation.

I wanted to say the other thing, that when he brings in commentary on education, I would tell him that the one thing we will not do is wipe out every school board in the province as Mr. McKenna did. If that is his policy, he can run on that one in the forthcoming election too,

I say to the member for Inkster, and see how far he gets with that policy.

Mr. Chairman, the member opposite asked about our commitment to education, and I would say to him that this government contributes a greater share of its budget towards education than our predecessor administration did. We have continued to place a greater emphasis on education funding in this province. The fact of the matter is that education spending at the local school level has continued to outstrip not only inflation but certainly the transfers from our government, and, as a result of that, they have chosen to put more and more and more of the cost of education on the property tax. That is their responsibility and they will have to answer for it when they run again for election.

(Mr. Jack Penner, Acting Chairperson, in the Chair)

**Mr. Doer:** Just a couple of comments on the issues raised by both members. First of all, in terms of the brewery industry, I think the decision of Labatt a couple of years ago or a year and a half ago, November 6 or 7 of 1995, I believe, was a horrible decision—November 9—for this province, and I think it is an issue of corporate greed, because Labatt was making some \$14 million in this province. As the Premier indicated, it had 70 percent of the marketplace, and it wanted to, quote, maximize its profits.

I have talked to people I know in Labatt, who used to work for Labatt, who used to run Labatt, and other people, and all they did—it comes down to the whole issue of what responsibility people have to their own community in a profitable operation. Mr. Chairperson, \$14 million in profit and Labatt wants to make a little bit more on the market here in Manitoba, and it closes down one shift in the Labatt plant here so that it can add a third shift in Edmonton. That is what happened. Ralph Klein gets to have the photo opportunity. We get to get 150 families that lose their livelihood here in this province.

At what point does a corporation with 70 percent of the market have an obligation back to the community it serves? At what point do all of us get mad about it and say that publicly so that we can affect the only thing that really matters to that company, which is market share. There were a couple of announcements in their

public relations efforts and, you know, the maximizing profit—they had the charts about production and gallons, et cetera, and after you strip away all that material—the Premier's former press secretary was involved in the PR campaign.

But this community did nothing. We did not fight. We did not stand up against what I consider to be a greedy decision. The local media ran stories about what a great financial decision it was. Then they took something we said about fighting this decision totally out of context and wrote stories about the NDP supporting a microbrewery in the plant, which is just ridiculous, dishonest, and tells me, tells other corporations that if they are looking across the country and want to close down a plant, there is not a lot of fight in this community on market share.

If we cannot fight Labatt and make a difference as a whole community, the media and the government and the opposition and make it a big campaign to keep a plant here for 150 people, if we just throw up our hands and say, we surrender to this decision, that this company has no obligation back into our communities, then I think it is very regrettable. Because the next operation we are trying to save then is Molson who is left with 30 percent of the market and was able to make very little dent on the market share.

\* (2220)

In fact, its advertising campaign came out, I think—you know, who am I to judge it, but it came out not right when the initial decision was being made by Labatt, but came out after Labatt had closed and before the decision to close Molson. I think as a community that buys 70 percent of one product, which is making money in our community—they had some of the best technology. They were stripping that plant down. The buzzards were there immediately to take the kettles out of there and take some of the other lines out of there to take them to other places across Canada. It is not my view that a community and a province should surrender without a little bit of a fight, and I would have liked to have joined the Premier in a fight on this issue rather than just to surrender. I think it was regrettable; and, as I say, Edmonton has got a third shift, we have got no shifts.

On the sugar beet situation, I would agree with the Premier that we have been really let down by the federal government in terms of the sugar policy. The member for Emerson (Mr. Penner) has spoken about this in the past. I have listened to him in the coffee shops and listened to him in interviews, and we have listened to the Chamber of Commerce on this issue. We have raised it ourselves. The Manitoba Chamber, Mr. Kelly, I think, from the Chamber of Commerce is very knowledgeable in this area, and he certainly gave us very good advice on this industry.

We needed a national sugar policy. The U.S. and other countries have them. We, I think, were victim of other decisions that were made and other corporate decisions that were made by the federal government in dealing with its trade relations with Washington. Interests in eastern Canada, I believe, came above our interests in terms of the sugar industry here.

I dare say the member for Inkster (Mr. Lamoureux) raises the issue of the Alberta Taber plant. I think Rogers will want to serve this market probably from Vancouver soon, and that, too, is regrettable. I hope I am wrong because I do not want to see our misery transferred to Alberta, but I would agree that we need a national sugar policy. We tried to get the federal government involved. I know this government did.

We also agree with the Premier that they should not be allowed again to have a scorched-earth policy with that plant. That plant, yes, is owned by the private company, but what rights do the community have to those jobs? What rights do the growers have to that access, to that capacity to process their product here in this community? What rights do we have as a community collectively to pay fair-market value perhaps for that plant and keep it here before they just take the equipment out immediately, because they do not want to leave the equipment here. They do not want somebody else to make a go of it because they want to serve this market without leaving the jobs and commitment back in our community.

We do agree with the government about the whole need for a national sugar policy and a domestic sugar policy, and I look forward to the day where we can implement one in this country. Perhaps it will not be too late for the existing plant. Perhaps if it is, we can

start all over again because there are lots of good growers. As I understand it, the quality of the product, the quality of the workers—the plant was not exactly modern, but it was a profitable operation. It could even be more profitable in the future, and we could serve our own domestic market a lot more with the domestic sugar policy.

I have another point I want to raise to the Premier, and that is to deal with the Crocus Fund. This, of course, as I understand it, is doing quite well here in Manitoba. When I look at the labour-sponsored funds across Canada, I see the Manitoba operation doing reasonably well, small, in comparison to other provinces. I see the Quebec fund, a billion, \$2 billion now, very centralized. The majority of the money administered and collected and dealt with by one fund, a very small amount I think raised by the CNTU, a second fund.

In Ontario, they have about 12 separate funds, and what I hear from people in the financial community is the real fear that a proliferation of funds will eventually lead to financial difficulty in one of the funds because of mistakes that are made. There is a recommendation that the expertise be maintained, the education programs be continued, that there be a focus of the solicitation, focus of the investments, and that over the long haul, rather than going to too many funds, that we eventually go to more regional funds under the one umbrella.

Quebec, I am sure the Minister of Finance (Mr. Stefanson) is aware, has I believe 12 or 18 regional funds that work with smaller projects in communities for community economic development with funds that are available through workers and investments that take place. The future of these funds as we proceed with them is to continue to grow the expertise, to continue to solicit the funds, not proliferate these funds but rather to regionalize them, if we look at, as I say, the Quebec experience as being obviously the model because it was established long in advance of other models in Canada.

So I would like to ask the Premier—in the Speech from the Throne, they announced the new fund. I was a bit surprised about that. When we look at the Ontario model of 12—I think 12 separate funds—what is the advantage to proceeding with that and why not look at

longer term more regional funds with the expertise that is being developed in the existing fund here in Manitoba?

**Mr. Filmon:** I want to indicate to the Leader of the Opposition that we are not dissatisfied, obviously, with the performance of the Crocus Fund. It has performed well and provided venture capital for a number of different companies and organizations in Manitoba, and based on that, we believe that we should take a look at the possibility of establishing perhaps another fund. We have no preconceived notion as to whether that other fund would be regional in its orientation, whether it would be specific to say, value-added agriculture, another sector of the economy that is in significant need of venture capital.

I think the only thing we have in the Crocus Fund is that that legislation is very specific. It only set up the Crocus Fund. It did not set up the possibility of a number of labour-sponsored venture capital funds. All we have announced in the throne speech is that we will be introducing legislation that is enabling, that would allow for other labour-sponsored venture capital funds.

Our view is that the economy, in its current circumstances, which is very buoyant, which is seeing expansion in many, many areas, one of its limitations to expansion is availability of venture capital. The Crocus Fund is limiting in that it only set up the one fund and it is very specific to its orientation for investment. We would like to ensure that we have as much flexibility as possible to attract as much venture capital as possible.

\* (2230)

**Mr. Doer:** So the Premier is saying that they are satisfied with the successes to date of the Crocus Fund. I mean, our reading of it is it has been quite positive. I have talked to business people that have received investments from the fund. Others feel it has been a very positive part of our economy and has performed, in fact, exceeded expectations in terms of not only the funds that have been raised but the investment in the funds, the jobs created and the performance of the investment decisions they have made.

**Mr. Filmon:** We have been very supportive of the Crocus Fund and are very pleased at its outcomes. We

have continued to support it in other ways. There have been requests by national funds to come in here, national labour-sponsored funds, and we have declined that in the past. We want to continue to have control over funds that are labour-sponsored but are Manitoba funds. That is what the intent is of this legislation.

**Mr. Doer:** Has the government reviewed in their decision making the kind of focus, success, and the job creation record of the Quebec model which is quite focused with the one huge major fund?

As I understand it, it probably has close to 90 percent of the investments through the one fund, as opposed to the Ontario model where you have a proliferation of funds through enabling legislation that has not necessarily worked in the best interests of—in terms of you get greater administrative costs, et cetera, with more funds and more administration of more funds.

**Mr. Filmon:** I am informed that certainly we look at all the different funds that are existent in Canada today. The Quebec fund is the oldest. It has served as a model for many of the subsequently established funds in Canada, but it is huge. I am informed that they have biweekly payroll deductions of \$14 million that flow into the fund, so it has got billions of dollars of assets that in 20 years have accumulated. So it has done well. It has achieved tremendous purposes, and we certainly have learned from it, as we have from other funds in Canada.

**Mr. Doer:** As I understand it, and the Premier mentioned the biweekly payroll deductions, they have more than doubled the amount of contributions to payroll deductions through a campaign over the last few years, and they are up to 35 percent of their contributions now on payroll deductions as opposed to funds that are raised at the “lump sum contribution level” of the “year-end” and that they have been able to focus this activity to really, really work on this effort to get payroll deductions for capital and investment and jobs by having an administration that can really focus in on that task of, for example, payroll deductions.

By going to a proliferation of funds, potentially, notwithstanding its enabling legislation, we may be increasing the administrative costs and diffusing the kind of focused attempts that can be made and results

that can be obtained obviously on a much smaller scale in Manitoba, but going to a 35 percent, I think, and the government would know these numbers better than I would, a payroll deduction produces a lot of—you mentioned \$14 million. This just did not happen overnight. It has been worked on the last couple of years, and it required a concentrated effort and focus to do it.

**Mr. Filmon:** I do not disagree, but I cannot see how limiting the numbers of venture capital funds here in Manitoba will increase the possibility of venture capital being obtained by those who need it.

**Mr. Doer:** Well, as I say, the best model we see is Quebec's model on these funds. We will have to debate this issue when the bill comes before the Legislature, but, again, I am not raising it in Question Period, I am raising it now, and there are other ways of improving the existing model as we proceed. I would like to look at improving the existing fund here in Manitoba, but not proliferation of funds like I see in Ontario.

The advice I receive from people both from the labour community and in the investment community is they feel that the Quebec focus is a better way to go than the Ontario enabling model where they have 12 separate funds, and there is quite a lot of fear about what may or may not take place in Ontario in terms of the 12 different administrations. But the government has looked at that. We will have to debate this issue in the legislation, and I was quite interested to know what the government was doing with it.

I have one other question on the trade trip. The Premier was quoted as saying that it was the federal government's fault that Team Canada did not have a food exhibition on the latest Team Canada, that Manitoba was not represented at this food fair. There was quite a bit of media coverage on it. The Premier said, it was not our fault; it was the federal government's fault. Whose fault was it, who is responsible for it, and what action has been taken?

**Mr. Filmon:** It appears as though the federal government system chose to funnel their requests through Ag Canada offices in each of the provinces, and the request came into Manitoba. We I guess were peripherally made aware of it by a contact from our

Manitoba representative in Hong Kong who, in his briefings about what Team Canada would be doing over in Thailand, found out that there was going to be this food fair and asked for a listing of who was going to be displaying food or what companies were being asked to provide food for the display. He attempted to assist in the process and was told that the matter was well in hand, that it was in the hands of the Ag Canada system and that they were providing the food displays from all the provinces.

As it turns out they provided a list of food producers in Manitoba to the embassy in Bangkok, the Canadian embassy, and when we eventually did see the list after the fiasco and after the great disappointment of arriving at the food fair to find no Manitoba products displayed, it turned out that virtually every name that was provided, there were about 10 names provided by the local office of Ag Canada, were major wholesalers of food like EXCAN and Roy Legumex and companies that sold food on a wholesale level but did not have retail products.

As I indicated, any fool could have told them that we had people who produce salsa here, people who produce flax products, Old Dutch potato chips, the organization in Ste. Anne that produces a kind of potato chip, wild rice, all sorts of products. In fact, Rural Development has a travelling display of food products that would have been made available to them, and I could not for the life of me understand why the federal system would not have directly contacted the province to ask for its input to this particular display.

\* (2240)

I was furious and certainly vented my anger and received apologies from everybody right up to the Prime Minister and the ambassador and others, but, unfortunately, the error in judgment was made by a bureaucrat working on behalf of the embassy in Bangkok, and their choice and decision to use only the federal government system as the source of information was the result.

I might tell the member opposite that I left the display in quite a bit of anger in the company of the Premier of British Columbia, who was also angry, because he had at least two people with him who were food product

producers from British Columbia whose products were not on display in the British Columbia display. There was a very, very limited display in British Columbia, and he was very embarrassed that two people who had paid \$14,000 to be a part of Team Canada did not have their products on display, again because there was absolutely no provincial input to the process.

The federal government has I think learned by this unfortunate incident and is very embarrassed and apologetic for it.

**The Acting Chairperson (Mr. Penner):** Item 1.(b) Management and Administration (1) Salaries and Employee Benefits \$1,876,400—pass; (2) Other expenditures \$392,000—pass. 1.(c) Intergovernmental Relations Secretariat (1) Salaries and Employee Benefits \$332,100.

**Mr. Doer:** The Premier was mentioning that he went right to the Prime Minister on the food fair issue, and I hope it is resolved—[interjection]

**Mr. Filmon:** He was with me when I walked up to the booth.

**Mr. Doer:** Good.

Has the Premier discussed the issue of the flooding compensation for municipalities with the Prime Minister in either his meetings with the Prime Minister or these long plane trips and meetings that he has with the Prime Minister, in fleet of a food fair or other forums that would be appropriate to deal with this matter that is a grievance to all municipalities affected by flooding, and a concern obviously that has become even more acute with, dare I say—I do not even want to look out the window to see if it is still snowing—but dare I say it is not. I know I will be throwing a lot of sandbags around in a couple of weeks.

**Mr. Filmon:** Yes, Mr. Chairman, I did specifically raise this issue with the Prime Minister while we were away on Team Canada. It was one of several issues on my agenda, and I subsequently wrote to him explaining the concern in detail. He assured me that the matter would be reviewed and that the new minister responsible would take a fresh look at it. The initial decision was made under a different minister. The new

minister I believe is Doug Young, and the result of it was that shortly after the Team Canada mission we had a number of auditors sent out by the federal disaster assistance system from Ottawa to review 20-odd years of records in which they had been making payments based on the use of municipal employees for emergency purposes.

I understand that was intended to take only a matter of a day or two and they were here for something like three weeks reviewing in intimate detail every payment that was made over the last 25 years, and we are now awaiting a response from them. We have, through senior officials in our administration, contacted their senior officials repeatedly over the last month because we anticipate, of course, a federal election, and we anticipate that this is a good time to pursue them about such a major issue.

It is also, of course, on the eve of the potential of another major flood, which might occur right in the middle of a federal election campaign, and we have suggested that this would be a terrible black eye for Ottawa to be campaigning on such a dismal record on this issue where they have, no question, changed their interpretation of the guidelines that were in place for 25 years and denied municipalities the legitimate opportunity to collect for the services of their employees on an emergency basis.

**Mr. Doer:** Has the Prime Minister replied, or only replied in the form of sending auditors out? Do we have any reply at all from the Prime Minister, and is there any correspondence that can be tabled in the Chamber, both the Premier's letter to the government and the response?

**Mr. Filmon:** I stand corrected. My understanding is that the preference was that rather than have the Prime Minister essentially go over the head of the minister, he asked that our minister write the new minister and that they have an opportunity to see if they could review the file, which is exactly what took place with respect to the auditors having been sent out here for the better part of three weeks.

**Mr. Doer:** Who is the new minister, the federal minister? I know the new provincial minister. When do we expect a decision from Ottawa dealing with this

matter, and can the correspondence between the two ministers be tabled? It is a public interest issue.

**Mr. Filmon:** The minister here had been, of course, the Honourable Brian Pallister, and our new minister is the Honourable Frank Pitura. Their minister had been the Honourable David Collette and is now the Honourable Doug Young—[interjection] Yes, it is now Doug Young. So we have been assured by both the PMO and the PCO that this is a high priority issue that is being attended to by the federal minister.

**Mr. Doer:** When was the audit completed, and when do you expect an answer, or will we read it from an Ottawa dispatch in the local newspaper shortly?

**Mr. Filmon:** My understanding is that the federal auditors left here about two to three weeks ago. Very shortly after they arrived back in Ottawa, Mr. Axworthy announced a \$1.5-million advance on emergency expenditures in Manitoba, which we took to understand to be a down payment on the expected amount that was going to be agreed upon by the Auditor's report. When I said that publicly on a Steinbach radio station, we immediately got a call from a federal bureaucrat saying, no, no, this is a down payment on expected damages this year.

It seems rather ridiculous to us because, you know, despite the fact that it does look as though we are going to have a flood, there is not any assurance yet that there is going to be emergency expenditures. But it seemed to us to be a totally preposterous way of trying to indicate that they were doing something when they were not doing anything. So we will just have to wait and see.

**Mr. Doer:** Well, we will have to wait and see. Speaking of the federal minister responsible or the lead minister of Manitoba, the Premier's Minister of Justice (Mr. Toews) got quite exercised in this House about the so-called federal gang initiative announced and a federal gang co-ordinator announced by the federal lead minister.

I would suggest a lot of members of the public found a forum on, quote, youth gangs, five or six weeks away from a federal election a bit—they viewed it with some cynicism, I think, if I am to be accurate listening to



people that I have discussed it with, and quite disappointed that there has not been action.

\* (2250)

We were hearing from our constituents last summer and the year before about their major concern; about the growing youth crime. We have been having disagreements with this Premier on what we believe to be opportunities that have been cut. I have already gone over that at this opening statement.

I think the reaction of the public was, on this one, we got a federal minister making a proposal; we have a provincial minister in a huff. I think the reaction of the public was, why do you people not work together instead of taking political disagreements with each other?

Has there been some attempt by the Premier to get a longer-term strategy in place rather than just political shots across the bow that have taken place in this Chamber and in the public in the last couple weeks between the initiative of the federal Liberal government and their closed-door meeting and their invitees? Not everybody was invited. I do not know whether the Premier was invited to this meeting. I understand the leader of the Liberal Party was invited to the meeting. Many are called but few are chosen, I guess, is the way to get to the so-called gang meeting.

**Mr. Filmon:** Mr. Chairman, I could not agree more with the Leader of the Opposition, that this needs a partnership approach of everybody—community, aboriginal organizations, the federal government, the provincial government, the city government. I guess what caused the response of the Minister of Justice (Mr. Toews), the very aggressive response, was that our government had been working with both the city and the federal government under the WDA, the new Winnipeg Development Agreement, for several months on a number of issues, including a gang initiative, but certainly street safety and many justice issues.

(Mr. Chairperson in the Chair)

The plea of our Justice minister to Mr. Rock, to Mr. Rock's people, was that there ought to be a comprehensive strategy, not just a series of one-off

announcements whenever the federal government decided that it was in their political interest to make an announcement. Because of the dialogue that had been carrying on for at least six months, we would have at least expected to be made aware of, or to be brought into the announcement.

Such was not the case, and that is what I think triggered a rather aggressive response from the Minister of Justice, that it came out of the blue, despite the fact that there had been six months of dialogue ongoing among all three levels of government. This one came out as a commitment or pronouncement from on high by the federal Justice minister, obviously with the involvement of the chief of police in the City of Winnipeg which is certainly acceptable and supportable on our part. But what happened to the rest of the players who had been involved in attempting to work toward a comprehensive strategy? What is the rest of the strategy when there is this one-off announcement of a gang co-ordinator?

With respect to whether or not I was invited to the gang summit discussion, no, I was not. I guess at the initiative of a couple of our ministers, they were given invitations by expressing some concern that they were not included. I know that there were other, for instance, Conservative members of the Senate from Manitoba who had been involved in discussions and justice issues in Ottawa who had to phone and twist arms in Mr. Rock's office in order to receive invitations to be there.

The list of invitees seemed to be very, very narrow in its scope and seemed to involve only those people who were acceptable to the Liberal Party here in Manitoba, which is unfortunate because I think that there were many people who could have, and should have, been there and had things to offer. Certainly, many who were there, including Liberals such as the member for The Maples (Mr. Kowalski), did contribute, as I understand it, very substantially to the discussion and the process. It is just that the scope of people invited was too narrow. Aboriginal leaders and aboriginal spokespeople have also expressed that concern.

**Mr. Doer:** You know what I find rather interesting is, I guess the best way to put it, the young people at the Indian and Metis Friendship Centre had 500 young

people brought, I think, in November to their centre. They came out and produced a report about six weeks later dealing with youth opportunity, hope and crime, and the member for Riel (Mr. Newman) was there. There were many members of our caucus there. There were no federal members as I recall it there.

I think Glen Murray was there, which I thought was rather ironic because the day I was going down there to listen to what they were going to announce the young people, there was another report coming out of one of the committees from the City Parks and Recreation that the resources in our community clubs are going to be cut back and the fees for using the community clubs were going to be increased by 15 percent. In the same report, young people are saying we need access to recreation, education, employment, et cetera, et cetera. So if people wanted to have a "summit" really listening to kids, what they were saying right across the whole city, it was there for all of us, rather than a closed-door meeting this spring.

What I want to see is, after the federal election, we have a strategy to really deal with this issue, because I think now we are in the announcement stage, the unilateral stage, and we are not naive enough to believe that that will not take place before an election. I even noted that the member opposite has made a few announcements just before elections himself, and that happens, but we need to do something about this and we are going to continue to push it, and we have been in the past.

As I say, we have raised this 18-point plan which we think is workable and got some good ideas to it. There is no such thing as anybody having an absolute lock-up on the right answers and the right combination of answers, but I have to say I was really impressed with the kids in Nelson Sanderson's group, young people that presented their views and wrote a very, very comprehensive report, very easy to understand report, with very common sense solutions.

A lot of the recommendations mirrored the document that was not released by the government from their Youth Secretariat, the one which we have referred to and released in the past, so, hopefully, we can go from here and have some success and some strategy, and I

will not belabour that any further, but it is going to continue to be a priority for our caucus.

We asked the Premier questions a couple of weeks ago, or a week and a half ago, on the devolution of power and the human resource agreement. As we understand it, Newfoundland has signed a co-operative agreement for the human resource decisions between the federal and provincial governments, that New Brunswick and Alberta have signed a devolution of power, a three-year agreement and that Manitoba is looking at signing and has agreed to sign a similar devolution agreement with the federal government on human resources.

\* (2300)

There will be some language protection or hopefully some protection for the minority Francophone population in human resource centres here to mirror the proposal that hopefully is in Quebec to protect the English minority language issues with human resource centres as a bilingual country with a former service that because it was provided by the federal government was provided in both official languages.

We understand there are going to be reductions in staff. There is not going to be a longer-term guarantee of money. We are being told by our sources in the federal government they are quite happy with the agreement they have signed with Manitoba, because they are able to reduce their investment here in this province, and in a sense, start the process of what they believe to be offloading this responsibility with a few strings attached to the provinces.

Manitoba's agreement, as I say, is only three years, and then other conditions are "negotiable" as they go along. As a province that is quite worried about having services offloaded, why would we agree to a devolution agreement?

**Mr. Filmon:** Mr. Chairman, I just want to indicate that we have not signed an agreement with the federal government. We are still in the process of negotiation with the federal government. We have gone through a number of reviews at the cabinet level of the negotiating mandate, and we are in a process that is also concurrently going on with several other

provinces. The member opposite refers to agreements having been signed already with New Brunswick and Alberta and Newfoundland, and the Newfoundland one being co-management, the New Brunswick and Alberta ones being devolution of authority. I think the member should be aware of the fact that the federal government has indicated that they are going to be devolving authority for this, and it is a question of whether the devolution takes place to us or to some other entities in Manitoba.

We believe very strongly that it is in our interest to be the co-ordinating body for labour force development in Manitoba. We would not want to see it distributed to other community levels of organizations. I think that the member opposite would not disagree with that, that we could not afford to have a fragmentation of responsibility for labour force development by giving it up to several locally based organizations. The federal government is going to be devolving. It is a question of whether or not it is to the provincial government or to some other entities that they choose, and we do not believe that that is in anybody's interest to have a diffusion of responsibility for labour force development.

We ultimately have said over and over again that, for the ultimate long-term positive development of our economy, the labour force development is a key lever, a key area of influence in our ability to grow as a province, whether it is to adopt and adapt to technological change, whether it is to help in the shift from a production-based economy to an information and knowledge-based economy. All those reasons to shift into the new economic opportunities of the future. We need to have labour force development as a key investment and a key element in that process.

The federal government has already signed agreements that are based on a three-year rolling model. That does not mean it is a three-year agreement. It is a three-year commitment that is a rolling commitment that keeps being renewed at the end of every three years, so there is an intent on the part of the federal government to maintain their commitment. Every agreement has a clause in it, certainly ours would have, that says that if any other government receives anything that is better than what we have received, is more

beneficial to us, then we have the right to ask for that to be added to our agreement.

So it is our understanding, for instance, that Quebec is holding out for a two-year notice of change. That is, the federal government would have to give two years notice of any change in their commitments under the agreement, and so that would be added to our agreement should that take place for the Province of Quebec. It is not in the agreements that have been signed to date with New Brunswick, Alberta or Newfoundland.

We have, I believe, agreed on a certain number of positions that are based on the current level of activity of the federal government in Manitoba. It does not matter whether those positions are filled or not filled. So if they run up vacancies that are to be filled that are unfilled that those numbers of positions would still be part of the funding that would be transferred to the Province of Manitoba. So that does not seem to be material to the concern about funding. The funding would be based on a certain number of positions, whether filled or unfilled and, if they were unfilled we, having taken them over, would be in a position to fill them with provincial employees.

\* (2310)

Ultimately, all the employees will be provincial. We prefer that situation to the so-called joint managed area that Newfoundland has, and I would say to the Leader of the Opposition that one of the major thrusts that we are attempting to accomplish by all of this in the disentanglement process is that we should get the federal and provincial governments out of each other's hair, that we do not need to duplicate management and direction of programs and services, that what we need to have is one coherent policy, and we have just talked about the difficulty that we have with respect to having a coherent strategy when you have two different administrations at the table with perhaps two different political objectives.

That is an inefficient system that is being called for by the Leader of the Opposition, and I disagree with it completely. I think that we ought to have one coherent, long-term vision of what we want to do with our labour force development strategy, and we do not need two

different heads on the dog trying to wag the same tail. We have to have this in a way that is as manageable as possible, efficient as possible and we believe that this is the way in which we should be doing it.

There are a number of side issues that have yet to be negotiated, which is why we do not have an agreement, a number of outstanding matters that continue to separate us from an agreement. The language component, we are told by the federal people at the negotiating table that they are satisfied that Manitoba has the capability of providing for the services in both official languages and that they are not, in any way, concerned about our ability to deliver on those services in both official languages.

I remind the Leader of the Opposition that we are still very large net contributors to the UI program in Canada because of our traditionally low unemployment rate, and the fact is that I do not believe we have been getting our fair share of training dollars from Ottawa throughout the piece. We have not had large numbers of people collecting UI so, as a result, two years ago the figure was almost \$300 million of net contributions to the UI system; that is, the total contributions from employers, employees, less the UI payments and all the training dollars that were funded back to Manitoba.

Although that figure is probably somewhat less now, it is still substantially in the favour of the federal government. We are very large net contributors to the UI system. Our job is to make certain that the dollars that are invested in training and labour force development go to the right purposes for addressing the many skill shortages that we may have in our workforce, addressing the many opportunities that we may have for employment in the workforce that are not currently being addressed.

**Mr. Doer:** Of course, the Premier will know that the EI, the employment insurance, which is a misnomer in our opinion, politically incorrect in my view, the new program will be administered by the federal government. There will be offices in Manitoba dealing with the so-called insurance side, and there will be offices now in Manitoba dealing with the human resource side. So we will have a, quote—you may want to use the term dog. I will use other terms, but there will be some shared jurisdiction to begin with.

When the Premier talks about our vision of this program, we believe in the whole issue of having a strong program from coast to coast to coast in terms of human resources and human resource training. I would like to ask the Premier are there any documents, any materials, or any concepts that can be made public in a comparison between the Newfoundland system, for example, and the system that has been agreed to in New Brunswick and Alberta in terms of advantages and disadvantages, because the decision this government makes is going to be long term in terms of the federal government's devolution and the model it chooses.

Because there are offices all across Manitoba and this program not only deals with the employment of people but also deals with the training of our public, surely there should be some debate in this Legislature. We have tried to raise it in Question Period, but we would admit that it would be much better if we were dealing with a debate about, this is option 1, this is option 2, this is option 3. this is why we are going conceptually to option 1, and that this debate take place in this Legislature rather than just take place in either the federal-provincial negotiations or in the cabinet room.

**Mr. Filmon:** We do not have the documents from Newfoundland, New Brunswick or Alberta. I do not believe that the federal government would agree to making them public. If so, obviously—sorry, we do have the agreements, but we do not have a comparative analysis. Those are there and available. They are in the public domain. If the member opposite wants them, I guess we can arrange to have copies given to him.

My understanding of the federal government's intent was that they were intent on devolving to all jurisdictions, that they have only created a special deal for Newfoundland because Newfoundland was concerned with its capacity to manage the entire labour force operations in their province. So they struck a co-management agreement because they did not believe they had the capacity to manage it on their own.

**Mr. Doer:** I also understand that Newfoundland did not want the federal government, over time, to totally offload the program to them under the name of devolution, and that was another consideration that was made.

We see offload, offload, offload as concerns raised by the government time and time and time again, and all we are concerned about notwithstanding our different view of the vision of this strong national government, what we are concerned about is one person's devolution may be another person's offload. What we want is if the government has an analysis—the agreements apparently are in the Legislative Library. The Alberta agreement is at least. It is apparently available in Alberta. If the government has done an analysis of the benefits of the Alberta agreement and New Brunswick agreement and they compare it to Newfoundland, we are certainly willing to read it and pay attention to what is being stated in there.

We disagree with the federal government's decision to devolve, but the second question is how best to do it. That question, to some degree, we have got an open mind on. We did not like the three-year limitation or the three-year guarantee. That is one concern we have. We did not like the reduction in numbers of employees. We do not like the lack of certainty in the offices, the questions which I raised last week. We do not like the fact that these negotiations are taking place in secrecy, as raised by the member for Wolseley (Ms. Friesen), but if the government is willing to open this process up, either in these Estimates or in another Estimates of the Department of Education prior to final signature, I think that would be of public value. It is a longer-term agreement. Governments come, governments go. Sometimes we think not quickly enough, but we are biased, of course. We would like to debate this issue because obviously somebody else may be responsible some day in the future.

\* (2320)

**Mr. Filmon:** I think it is somewhat ridiculous for the member for Wolseley or the Leader of the Opposition to talk about negotiations in secret. Every agreement that the Pawley government negotiated with the federal government was negotiated in secret, whether it was the initial Winnipeg Development Agreement, North of Portage, the Core Area Initiative. All those things were done in secret.

Governments who are exchanging positions and negotiating do so in private because things may never turn out to be the way they intend them to be. They

take positions. They offer suggestions. They are flexible. The Leader of the Opposition never did any of his union negotiating in public. It was all done in private. It is absolutely ridiculous to make that as a serious criticism.

Having said that, we have looked at the alternatives and believe that the model of devolution of responsibility would be the most efficient model. It would provide us with the ability to manage to the best of our capabilities and most efficiently by eliminating two different sets of administration, two different sets of reporting relationships, two different sets of political imperatives from the equation and leave us with the challenge and the responsibility of managing for the best interests of the labour force development of Manitoba.

(Mr. Jack Penner, Acting Chairperson, in the Chair)

We believe that that is in the best long-term interests of the people of this province, and we are prepared to stand by that. We note that virtually every other province, with the exception of Newfoundland, has arrived at the same conclusion. So I do not think that this is being done for any philosophical reasons. I do not think that this is being done for anything other than attempting to find the most effective model of delivering labour force development activities in a province. I would say that we believe there will be a significant ability for us to protect the interests of the people of Manitoba by virtue of the part of the agreement that says if anybody else negotiates any more favourable circumstances, we will benefit by them.

If the federal government is going to pull out of labour force training, then they are going to do so in every province. It would not matter if they had a co-management agreement in Newfoundland. Because we are all entitled to equitable treatment or effectively equal treatment, then we are going to get whatever Newfoundland gets out of it in terms of the funding side. So I do not think that one way or another is going to stop the federal government from getting out if that is what they choose to do.

On the other hand, they would be hard pressed to justify the continued take of all the EI money from the province and not putting anything back into labour

force development, and that holds true everywhere in Canada. If they are going to get out of responsibility for labour force development, then they are going to have to devolve the rest of the EI program to us and let us take the money then instead. I do not think that the people of Manitoba nor any other province are going to stand by idly and see that happen.

**Mr. Doer:** Well, perhaps the government and the Premier may want to look at what is going on with EI right now. There is a \$6-billion surplus being removed from Canadians, employers and employees, being maintained by the federal government, and there is no big outcry. People standing idly by. I think perhaps the Premier will understand that there is not a lot of, how should I say it? Sometimes we are into these jurisdictional issues. They are not exactly issues that people readily start to fight for.

I think it is regrettable that the government is running a major surplus. Where does that money come from? It comes from people in Manitoba, and it comes from people across this country in terms of the surpluses now being basically hidden as a so-called contingency plan by a federal government. They almost equal some of the contributions that could be made to the CPP deficiencies or contributions that have been withdrawn from health and post-secondary education.

So on the one hand, they withdraw billions of dollars from health and post-secondary education, and on the other hand, they are running major surpluses in the EI fund. I would like to see a lot more public accountability in those decisions. Perhaps the Premier feels that Canadians are storming Ottawa on the issue of the EI surpluses right now, but I do not see it. I wish we could see it. Perhaps he sees something I do not see.

On the issue of negotiating in public, I would remind the Premier that there is sometimes a real advantage to negotiating items in public. We mentioned, the member for Wolseley (Ms. Friesen) and myself, the last set of negotiations dealing with The Forks. The proposals from all the governments were made in public. Yes, there were meetings to deal with those proposals, but the whole concept plan was put out to public meetings and public hearings and how much money would go to this proposal.

There were disagreements about whether there would be money for the river walk program and how much that would be, how much would be for clearing up the yards, how much would be for some of the transportation routes, how much would be for recreation and cultural activities and historic investments, and all those negotiations were taking place between governments, but they were also taking place in an open public debate with open public meetings. That is an advantage because—I know they are not necessarily comparable, but then at the end of the day the plan that was developed—and I know the member for Wolseley was involved in one of the planning groups with Mr. Artibise for the provincial government, one of six people who was appointed—at the end of the day the public vision was contained in the ultimate negotiations that were concluded between the three levels of government in the planning document.

I remember having federal-provincial meetings on telecommunications. We put our position out public because we felt it was important for the public to know before we met with Flora Macdonald what our position was and why it was such, and what we would be going to the federal-provincial meeting to represent.

(Mr. Chairperson in the Chair)

I do not think there is anything wrong with that. I am not naive enough to believe that everything should be—there are discussions sometimes with private corporations about private assets, but I think when we are dealing with jurisdictions that are owned by the public now through the federal government and jurisdictions that are going to be devolved to the provincial government and are delivered to the public, there is nothing wrong with having more transparency and openness on these negotiations.

So, yes, I do not agree with the Premier about (a) the fund and the surplus in the existing fund, and (b) the need for secrecy, and the Premier has provided some answers tonight that are helpful for us. I think that there is nothing to fear about the debate about this issue. If you are making the correct decisions on the basis of the correct, in terms of the analysis and the long-term best interests of Manitobans, it is always going to be defended by Manitobans. If you are not,

there are going to be some caution signs, maybe some yellow lights or red lights about it from Manitobans. What is wrong with that? It is Manitobans that receive the service from the federal government, and I believe we could trust them, and I do not think we have to fear public debate about this issue. I do not think it weakens the Premier's hand. I think it helps it, if there is any disagreement.

I similarly said that we should have more of an open debate with the federal government on immigration. A lot of these decisions being made in Ottawa, we should try to get more of an understanding in Ottawa by members of all political parties on the whole issue of immigration here in Manitoba.

So I do not think all negotiations have to be in secrecy, in private, and I do not think we practised that in the past ourselves, and I do not think it is advisable in every case in present. In fact, I would argue the opposite. Sometimes having the public with you on an issue is better than surprises later on, but the Premier will decide to keep it in secret and that is his decision, and we will agree to disagree on it.

I have some other questions on matters dealing with federal-provincial relations. I just want to ask the question about the most recent announcements on settlement policies and immigration policies, the federal-provincial agreement with Manitoba. What is the status of these negotiations? There have been framework agreements announced, et cetera. Where are those agreements with the federal government on immigration, and what has been the position of the provincial government on the so-called settlement fees?

\* (2330)

**Mr. Filmon:** Mr. Chairman, I understand that the federal government has offered us a one-time payment from share of the federal allocation for settlement services, \$750,000. It was a take-it-or-leave-it-basis and our government has decided to take it. The Minister of Culture, Heritage and Citizenship (Mrs. Vodrey) will hold discussions with the community to decide on the priorities for utilization of that money.

The federal government will then, for the next two years, top up their own expenditures in the province by

an equivalent amount, and that will be their way of, I think, getting out of their responsibility in this area. It is not something that we are terribly happy about. It has been very arbitrary. They gave a significant settlement to British Columbia in lieu of their deal to stop putting the six-month residency requirement on new migrants from the rest of Canada for welfare.

This was clearly a major political deal that they made, much to the detriment of the rest of Canada. The feds have been very, very arbitrary and certainly not terribly consultative or participatory in a partnership sense with us or other provinces in Canada for that matter.

**Mr. Doer:** The Premier and our side have agreed before that the fees for new immigrants have virtually been a head tax on immigration and have been detrimental to Manitoba. What is the status of that? I think all of us have classified that as a racist policy by the federal government. What is the present status of that? What is its impact on Manitoba?

**Mr. Filmon:** We have steadfastly opposed that head tax. The Leader of the Opposition and I have been in common cause on that issue. Our parties have been in common cause on that issue. The federal government continues to impose that head tax. They seem to have a dual-track policy whereby the new leader of the Liberal Party as recently as last weekend was making speeches to a group of immigrant Manitobans about all the wonderful things that the federal Liberal government was doing for them, completely ignoring the very negative impact of the head tax.

I will say that we have had some recent improvement in our numbers of immigrants coming to Manitoba. This past year was the first year in almost a decade in which we had an increase in immigrants. I believe that some of the impact has been on our ability to influence, through our immigration agreement, the numbers and the particular people coming to our province from other countries. We may continue to improve our circumstances by virtue of a concerted effort that we are able to put forward as a result of our agreement. Having said that, we certainly believe that the head tax is a great negative to overcome and a wrongheaded policy by the federal government.

**Mr. Doer:** I would like to ask the Premier about another topic of federal-provincial relations, the status of the treaty land entitlement agreements here in Manitoba. As the Premier knows, in 1986-87 there was a major treaty land entitlement agreement between First Nations here in Manitoba and the provincial government. First of all, it was indicated that it would be accepted by the federal government. Then it was rejected by the former federal minister, Mr. McKnight.

I would like to know, we heard that the framework agreement is close to being signed, and we believe that this is crucial for long-term economic and social progress with First Nations people, the historic wrong that must be righted along with many others, and a very, very important step that is necessary. We know that the federal election may help us move things along, but we would just like to know where this is at and when do we expect any announcements.

**Mr. Filmon:** It has been some months that the federal negotiators, the provincial negotiators, and the negotiators for the 19 First Nations that are covered by the framework agreement reached agreement in principle and signed off on the terms and conditions.

As the member opposite knows, the federal responsibility is to fulfill their obligations under the treaties to the First Nations. Our obligation is to turn over unoccupied Crown land where it is available, and we believe that we have made available sufficient resources to meet our obligation both in land and in financial compensation that has been added to the package to make the agreement work.

As I say, that was agreed to by all the parties, and we are now waiting, I guess, for the federal system to turn out the ultimate detailed agreement, which then can be signed by all parties to the agreement. We keep hearing rumours that it will be any day. I think that there is some significance to the availability of senior federal people, maybe even the Prime Minister, for such a major signing here in our province. But we want to see this brought to a successful conclusion. We went out of our way to ensure that the negotiations came to a successful conclusion. We believe that has happened, but we are awaiting now the federal government to have this all put in legal form to be enacted.

\* (2340)

**Mr. Doer:** Yes, we heard rumours too about the Prime Minister being in The Pas on the 21st of March and then we heard rumours he is in Ottawa, and then, of course, the federal minister is in China, the lead minister in Manitoba. Certainly people are worried that a detailed agreement will not be signed and there will only be a framework agreement, again prior to the federal election. Will this government ensure that there is a full, detailed working document that will be very specific, or will it be just another advancement of a framework document for announcement purposes shortly?

**Mr. Filmon:** Certainly our strategy has been to get as much nailed down as firmly and in as much detail as possible as we can, as soon as we can, anticipating that there might be a federal election. Knowing that there has been a decade or more of hard work put in by many, many people to arrive at this, we would like to see the whole legal agreement finalized before a federal election. Whether or not that is possible depends on others besides ourselves, including the First Nations who are parties to the agreement, including the federal government.

**Mr. Doer:** Another question on federal-provincial relations, the child benefit, the so-called down payment on children, from the federal government, the Premier has made statements in the Speech from the Throne about the advantages of this.

I read with interest the comments made by representatives on the social advisory bodies across Canada who have commented on the impact of federal government policies on families with one child is actually a negative, and families with two children, it is actually just barely breaking even after the second year. When you get into three or four children, the benefit would kick in.

I would like to know from the Premier whether Mr. Northcott's assessment of this issue, as the Manitoba representative, and others on the national advisory committee who produced materials to show that this was not all it was hyped up to be, was, in fact, the case. I know the government has committed that it will not



claw back this benefit, but with some people it may be a statement that will ring hollow for poor families.

**Mr. Filmon:** I am informed that that issue was raised by this government, specifically our Deputy Minister of Family Services, in a phone call across the country—Mr. Pettigrew was part of the phone call, as were other social services ministers, family services ministers, across Canada—within 12 hours to the federal government.

We were the first to raise it and to identify the negative impact of the decision that was made with respect to the federal government cuts in the CAPC program, the Community Action Program for Children. We endeavour to get Mr. Martin and Mr. Pettigrew to restore those cuts, and I want it to be known that our minister and deputy minister were right on the mark on that one and are leading the way in having, as well, the federal government restore federal cuts for the disabled under the VRDP, Vocational Rehabilitation for Disabled Persons program, and we similarly ensured that the federal cutbacks in services for aboriginals were front and centre in the all-province ministerial council report on social policy. We led the provinces in that as well.

I want the member opposite to know that those are issues that have been consistently put forward by this government, and we recognize the importance of that issue. We have certainly been among the leaders in working on the key aspects of the National Child Benefit and child poverty issues and will continue to do so. We are working in close co-operation with governments of all political stripes. The member opposite, I know, is complimentary to my colleague and friend Roy Romanow. Certainly he is not the only minister who has been working on this. The member opposite and his party supported this government when we brought in at that time the richest child tax benefits in Canada; now we have got some significant benefits put in by the Clark government in British Columbia and others.

The whole issue here is that we want to have something that adds to and enhances things that are already in place. The difficulty is that there are a lot of provinces in Canada that do not have the benefits that we already have in place. Anything from the federal

government will add to enhance that. Clearly, in places where we already have put significant benefits in place, the federal government has to do more in order to make this a truly national benefit program. We want to work with them on this.

**Mr. Doer:** We did vote for the 1989 budget back when the Minister of Finance consulted with us, the former Minister of Finance consulted with us prior to the '89 budget. He said, what does it take to get the support of the minority government? I said, read our election promises from the year before. He did a good job, because the family tax credit area was an area that we had looked at when we knew that we had a surplus coming. Unfortunately, we thought that we would be giving that surplus to the succeeding government, but that is history.

The other area where I disagree with the Premier on, and you will find a real difference, if you look at the social assistance supports in Saskatchewan versus Manitoba. There have been cuts here to families, to children, unlike Saskatchewan. You will see a difference between the two provinces. I respect the fact that the Premier is initiating ideas for the federal government, but we have been critical before of the decisions made from the federal government to the provincial government, and from the provincial government to the so-called standardization of social assistance, which is meant that people like babies under a year's age have received the biggest cut on social assistance of 24 percent last year in the budget. I am not going to re-engage in that debate. You will find this did not take place in the province of Saskatchewan. So I think there is, to my view, greater credibility from Saskatchewan, but that again is another debate for another time.

I would finally like to ask a question on the child benefit provisions. We were public about our comments about the clawback impact of the CAP-C program. Why did the provincial government not make public statements about this and point out to try to develop some public attention to this issue, to try to get Paul Martin to really have a down payment on child poverty rather than for some families to actually have the opposite?

\* (2350)

**Mr. Filmon:** I am told that when the telephone call was made among the ministers responsible for social services across the country 12 hours after Mr. Martin's budget, that the gist of the comments being made from ministers across Canada was to compliment the federal government on the announcement of the child benefit, the National Child Benefit. Our Minister of Family Services (Mrs. Mitchelson) interjected after there were several commentators saying that there was one problem that seems to have been ignored and raised this whole issue of the impact on families with one child, the negative impact.

The federal government undertook to review it. They seemed to be caught unaware by it. Our expectation then was that there could be some positive response to this. That is why we did not make a public spectacle of it because we believed that the federal government had legitimately agreed to review it, and there was a possibility of getting it turned around.

**Mr. Doer:** When will we hear from the federal government, and how will they implement a retreat on this regressive clawback, particularly parents with one child and parents with two children that barely break "even"?

**Mr. Filmon:** Clearly, it will take federal action. They would have to spend more money. We have not any indication as to what they might be looking at. This might be a matter that could be discussed further with the Minister of Family Services (Mrs. Mitchelson) to get an update, but at this point we have not heard back.

**Mr. Doer:** One can think about if this is the so-called down payment on child poverty, hold on to your hats when we see the Pharmacare proposal coming down the pipe next, but that is a matter for another question at another time.

There are lots of other federal-provincial issues, but if I need to ask them, I can ask them in Question Period, and you can refer them to somebody else as you usually do, but that is fine. I am trying to goad you into answering some questions this week. We will have to see, but we are prepared to pass this line at this point. I do not see my friends from the Liberal Party here. I am not supposed to say that. That is out of order, is it not?

**Mr. Chairperson:** Item 1.(c)(1) Salaries and Employee Benefits \$332,100—pass; (2) Other Expenditures \$66,400—pass; (d) Government Hospitality \$10,000—pass. (e) International Development Programs \$450,000.

**Mr. Doer:** I just want to say that I look forward, I think there is going to be a forum here in the Legislature in the future, and I look forward to reviewing that amount of money and the various projects that the International Development Programs is sponsoring. It is a program that we think is very, very positive. We have been always very impressed with the great work of volunteers throughout the religious organizations and the other social action groups in Manitoba. We are certainly willing to pass this line, but also to listen to the people on the front lines of world economic development.

When you think about the great wealth we have in Canada and the great wealth we have here in Manitoba, it is good that we are doing this, but there is so much more we can offer.

**Mr. Chairperson:** Shall the item pass? The item is accordingly passed. We will now move on to 1.(a) Premier and President of the Council's Salary. At this time we would ask the minister's staff to leave.

**Mr. Doer:** I just want to say that the Premier and the Leader of the Opposition and cabinet members and Speakers are getting the biggest increases of anybody in the direct public service. I have said it before and I do not want to belabour it at this late point. We believe that we should not have a double standard.

I am not going to get into huge debate about this again, but we believe that there should not be a double standard. If there are going to be cuts or freezes in salaries for direct public employees, we believe the same practice should take place for all of us, and we believe the legislation should be changed to do that.

I just say that to the Premier. I pointed out to the media that I also was getting, the Leader of the Opposition was getting a substantial wage increase in those Estimates that were listed. I think we have said it before, and we maintain that position in LAMC as well.

**Mr. Chairperson:** Shall the item pass—pass.

Resolution 2.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,168,100 for Executive Council, General Administration, for the fiscal year ending the 31st day of March, 1998.

This concludes the Department of Executive Council.

In view of the hour, committee rise. Call in the Speaker.

**IN SESSION**

**Mr. Deputy Speaker (Marcel Laurendeau):** The hour being close to midnight, as previously agreed, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 7, 1997

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