

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 14 August, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I beg to present the Sixth Report of the Committee on Economic Development.

MR. CLERK, W. Remnant: Your Committee met on Tuesday, August 12, 1986, at 10:00 a.m. in Room 254 of the Legislative Building. As Hon. Mr. Bucklaschuk was no longer a member of the Committee, Mr. Santos was elected to replace him as Chairman. Your Committee heard representations with respect to the bills before the Committee, as follows:

No. 3 - The Credit Unions and Caisses Populaires Act; Loi sur les caisses populaires et les credit unions.

Mr. Normand Collet - La Fédération des Caisses Populaires du Manitoba.

Mr. Cecil Semchyshyn - Credit Union Central of Manitoba.

No. 5 - An Act to amend The Trade Practices Inquiry Act; Loi modifiant la Loi sur les enquetes relatives aux pratiques de commerce.

Mr. Don Penrose - Esso Petroleum Canada.

Mr. Wayne Hurlbert - Winnipeg Chamber of Commerce.

Written Submission: Mr. K.R.D. Mundy - Retail Council of Canada.

No. 40 - An Act to amend The Corporations Act; Loi modifiant la Loi sur les corporations.

Mr. Guy Jourdain - L'Institut Joseph Dubuc Inc.

Your Committee has considered:

Bill No. 3 - The Credit Unions and Caisses Populaires Act; Loi sur les caisses populaires et les credit unions.

And has agreed to report the same with certain amendments.

Your Committee has also considered bills:

No. 8 - An Act to amend The Real Estate Brokers Act; Loi modifiant la Loi sur les courtiers en immeubles;

No. 35 - The International Commercial Arbitration Act; Loi sur l'arbitrage commercial international,

And has agreed to report the same without amendment.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Member for Inkster, that the Report of the Committee be received.

MOTION presented and carried.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: I'm pleased to present the First Report of the Committee on Rules of the House.

MR. CLERK: Your Committee met on Monday, August 11, 1986, at 8:00 p.m. in Room 254 of the Legislative Building to consider matters referred.

Your Committee has agreed to the following changes to the Rules and recommends them to the House to come into force on the opening day of the next Session, except items 3 and 6 which shall come into force on the day following the date of concurrence:

1. THAT present sub-rule 3(1) be repealed and the following sub-rule substituted therefor:

Hours of Sitting

"3.(1) The time for the ordinary sitting of the House shall be 1:30 o'clock p.m. on Mondays, Tuesdays, Wednesdays and Thursdays and 10:00 o'clock a.m. on Fridays."

2. THAT present sub-rules 3(2) to (5) inclusive be repealed and the following sub-rules substituted therefor:

Dinner break

"(2) On Mondays, if at 6:00 o'clock p.m. the business of the House is not concluded, the Speaker, if he is in the chair or, if the House is in Committee at that time, the Chairman of the Committee shall leave the chair until 8:00 o'clock p.m.

Adjournment on Mondays

(3) Subject to sub-rule 65(8), at 10:00 o'clock p.m. on Mondays, the Speaker shall adjourn the House without question put.

Adjournments on Tuesday, Wednesdays, Thursdays and Fridays

(4) At 6:00 o'clock p.m. on Tuesdays, Wednesdays and Thursdays and at 12:30 o'clock p.m. on Fridays, the Speaker shall adjourn the House without question put.

Adjournments over weekend

(5) When the House is adjourned on Friday at 12:30 o'clock p.m., it shall stand adjourned, unless otherwise ordered, until the following Monday afternoon."

3. THAT present sub-rules 10(3) to 10(7) inclusive be repealed and the following sub-rules substituted therefor:

Time limit on division bells

"(3) Not more than one hour after directing that the Members be called in, the Speaker shall order that the division bells be turned off and shall again state the question and

shall immediately order the recording of the division.

Deferral

(4) Notwithstanding sub-rule (3), the Speaker, after consultation with the Government Whip and the Official Opposition Whip, may direct that the division be deferred to a specific time set by the Speaker for the exclusive purpose of permitting absent members, who may do so within a reasonable length of time, to travel to the Legislative Building to attend the service of the House.

Limitations on deferral

(5) When pursuant to sub-rule (4), the Speaker has directed that the division be deferred:

- (a) the time for the division once set shall not be altered;
- (b) no further deferral shall be granted in respect of that division; and
- (c) no such deferral shall exceed seventy-two hours.

Business to be continued

(6) When a division is deferred pursuant to sub-rule (4), the House shall continue with the business before it, pursuant to sub-rule 19(2).

Voting compulsory

(7) Every Member present and in his seat shall vote.

Recording of "yeas" and "nays"

(8) Upon a division, the "Yeas" and "Nays" shall not be entered in the Votes and Proceedings unless demanded by not less than four members."

4. THAT present sub-rule 19(2) be repealed and the following sub-rule substituted therefor:

Order after Routine Business

"(2) The order of business for the consideration by the House, day by day, after the daily routine shall be as follows:

Government Business

(Mondays through Fridays)

Orders for Returns and Addresses for Papers
Committee of the Whole House, for consideration of Bills

Report Stage, Bills reported from Committees
Government Bills - Third Readings, Second

Readings

Government Motions

Private Members' business

Private Members' Business

5:00 to 6:00 p.m. on each Monday, Tuesday, Wednesday and Thursday.

Monday

Private Members' Resolutions

Private Bills

Public Bills by Private Members

Orders for Returns and Addresses for Papers referred for debate

Tuesday

Private Bills

Public Bills by Private Members

Private Members' Resolutions

Orders for Returns and Addresses for Papers referred for debate

Wednesday

Orders for Returns and Addresses for Papers referred for debate

Private Members' Resolutions

Private Bills

Public Bills by Private Members

Thursday

Public Bills by Private Members

Private Bills

Private Members' Resolutions

Orders for Returns and Addresses for Papers referred for debate."

5. THAT the following new paragraph be added immediately after present paragraph 36(1)(b):

"(b.1) in the Committee of Supply for concurrence in the supply resolutions as provided for by sub-rule 65.1(1);"

6. THAT the following new Rule be added immediately after Rule 36:

Constitutional Amendment Motion

"36.1(1) Debate on a Government motion proposing amendment to The Constitution Act of Canada pursuant to Part V of that Act, and on any amendments proposed to that motion, shall take precedence over all other business for ten sitting days unless debate has been concluded previously.

Referral to Committee

(2) Prior to the sixth day of debate on such a motion, that motion shall be referred to a Standing or Special Committee of the House ordered to receive submissions from the general public and to report back to the House.

Not to be moved during Throne Speech Debate

(3) No such motion shall be introduced while the motion for an Address in Reply to the Speech from the Throne is on the Orders of the Day for consideration by the House.

Not to be moved during Budget Speech Debate

(4) No such motion shall be introduced while the motion for approval by the House in general of the budgetary policy of the Government is on the Orders of the Day for consideration by the House."

7. THAT the following new Rule be added immediately after Rule 64:

Time limit

"64.1(1) In each Session, not more than 240 hours shall be allowed for the consideration of ways and means and supply resolutions respecting main, interim, capital and supplementary Estimates and for the consideration in Committee of the Whole of the relevant Supply Bills.

Record of time remaining

(2) The Clerk shall calculate and shall have printed daily in the Order Paper the number of hours and minutes remaining for the consideration of the matters identified in sub-rule (1).

Disposition of remaining questions

(3) Where all matters identified in sub-rule (1) have not been considered prior to the expiry of the time limit set, the Chairmen of the Committees of Supply and Ways and Means and of the Committee of the Whole House shall forthwith put all questions necessary to dispose of all remaining matters

and such questions shall not be subject to debate, amendment or adjournment.

Exception

(4) The time limit prescribed by sub-rule (1) does not apply to consideration of the concurrence motion provided for by sub-rule 65.1(1) or to the consideration of the motions for Second and Third Reading of the relevant Supply Bills."

8. THAT present sub-rule 65(5) be repealed and the following sub-rule substituted therefor:

Concurrent sittings

"(5) The Committee of Supply may, unless otherwise ordered, sit in two separate sections concurrently, one section in the Chamber and one section outside the Chamber, to consider the Estimates of separate government departments."

9. THAT the following new sub-rules be added immediately following sub-rule 65(6):

Sequence for consideration of Estimates

(6.1) The sequence in which the Estimates of the various government departments are to be considered by the Committee of Supply will be established by the Official Opposition House Leader selecting the departments whose Estimates will be considered first in each section of the Committee, by the Government House Leader selecting the departments whose Estimates will be considered second in each section of the Committee and thereafter by the Official Opposition House Leader and the Government House Leader selecting, in rotation, the succeeding departments until all departments have been assigned a place in the sequence for Estimate consideration.

Tabling of sequence

(6.2) When the Official Opposition House Leader and the Government House Leader have assigned places in the sequence for the consideration of the Estimates of all government departments the Government House Leader shall forthwith table in the House a written statement of that sequence.

Changes to sequence

(6.3) Once the sequence for Estimate consideration is established in accordance with sub-rule (6.1) that sequence may be changed by substantive motion with required notice given, or by unanimous consent."

10. THAT present sub-rules 65 (8) and (9) be repealed and the following sub-rules substituted therefor:

Committee of Supply to rise at own discretion

"(8) Where the Committee of Supply, or a section of the Committee of Supply is sitting at 10:00 o'clock p.m. on any day, the Chairman, or the Deputy Chairman of the Committee shall not leave the Chair at that time but, subject to sub-rule (9), the Committee shall continue to sit and shall rise at its own discretion.

Sitting after 10:00 p.m.

(9) Where the Committee of Supply, or a section of the Committee of Supply is sitting after 10:00 o'clock p.m. on any day

(a) the Chairman or the Deputy Chairman of the Committee shall proceed to put motions as the course of the business of the Committee dictates but shall not accept

(i) any vote that defeats a motion approving an item in the Estimates of the government, or

(ii) any vote that passes a motion varying an item in the Estimates of the government;

(b) where two members demand that a formal vote be taken, the Chairman or Deputy Chairman of the Committee shall defer the vote on the motion until the next sitting of the Committee of Supply in the Chamber;

(c) the Estimates of a department shall not be introduced after 10:00 o'clock p.m.; and

(d) unless the Committee of Supply or a section of the Committee of Supply has risen earlier, it shall rise on the completion of the departmental Estimates that were under consideration at 10:00 o'clock p.m.

11. THAT present sub-rule 65(11) be repealed and the following sub-rule substituted therefor:

Motions after 10:00 o'clock p.m.

"(11) Where the Committee of Supply sits after 10:00 o'clock p.m., and after the Committee rises, any motion except a motion to adjourn the House or a concurrence motion provided for by Rule 65.2 is out of order."

12. THAT present sub-rule 65(17) be repealed and the following sub-rule substituted therefor:

No debate on report from supply

"(17) The report on resolutions considered in the Committee of Supply and on the concurrence motion pursuant to sub-rule 65.1(1) shall be received by the House without debate."

13. THAT the following new Rules be added immediately after Rule 65:

Concurrence motion

"65.1(1) In each Session, on completion of the consideration of all supply resolutions, a concurrence motion shall be moved in the Committee of Supply with both sections sitting together in the Chamber.

Motion debatable and not subject to time limit

(2) A motion pursuant to sub-rule (1) shall be debatable but shall not be governed by the time limit prescribed by sub-rule 64.1(1).

Text of motion

(3) A motion pursuant to sub-rule (1) shall be stated as follows:

"THAT the Committee of Supply concur in all supply resolutions relating to the Estimates of Expenditure for the fiscal year ending March 31, _____ which have been adopted at this session by the two sections of the Committee of Supply sitting separately and by the full Committee."

Extended sitting hours

(4) Upon the introduction of a motion pursuant to sub-rule (1) or at any time thereafter, the following extended sitting

hours providing for three separate sittings of the House daily, Monday to Saturday inclusive, notwithstanding the Rules respecting sitting hours, may, at the discretion of the Government, upon announcement by a Minister of the Crown in the House, be brought into effect and may continue in effect until consideration of that motion has been concluded:

- (a) in the forenoon, from 10:00 a.m. to 12:00 p.m.;
- (b) in the afternoon, from 1:30 p.m. to 6:00 p.m.; and
- (c) commencing in the evening, from 8:00 p.m. until such time as the House may decide to adjourn.

Concurrence motion in the House

65.2(1) On receipt of a report from the Committee of Supply respecting consideration of a concurrence motion pursuant to sub-rule 65.1(1) a concurrence motion shall be moved in the House forthwith without notice.

Non-debatable

(2) A motion pursuant to sub-rule (1) shall not be subject to debate, amendment or adjournment.

MADAM SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, a statement.

I would like to give the House a report on the Annual Premiers' Conference which was held in Edmonton, Alberta, earlier this week.

The conference was productive in several key areas of importance to Manitoba. As I said before the conference began, it gave the provinces an opportunity to spell out our priorities for upcoming federal-provincial meetings, especially for meetings of First Ministers scheduled for September and November of this year.

Four major communiques were issued during the conference and copies are being tabled with this statement.

I would like to direct members' attention first to the communique on federal-provincial relations and tax reform. That statement, endorsed by all Premiers, dealt with several key issues which have been discussed in this House.

The first section of the communique on federal-provincial agreements expressed concern about unilateral federal changes to such agreements, and especially the fiscal arrangements. It went on to state that the recent Established Fund cutbacks are seen

only as temporary measures by the provinces, and, most important of all, it stressed the importance - as we head into equalization negotiations with the Federal Government this fall - of ensuring the national equalization commitment under the Constitution. As we have said, we do not believe that commitment is now being met by the formula imposed by the Federal Government of the Day some five years ago.

The same communique also deals effectively with another Manitoba priority - the need for national tax reform.

The communique stressed that both tax reform and fiscal arrangements should be on the First Ministers' agenda in November.

I can report that the Premiers also identified several other priority items for the November First Ministers' Conference agenda, including economic equality for women, a subject which was not dealt with adequately last year. Premier Getty will be communicating these agenda proposals to the Prime Minister shortly.

A second major communique on the economy dealt with our top priority for the conference, agriculture. It also spelled out consensus positions on Energy, the Atlantic Fishery and Regional Development.

The Agriculture communique emphasized the provinces' grave concerns about the crisis in the farm sector and about the need for federal-provincial cooperation to deal effectively with it. The communique referred specifically to President Reagan's recent decision to subsidize U.S. wheat sales to the Soviet Union, a decision which all Premiers agreed was deplorable and inconsistent with efforts to improve Canada-U.S. trade relations.

The communique stressed the need for concrete initiatives to be part of the national agriculture strategy now being worked out by the Federal and Provincial Agriculture Ministers for review at the November First Ministers' Conference.

Our joint statement contained a clear message that Canada's vital agricultural sectors must not be ruined by international competition and all Premiers recognized that short-term action is likely to be required. We in Manitoba continue to believe that such action is essential now, and we, on behalf of the western provinces, will continue to urge the Federal Government to respond without further delay.

On Energy, we agreed that national efforts are also needed to deal with current severe problems facing the oil and gas industries. We made certain that the Energy communique also spelled out strategies to assist those industries that must ensure equitable federal treatment for renewable energy resources, such as our own hydro-electric energy here in Manitoba.

On Trade, we issued a strong statement stressing the added importance of the September 17 quarterly First Ministers' meeting with the Prime Minister in light of recent U.S. protectionist action. At the conference, I emphasized Manitoba's view that the current talks with the United States should be suspended pending the completion of the American mid-term election campaign which is now under way. Other Premiers also expressed serious concerns about the implications of recent events in the United States and agreed on the need for a full discussion with the Prime Minister on September 17 - not just a three-hour dinner meeting.

Finally, on the Constitution, all Premiers endorsed a declaration indicating our willingness to enter into a process of discussion aimed at bringing about Quebec's

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participation in the Canadian Federation. Our statement also dealt with some issues which other provinces feel are priorities for further constitutional discussion.

While we supported the Edmonton declaration, we did so with a number of caveats which we made clear to Quebec and to the other provinces. We emphasized that "our" top priorities are economic and financial issues - not constitutional reform - that we have reservations about the substance of the preliminary proposals Quebec has outlined up to now. In effect, we agreed to a process, a process which, I'm sure, all members of this House hope turns out to be a positive one for Canadian unity.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker.

I thank the Premier for the statement that he has brought with him on his return from Edmonton. I note that there are a number of items that were not covered in the statement, that were covered in news reports and comments by the Premier with respect to his activities in Edmonton. Madam Speaker, I would like to comment upon a number of those initiatives that he did take and comments that he did make presumably on behalf of the people of Manitoba when he was at this First Ministers' meeting.

I note that, for instance, the report doesn't indicate that there appears to have been a rather major change of position with respect to free trade on the part of this First Minister and his government. It appears as though finally this First Minister has knuckled under to the CLC and the federal wing of the New Democratic Party and now is very comfortable in opposing free trade on behalf of the people of Manitoba. Yet we have no studies that have been done that would indicate that there's reason for this change of position; we've no studies that would indicate that there is rationale or reason behind the change. We simply have a First Minister having taken a decision on behalf of the people of Manitoba for purely political reasons which appears to be the only reason that he makes any decision these days.

I note, Madam Speaker, that there is no reference in this document to the Premier's engaging in a labour dispute in Edmonton and taking sides indeed in a labour dispute while he was in Edmonton in speaking at the picketers, in speaking to the picketers, on the Gainers dispute, taking sides.

I note that the Premier was happy to take sides in a labour dispute in somebody else's jurisdiction, a matter which I think showed some disrespect for the other jurisdiction and indeed was totally inappropriate for a Premier of this province to go there and take sides in a labour dispute that doesn't involve him and in which he's probably not very knowledgeable.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please. If the Honourable Leader of the Opposition's colleagues could contain themselves. Order please.

MR. G. FILMON: I note, Madam Speaker, that there's no reference here to his presumptuousness in telling

the host Premier, Premier Getty, to stop attempting to call upon Ottawa for assistance in the Energy Program, to stop whining to Ottawa and to stand on his own feet with respect to his problems in the oil industry. I find that to be absolutely incredible coming from a Premier, who along with his colleagues, has spent the better part of the last three years whining away to Ottawa and spending most of his time and energy attempting to get more money out of Ottawa for his province. He doesn't think it's appropriate for the Premier of Alberta to be attempting to do that with respect to the oil industry in his province.

Madam Speaker, I note as well that this Premier was presuming to spend much of his time telling other people how to solve their problems in their jurisdictions that had no bearing on us here in Manitoba at a time when he has left in disarray his own province; a Crown corporation under siege here in Manitoba, a Crown corporation that it is revealed has had absolutely rotten operations in a variety of different ways in foreign investments, and he is over there telling other people how to run their affairs.

I note as well, Madam Speaker, that he once more mouths the words to the effect that agriculture is the foremost concern of his government, as it is indeed of western governments. But Madam Speaker, I note that it was of such concern that it didn't warrant the presence of the Minister of Agriculture at that conference, that the Minister of Agriculture wasn't seen to be needed to be at that conference where agriculture is stated to be the biggest economic concern in this statement from the Minister.

So I suggest to you, Madam Speaker, that this is a carefully-put-together synopsis on the part of the Premier to try and portray his efforts as being positive efforts on behalf of the people of Manitoba. But I say to you, Madam Speaker, that news reports and the evidence that we have would indicate otherwise.

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, as members of this House are aware, a number of serious allegations, among them allegations of criminal offences, were recently raised regarding employees and operations of MTX.

I have previously announced a number of steps to be undertaken by the government to deal with these concerns and our general concern regarding the long- and short-term economic viability of MTX and its other operations.

The first priority must and has been to deal with allegations of criminal offences. Within one hour of committee Tuesday, I asked the RCMP to begin investigations based on the affidavit supplied to the committee.

The investigation is currently under way, and there is no doubt in my mind and the minds of Manitobans that there can be no better body to investigate allegations of any fraud and other criminal activities than the Royal Canadian Mounted Police. I am confident their investigation will be the most thorough and exhaustive investigation possible.

We are presently contacting a management consulting firm capable of conducting a management audit of MTX.

Upon finalization of arrangements, the name and specific terms of reference for this firm will be made public.

The firm will be asked to perform the following functions:

Conduct a management audit of MTX's involvement in Saudi Arabia and to report back as quickly as possible with an analysis of the business viability short- and long-term of those operations.

That analysis is to include an opinion as to whether or not short- or long-term operations are viable in Saudi Arabia if the code of ethics of the Government of Manitoba Crown Corporations and Human Rights legislation regarding discrimination are fully enforced in MTX and its subsidiary operation in Saudi Arabia.

If, Madam Speaker, this government's serious doubts about this are confirmed, the management consulting team will be immediately asked to recommend the most efficient and orderly way of winding down and pulling out MTX investment and operations in Saudi Arabia.

They will also be asked to perform a thorough management audit of all MTX operations, worldwide, and report to government on the viability of the corporation's short- and long-term operations.

In addition, Madam Speaker, I have asked that Mr. Charles Curtis be appointed as Interim Chief Executive Officer for MTX, until such time as the management audit and RCMP investigation are complete.

I am asking that any current or past employees of MTS or MTX with information relevant to the RCMP or management audit come forward to the RCMP, the management consultants, or Mr. Curtis.

I can assure them that they do so with no reason for fear or threat to their employment.

Further, Madam Speaker, beginning immediately and continuing until the RCMP and management investigation are complete, all MTX operations worldwide shall be suspended, except where contractual obligations must be met and where these contractual obligations have been entered into and are being conducted, in accordance with the code of ethics for Manitoba Crown corporations.

MTX shall enter into no new contracts, shall expand on no contracts, and shall pursue no additional contracts during the course of the suspension of operations.

In addition, Madam Speaker, I've asked the Government House Leader to call for the sitting of the Public Utilities and Natural Resources Committee for Tuesday, August 19th.

Madam Speaker, the Manitoba Telephone System is one of this province's and this nation's best Crown corporations. Manitobans have long benefited from the many advantages of a strong and viable, publicly-owned telephone system. Nothing, Madam Speaker, must be allowed to interfere with that.

This government is committed to maintaining, enhancing, and strengthening the Manitoba Telephone System and the efficient service it has and will continue to offer the people of Manitoba.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I rise on a matter of House privilege with respect to the Minister's

statement, that he's asked the Government House Leader to call the committee on Tuesday, August 19.

I rise because I have previously informed the Government House Leader a number of weeks ago, and as recently as early this week, that the Member for Pembina has had a longstanding commitment to drive a friend and constituent to Toronto who is suffering from cancer and has to be driven. That was a commitment of the Member for Pembina to do that for his friend, and he's unable to attend the meeting on Tuesday, August 19. We had wanted it yesterday, so therefore it will have to be on Thursday.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: The Opposition House Leader is absolutely correct in referencing that request, and we will do whatever we can to accommodate that.

As the member indicated, he had asked me to arrange that. If that's possible, we'll look at a more suitable date to accommodate the needs of all members, and will do so immediately following the question period.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. Madam Speaker, I wish to reply to this second Ministerial Statement by the Minister responsible for the Manitoba Telephone System.

Madam Speaker, this course of action is still inadequate. This government is still attempting not to get to the truth, to the bottom of the MTS-MTX fiasco in Saudi Arabia. They are still intent, Madam Speaker, on trying to provide a covered-up investigation.

Madam Speaker, we did not request a judicial inquiry lightly. We requested a judicial inquiry with the full knowledge that it was only with such an inquiry that a number of purposes could be accomplished. First of all, Madam Speaker, and foremost, that employees of MTS and MTX who are innocent of any wrongdoing and who are sick and tired of the manipulations within that corporation, would be able to testify under oath without fear of losing their jobs or jeopardizing their careers in the system.

Madam Speaker, secondly, and more importantly, the need for a judicial inquiry was, that this Minister on four separate occasions has had to come to this House and retell a story because the first information he provided to the House was not factual. That information came from MTS and MTX officials. It is only that a judicial inquiry, under oath, that those people will be telling the truth on the operations of MTX and on the implications of MTS in the operation of MTX in Saudi Arabia.

There is no obligation in this management consultant team for evidence to be taken under oath. The Minister can offer us absolutely no assurance that this management consultant firm will not be misled by those same MTS and MTX officials that have already misled this Minister on four previous occasions.

Madam Speaker, why does the government not insist on a public judicial inquiry? This inquiry will not allow members of the public to be present. More importantly,

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it will not allow members of the media to be present to report on the testimony that is given so that Manitobans can be well informed and it will not allow members of Her Majesty's Loyal Opposition to participate in that inquiry.

The third area of woeful inadequacy in this approach by this Minister, who is so afraid of a judicial inquiry, is that, Madam Speaker, it does not involve or ask the inquiry to deal with the financial web of corporate action between MTS and MTX.

The Minister will recall, if he reads the sworn affidavit by Mr. Ferguson, that he firmly believes and attested to that, that the accounting procedures between MTS and MTX are woefully incomplete.

Now, Madam Speaker, that may not mean anything to this Minister who is irresponsible for the Manitoba Telephone System, but it means a lot to me because for three years I have been telling this Minister and his predecessors that the accounting system that MTS uses does not fully charge MTX for their services provided.

What that means to the people of Manitoba is that the losses in Saudi Arabia, and other losses through MTX, are grossly understated. It is only with a full public judicial inquiry involving the complete baring of facts, of transactions between MTS and MTX, that we will know how great the subsidy is from MTS to MTX. It is only then that we will know how sizable our losses are in Saudi Arabia and other ill-gotten ventures undertaken by MTX worldwide.

Madam Speaker, this inquiry is woefully inadequate. This inquiry will result in a cover-up. This inquiry will not allow the Manitoba Telephone System, which is a fine Crown corporation, to raise its head with pride after this investigation because the truth will not be gotten until we have a judicial inquiry with those individuals who misled this Minister testifying under oath so that they cannot further mislead this management consultant-led inquiry.

This is a cover-up, Madam Speaker. The government is afraid to have a judicial inquiry. They fear the revelations that will come out of that by employees under oath. Their fear may be well-founded according to the sworn affidavit of Mr. Ferguson.

I have been asking questions for three years. This Minister, for two-and-a-half years, has avoided answering those questions or finding out the truth in MTX. The allegations that have been now confirmed of kickbacks, of Mrs. Aysan working, and other areas, had existed up to three years ago while I have been posing those questions and this Minister and his colleagues did nothing to get to the truth in MTX.

Madam Speaker, that is why we cannot trust this Minister and we cannot trust this government to pick a management consultant firm who will do anything but whitewash and cover up the situation. It is not broad enough in that MTS transactions with MTX are not investigated. That is a major criticism, and the most serious criticism, Madam Speaker, is that this inquiry will not be a judicial inquiry where testimony will be taken under oath so that the misinformation cannot continue from senior officials of MTS.

We do not support this. We will only support a judicial inquiry, Madam Speaker, and I hope the government comes to its political senses and stops hiding from the truth and calls a full judicial inquiry.

MADAM SPEAKER: I would just like to say that when I recognized the Member for Pembina, I was not clear

until he began talking as to whether he was speaking on the matter of privilege raised by his colleague or whether he was going to comment on the ministerial statement.

I would like to conclude that matter by saying the Honourable Opposition House Leader did not conclude his remarks with a motion suggesting a reparation or a remedy and therefore does not have a point of privilege.

The Honourable Minister of Culture, Heritage, and Recreation.

HON. J. WASYLICIA-LEIS: Thank you, Madam Speaker.

I have the privilege of tabling the Annual Report for 1984-85 for Manitoba Culture, Heritage and Recreation.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MTS - judicial inquiry re MTX and subsidiaries

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Premier.

There is evidence on the record - some of it occurred prior to the Premier's leaving for Edmonton; much of it has occurred since the Premier's leaving for Edmonton - evidence that the Minister responsible for the Manitoba Telephone System, that previous Ministers responsible for the Manitoba Telephone System, that indeed members of this House and the public have been misled by information provided by senior officials at Manitoba Telephone System regarding the return of equipment from Saudi Arabia, regarding the employment of Theresa Aysan in Saudi Arabia, regarding the flogging incident in Saudi Arabia, and on at least one kickback that is acknowledged by the senior staff of the Manitoba Telephone System. That information was wrongly provided. Misinformation was provided to Ministers who reported to the House on these various issues.

Given the fact that this has put in doubt the credibility of senior officials who reported to this Minister, and perhaps even this Minister and his predecessors, on the issue of MTX, will the Premier now not agree to opening the matter up to a judicial inquiry so that all of the matters that have to do with the Manitoba Telephone System and its subsidiary operation, MTX, and its related operations in Saudi Arabia can be examined under oath in a public forum to clear the air on all of these matters?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I appreciate the question and the seriousness in which the question is posed. Allegations of misleading Ministers and/or members of this House by MTX officials or MTS officials cannot be taken lightly. Once this government is

satisfied that is in fact the case and it's clearly demonstrated, then those officials will be dealt with, and dealt with appropriately.

MR. G. FILMON: Madam Speaker, does the Premier not realize that between the management audit of MTX's involvement in Saudi Arabia and the investigation of criminal activities to do with alleged kickbacks and illegal payments, there is a broad range of issues that have been brought to light by virtue of testimony before committee, by virtue of an affidavit that has been signed by one former employee of the MTX operation?

Does he not realize that in that broad gap there is much to do with the operation of MTX that involves all sorts of shoddy business practice, that involves the misinformation being provided by senior officials, that involves such things as commissions being paid on equipment not sold? It involves accounting practices that misinterpreted and misled those who would want to examine the operations of MTX, incomplete records, all of these things that cannot be accomplished by a management audit, that cannot be accomplished by the RCMP inquiry into the narrow criminal allegations?

Will he not now order the Minister responsible for the Telephone System to in fact cause a judicial inquiry to happen and then, beyond that, we will know that once and for all the Telephone System can be restored to its good graces, can have its reputation returned and that the people who work for the Telephone System can once again hold their heads high?

HON. H. PAWLEY: Madam Speaker, I listened carefully to the question by the Leader of the Opposition. Those allegations in the affidavit - and I had a chance to read that affidavit late last night and will be further reviewing it.

My impression is the vast bulk of the allegations in that affidavit are indeed very, very serious and there are allegations that can only be dealt with properly by the Royal Canadian Mounted Police.

Those are allegations involving kickbacks and graft and criminal activity and, Madam Speaker, I know of no other body that can do the investigation, lay charges if charges indeed are warranted, than the Royal Canadian Mounted Police; and I'm sure that the Royal Canadian Mounted Police will fulfill that responsibility. Allegations that were raised just a few seconds ago and have been raised earlier of accounting practices, shoddy business practice and other items of that nature will be dealt with by the management audit, by a well respected management audit committee.

In fact, I do not believe, Madam Speaker, that any proper investigation resulting in constructive recommendations can take place except inviting the best expertise possible to provide a complete report and recommendations as to those shoddy business practices mentioned, as to allegations pertaining to accounting practices and other matters pertaining to the business operations of MTX.

Madam Speaker, we are anxious to ensure that all allegations are dealt with completely and fully and if there are allegations beyond that involving, and they are, and they are being looked into by the Minister, of misleading, appropriate action will be taken as against any individual that has misled or misinformed this

House, in fact if that is clearly documented and demonstrated.

MR. G. FILMON: Madam Speaker, is the Premier not concerned that all of the allegations contained in that affidavit by Mr. Ferguson were first presented to his superiors at MTX and MTS?

Those allegations were first presented to them and, for a considerable period of time, he was told not to say anything, to keep quiet and to stop pursuing the matter; and only as a last resort did he put this matter into the form of an affidavit and make it public through the vehicle of the Opposition and a committee of the Legislature. Is he not concerned that, with that sort of attitude prevalent in MTX and the Telephone System, this inquiry on the criminal basis and the management audit will simply result in the covering up, the continued covering up of vital information to clear the air on MTX?

HON. H. PAWLEY: Madam Speaker, the Leader of the Opposition in fact is confirming the position that I've just taken.

If any individual instructed another individual to remain silent, upon receipt of information pertaining to alleged kickbacks or graft, etc., and not to deal with that at that time, then that individual, I believe, Madam Speaker, is appropriately as well the subject of an investigation by the Royal Canadian Mounted Police.

In fact, Madam Speaker, to do otherwise would be to deal with this in an indecisive manner. This government is not prepared to deal with this matter in an indecisive manner. We're not prepared to go down paths that will result in no effective outcome. I have the confidence that the RCMP will appropriately investigate a charge such as that mentioned by the Leader of the Opposition.

Madam Speaker, I recall the A.E. McKenzie charges in this House. It was this government that immediately called into play, upon receipt of the allegations pertaining to A.E. McKenzie, the Royal Canadian Mounted Police. Today there are top officials of McKenzie Seeds that are inhabiting the prisons of this province or somewhere else because of the action of this government in calling the RCMP in.

As well, it was this government that took appropriate action to ensure that there be — (Interjection) — appropriate . . .

MADAM SPEAKER: Order please, order please.

HON. H. PAWLEY: . . . action taken in respect to management improvement at A.E. McKenzie Seeds. The result of that, Madam Speaker, is that today, because of action taken by this government - and I credit the former Member for Turtle Mountain for having raised that matter as well in this House - that . . .

MADAM SPEAKER: Order please.

HON. H. PAWLEY: . . . McKenzie Seeds today is paying dividends for the first time in many, many years to the people of Manitoba.

MADAM SPEAKER: May I remind honourable members that question period is not a time for debate

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and that questions should be brief and answers should be brief.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I find it incredible, the selective memory of the Premier who can't recall that for days the Minister responsible for McKenzie Seeds stonewalled on that matter, absolutely stonewalled.

Madam Speaker, my further question to the Premier is: Is he not interested in getting all of the information public and encouraging members of the staff of MTX and others to come publicly with all of their concerns, not just to do with criminal allegations, but to do with accounting practices that were shoddy, to do with business practices that were not appropriate and not acceptable, to do with falsification of records and information within the Telephone System and MTX's operations so as not to show a proper picture of what was going on in that corporation, none of which is going to be investigated by the RCMP because it doesn't fall in the realm of criminal actions?

HON. H. PAWLEY: Madam Speaker, first I must reject the unfair and unwarranted charge by the Leader of the Opposition that the Minister of Industry, Trade and Commerce or the Minister responsible for Employment and Income Security stonewalled. It was those Ministers and this government that acted immediately, Madam Speaker, to bring the Provincial Auditor into the investigation, to bring the Royal Canadian Mounted Police as a consequence into the investigation.

Madam Speaker, insofar as the items raised specifically again by the Leader of the Opposition - we dealt with them a few moments ago - falsification of records, clearly it's a Royal Canadian Mounted Police matter, matters pertaining to accounting practice, business practice. The appropriate body for that would be the best management consultants and auditors in the country, Madam Speaker, and that's what will be done.

MR. G. FILMON: Madam Speaker, will the RCMP be investigating senior officials not telling the truth to the Minister or to this House?

HON. H. PAWLEY: Madam Speaker, the Royal Canadian Mounted Police will deal with all those matters within their jurisdiction.

MADAM SPEAKER: Order please.

HON. H. PAWLEY: Madam Speaker, insofar as statements pertaining to individuals of MTS, MTX, not providing accurate or truthful information, I thought we had just announced a few moments ago that the legislative committee would be meeting next week. That ought to be pursued vigorously, by not just the Opposition, but all members of this Chamber because it's intolerable if there is evidence of individuals not telling the truth; but that is a matter, Madam Speaker, for the legislative committee to deal with, and if those facts are established and not by way of a kangaroo court, then this Minister and this government will undertake decisive action in regard to discipline or firing or any other action that is warranted.

MR. G. FILMON: Madam Speaker, on Tuesday, in this Legislature, the Minister responsible for the Telephone System shouted from his seat across the way at members here that he was going to have the RCMP investigate the Opposition members to find out when they received the affidavit and how they received the affidavit. Is that the kind of attitude that is going to be taken in the investigation by the management consultants to anybody who dares to say anything wrong about the operations of MTX and its subsidiaries?

HON. H. PAWLEY: Madam Speaker, obviously not, and the RCMP would not be interested in pursuing matters similar to what is alleged by the Leader of the Opposition.

I think also, Madam Speaker, it ought to be recognized, as well, by members in this Chamber that the RCMP in order to carry out an effective investigation of the allegations pertaining to criminal conduct as specified in the affidavit and other information that may come forth can best effectively do their job in the normal practice and not parallel to a judicial inquiry investigating I don't know exactly what that the management consultants can't be properly dealing with.

MTS - removal of Minister, incompetence re MTX

MR. G. FILMON: Madam Speaker, in view of the fact that during the past 10 days, the Minister responsible for the Telephone System has stonewalled, has refused to have witnesses subpoenaed before the legislative committee that was investigating MTX, refused to go and personally attempt to interview the employees who had been flogged, alleged to have been flogged, refused to even try and contact them to find out the truth of the matter and now all of this information comes to light, Madam Speaker, will he remove this Minister responsible because he is weak and incompetent?

HON. H. PAWLEY: I don't know whether I heard correctly. Whether the Leader of the Opposition is suggesting that with a criminal investigation under way that any member of this Chamber ought to be interviewing parties that may very well be subject to a criminal investigation. That would certainly be inappropriate, Madam Speaker.

I concur fully, Madam Speaker, with the contents of the statement as read to this House by the Minister a few moments ago, and I believe that the Minister is dealing with what is clearly a very difficult matter, in a very responsible manner in order to ensure that appropriate recommendations are received, appropriate charges, if there be indeed charges warranted are laid. In fact, Madam Speaker, rather than allegation of cover-up which I have heard honourable members suggesting, this government is doing everything possible to bring this matter to a head and I find it a sad reflection for honourable members to suggest that the RCMP would be engaged — (Interjection) — in any cover-up.

MADAM SPEAKER: Order please.

**MTS - judicial inquiry re
MTX and subsidiaries**

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, if I may, I will paraphrase a question that was asked yesterday by the Member for River Heights.

In view of the fact that this Premier called a full public inquiry to deal with the allegation of a contract between a Minister and an associate, why will he not call a full public inquiry into the affairs of MTX when we have evidence on the record? Four different times that this Minister and his colleagues and this House were misled by senior officials of MTX and MTS, where we have a sworn affidavit that gives out a whole other list of allegations, some of which are criminal, some which are not. Why would he not call a full public inquiry into the affairs of MTX to finally clear the air and make people know that they can trust the Telephone System and MTX and all of its people once again?

HON. H. PAWLEY: Although the question is repetitious, I want to deal with the first part of it, which does raise a new matter in this House and I did hear the comments by the Member for River Heights last night in that regard. Madam Speaker, a little bit of thought would have clearly suggested the difference between an inquiry in respect to this matter and an inquiry in respect to the matter pertaining to the Member for Transcona. Never, Madam Speaker, was there any suggestion of criminality ever alleged by any soul in the Province of Manitoba pertaining to the earlier matter. There has been clearly charged, by way of affidavit, a matter of criminality insofar as this item is concerned.

Thus, Madam Speaker, clearly it is a function of the RCMP that can, according to my information, operate and as far as their investigations are concerned in Saudi Arabia, can conduct their investigations in Saudi Arabia. Madam Speaker, a judicial inquiry would not be able to operate in Saudi Arabia. It would be incomplete, inadequate investigation. The RCMP through their connections, Madam Speaker, can operate through Interpol and through other police connections insofar as dealing with these matters, most of which are alleged to have occurred in Saudi Arabia.

MR. D. ORCHARD: Right here in Winnipeg.

A MEMBER: Covered up in this office.

MADAM SPEAKER: Order please, order please. Order please.

The Honourable Leader of the Opposition.

MR. G. FILMON: In view of the fact that the accounting transactions were taking place by those who kept the books of MTX and its subsidiaries here in Winnipeg, in view of the fact that the misleading of the Minister and members of this Legislature and misinformation provided by senior officials was provided by those officials here in Winnipeg, in view of the fact that all of the shoddy business practices and perhaps the misallocation of hundreds of thousands of dollars of funds, taxpayers' funds, took place here in Winnipeg,

why will he not have this matter open to a complete public inquiry, because it is of a magnitude of far wider, far broader and far greater importance than the actions of that Minister that he called a judicial inquiry for in the past?

HON. H. PAWLEY: Madam Speaker, again, as I indicated earlier, the management consultants will deal with issues pertaining to, if indeed there be, any inappropriate accounting between MTS and MTX, if we received that information of unwarranted sloppy business practice or accounting, then we'll undertake action. But, Madam Speaker, we will take that action only after we have . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Order please.

The Honourable First Minister may continue.

HON. H. PAWLEY: Madam Speaker, I thank you.

I was going to complete my remarks by advising members of this House that as soon as the management consultants have completed their audit and these particular charges, Madam Speaker, will be specifically inquired into by the management consultants, they will be management consultants of national reputation, not management consultants that would engage in some supposed cover-up, as suggested by honourable members across the way. If the management consultants discovered that the allegations are correct, Madam Speaker, this government will act decisively.

MR. G. FILMON: Madam Speaker, in view of the fact that the auditors for MTX did not find evidence of all of these improper and shoddy accounting practices, did not find evidence of the kickback, how does he expect the management consulting firm to find it?

A MEMBER: You know why, Howard, because you lie.

HON. H. PAWLEY: Madam Speaker, I will ignore the honourable member who shouts "lie" across the way, because really it's not worth . . .

Madam Speaker, I think the best example of that is again to return to the McKenzie Seeds matter. The auditors did not discover vis-a-vis McKenzie Seeds but the RCMP did. I have every confidence that the RCMP may very well uncover something that auditors are unable to uncover.

MR. G. FILMON: Madam Speaker, it isn't a criminal offence to tell a lie. In view of the fact that much of what we're talking about is based on the fact that people within — (Interjection) — Under oath, yes . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, order please.

MR. G. FILMON: Madam Speaker, I think I can rest my case. The Attorney-General has just confirmed that it is under oath and that's what it needs.

MADAM SPEAKER: Order please.

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The honourable member has the floor to ask a question, not to participate in debate.

MR. G. FILMON: Yes, Madam Speaker.

MADAM SPEAKER: And if any other member wants to participate in question period, they can get my attention and ask a question as well.

The Honourable Leader of the Opposition.

MR. G. FILMON: In view of the fact that the Attorney-General has confirmed that it is not an offence to tell a lie, except under oath, will we now have the judicial inquiry that we need in order to allow everybody to come forward and be examined under oath in a judicial inquiry and get to the bottom of all this?

HON. H. PAWLEY: Madam Speaker, let me assure the Leader of the Opposition that it is a criminal offence to lie, if that lie is part and parcel of a larger conspiracy to defraud or to conduct criminal activity. A lie, as part of a criminal activity, is criminal and that is a matter, Madam Speaker, that the RCMP . . .

MADAM SPEAKER: Order please.

HON. H. PAWLEY: . . . I'm sure, will do an effective job.

If lies have been given to the Minister, Madam Speaker - and that is a matter for all committee members to adequately pursue in committee - if that is clearly demonstrated, as I've indicated earlier, appropriate action must be taken against any individuals who has misled a Minister; if, in fact, that is established through the committee process or otherwise.

MTX - telecommunications equipment returned from Saudi Arabia

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is to the Minister responsible for MTS.

Which employee of either MTX or MTS misinformed the Minister as to the nature of the equipment in the Locher Evers Warehouse in Winnipeg? Was it Mr. Plunkett, Mr. Provencher or Mr. Holland, or one of the other senior staff of MTX or MTS? Which one misinformed him?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, the allegations in respect to the operations of MTX contained in the affidavit and the concerns about misappropriation, mishandling, all of those matters will be adequately dealt with by the investigation by the RCMP and by the management audit. The honourable member will have the opportunity in committee to place those questions directly to the officials, if they so choose.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

MTS - inquiry re senior officials misleading Minister

MADAM SPEAKER: The Honourable Member for Pembina is seeking the floor.

MR. D. ORCHARD: Madam Speaker, the Minister responsible for the Manitoba Telephone System, approximately 10 days ago - and I could quote from Hansard if I took the time to find it - apologized to this House because a senior official at MTS or MTX misinformed him as to the nature of the equipment in the Locher Evers warehouse in Winnipeg. My simple question - it wasn't part of the affidavit, it wasn't part of the questioning at committee, it was part of his response to this House - which senior official in MTS or MTX misinformed him and did not tell him the truth some 10 days ago?

HON. A. MACKLING: Madam Speaker, I recall that I advised the House that a statement I made outside of the House to the press in respect to a shipment that had been made to Saudi Arabia, to a bank, that it was my understanding when I received the information, and the answer I gave to the House was that the order had been cancelled because there was a change in ownership of the bank. That was information conveyed to me through my office, and I don't know the particular officer at this time . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order, order please. Order, order please. Order please.

The Honourable Minister.

HON. A. MACKLING: I believe it was Mr. Don Plunkett, but we will confirm that for honourable members, but in any event, that message was relayed through my office by telephone and that was the information I had given to the House. I gave the details to the House. I subsequently learned that the order of equipment by the bank had been cancelled by the bank because there had been a change in consultants to the bank, and I so advised the House, Madam Speaker, when I had that different information.

MR. D. ORCHARD: Madam Speaker, I believe the Minister just indicated who misinformed him in MTX on a matter that was questioned in this House.

My question now to the First Minister, bases his grandiose statements today that any member of the Manitoba Telephone System or MTX who has misinformed a member of his government will be dismissed. Will you be dismissing Mr. Plunkett as president of MTX for misinforming your Minister responsible?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, if the communication was deliberate in its misleading content then, of course, it is a matter that must be dealt with severely. If it is a question of misinterpretation or misunderstanding without deliberation . . .

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SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.
The Honourable First Minister

HON. H. PAWLEY: Madam Speaker, clearly it is just a simple as that. If it's deliberate, intentional, it must be dealt in one way; if it is a matter of misinterpretation, it must be dealt with in a different way. The Minister will be conducting his own inquiries, is doing so, in order to satisfy himself in that respect. Further discussion can take place in the committee pertaining to that individual incident.

MADAM SPEAKER: The Honourable Member for Pembina with a final supplementary.

MR. D. ORCHARD: Madam Speaker, I have a new question for the Minister responsible for the Manitoba Telephone System.

Which senior management official of MTS or MTX misled the Minister as to the caning incident in Saudi Arabia; was it Mr. Holland, Mr. Plunkett, Mr. Provencher? Which senior official misled and did not tell the truth to the Minister responsible for the Telephone System as to the flogging allegations which were confirmed at committee? Which one didn't tell the truth?

MADAM SPEAKER: The Honourable Minister responsible for MTS.

HON. A. MACKLING: Madam Speaker, the honourable member will recall that the incident in Saudi Arabia occurred some years ago — (Interjection) — . . .

MADAM SPEAKER: Order please.

HON. A. MACKLING: . . . and the communication to the Minister then was from the chief executive officer, but that was on the basis of information again relayed to him by another official in Manitoba Telephones.

The honourable member will have the opportunity, Madam Speaker, of delving into all of that detail at committee. We're not trying to hide anything. We give him that full opportunity, and I welcome his continuing to question in respect to that at committee.

MADAM SPEAKER: The Honourable Member for Pembina with a supplementary.

MR. D. ORCHARD: My question is to the Premier.

Now that his Minister responsible for the Telephones has again confirmed that he was provided misinformation by the chief executive officer of MTS, and by other officers underneath him, will those officers be dismissed as the First Minister promised; and secondly, will he now recognize the need for a judicial inquiry and testimony under oath from those same individuals to get the truth?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I listened to the response from the Minister. The Minister did not confirm what the Member for Pembina alleges the Minister to have confirmed.

MTS - judicial inquiry re MTX and subsidiaries

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker, my question is to the First Minister.

Madam Speaker, we've had two references to my question of yesterday calling for consistency. I think it is important that the House realizes that when we have the judicial inquiry for one ministry, which quite frankly I hope clears the Minister because we need his competency back on the front bench, that type of consistency is required all the way along. Will the First Minister, in light of the fact that we need an RCMP investigation and we need an audit, that we also need a judicial inquiry in order to ensure that justice exists in the Province of Manitoba?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I thought I had explained that just a few moments ago, that in the case of the Honourable Member for Transcona and the charges relating to him, I'm not aware - unless the Member for River Heights is aware - of there having been any criminal charges or allegations. There are clearly a large number of criminal allegations pertaining to this matter. Criminal allegations are dealt with by the Royal Canadian Mounted Police and generally it is preferable for those charges to be investigated freely by the RCMP without the operation of any inquiry running parallel to their own investigations as a Royal Canadian Mounted Police.

MRS. S. CARSTAIRS: Does the First Minister, Madam Speaker, not realize that if you call a judicial inquiry where there are no criminal charges that will be potentially laid and there will be no audit, that there should be even more reason for calling one under these circumstances?

HON. H. PAWLEY: Madam Speaker, again I must correct the Member for River Heights. There was no judicial inquiry involving the Member for Transcona. It was not a judicial inquiry. In fact there are very serious concerns raised by the Canadian Bar pertaining to the utilization of the judiciary in inquiries, so I want to clear that misunderstanding up, Madam Speaker.

Insofar as the other items, I've already dealt with that in response to the questions from the Leader of the Opposition. Matters pertaining to accounting, their shoddy business practice, other items pertaining to allegations that certain funds were charged to MTS when they ought to have been charged to MTX, are all matters that will be dealt with by a reputable management consulting audit firm. As a result of that investigation, appropriate recommendations will be made to the Minister.

MRS. S. CARSTAIRS: Thank you, Madam Speaker, with a final supplementary.

I can recognize that a judicial inquiry is not in the best interests perhaps of the Canadian Bar Association

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or in fact to the judiciary as a whole, therefore, will the First Minister call an inquiry with powers to subpoena witnesses?

HON. H. PAWLEY: Madam Speaker, the committee of the Legislature can do that if the committee desires to do so . . .

MADAM SPEAKER: Order please, order please. Order please.

The Honourable Member for River Heights asked a question which is in order. The Honourable First Minister is answering the question. Whether other members like the answer is immaterial. They can follow up with a question of their own. They don't yell from across the floor.

The Honourable First Minister to continue.

HON. H. PAWLEY: Madam Speaker, the only area that I'm aware of that would not be dealt with by the RCMP and/or the management consulting audit firm would be the allegations pertaining to the misleading or lying to Ministers and/or members of the House. That is a matter that is taken very seriously by this government and if that is established, Madam Speaker, action will be taken and a judicial inquiry is not required to deal with that.

The other items which are included in the affidavit that was tabled earlier this week; other allegations, shoddy business practice, accounting, will be dealt with in the way that has been clearly articulated, Madam Speaker.

MTS - summoning of witness to PUNR Committee

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, I have a question to the Premier in view of his response.

The First Minister indicated the committee could call witnesses. Just to make it perfectly clear, is the Premier saying the committee has the authority to summon before it witnesses which may be suggested by the government and witnesses which will be suggested to the committee by the member of the Opposition?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, if the committee decides that there is a need for same in any particular area, and I trust it would not be an area that would be duplicating other efforts insofar as the RCMP or the management audit firm, then that would be a matter for committee.

MR. G. MERCIER: Madam Speaker, the Premier had indicated in his previous answer that the committee can call witnesses. I just want the understanding from the Premier that we have his support and authorization for the committee to call witnesses that will be suggested by Members of the Opposition, keeping in mind that members of the government form a majority on the committee.

HON. H. PAWLEY: Madam Speaker, that is a matter for the committee but I want to say this very clearly . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. H. PAWLEY: Madam Speaker, I want to however indicate very clearly that I would be totally opposed to the calling of any witnesses under oath involving matters pertained to the RCMP investigation. The honourable member, as a former Attorney-General, ought to fully realize that would not assist the RCMP in the investigation which I understand commenced yesterday.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker.

First, before moving the motion to move us into Committees of Supply, I'd like to reconfirm that the Standing Committee on Statutory Regulations and Orders met this morning. This evening it will be the Standing Committee on Municipal Affairs through agreement with the Opposition House Leader. I have not yet had the time to confirm with the Member for River Heights. The meeting for Public Utilities and Natural Resources Committee to continue the review of MTS will be held on Thursday, 10:00 a.m., August 21, 1986 . . .

MADAM SPEAKER: Order.

HON. J. COWAN: . . . On next Tuesday, August 19, the Standing Committee on Economic Development and the Standing Committee on Industrial Relations will meet to discuss matters and bills referred to it.

Having said that, Madam Speaker, I move, seconded by the Minister responsible for Native Affairs, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.

MOTION presented.

MATTER OF GRIEVANCE

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, it is my intention, Madam Speaker, to grieve and to grieve for many, many different reasons; to grieve at the actions of this government; to grieve at what's happening to what heretofore has been an exemplary Crown corporation, the Manitoba Telephone System; to grieve at the fact

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that, as always happens when things get out of hand, a lot of good people get hurt; and I'm referring specifically to many dedicated employees of the Manitoba Telephone System.

But, Madam Speaker, I grieve most and my astonishment is most at what's happening in this Chamber and with this New Democratic Party Government. What are they doing? What are you doing? Madam Speaker, what are we doing in defence of a Crown corporation that refuses to hire women? Madam Speaker, prior to your elevation to the Chair that you now occupy, I would like to believe that you would not have tolerated for one moment the excuses being offered by this administration, by this Minister responsible for Telephones, who says that not hiring women by a Crown corporation supported by Manitoba taxpayers is acceptable.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

I don't care what other manner and way the First Minister want to fudge this about what happens to be the laws, the mores of a foreign country. We are not talking about whatever laws they wish to have in Saudi Arabia. We are talking about a Manitoba-owned, a Manitoba-based, a Manitoba-paid-for Crown corporation. I find this New Democratic Party Government supporting this? This party that boasts of bringing in such legislations as pay equity? This party that boasts, and with some due recognition of having encouraged and having within their ranks the largest number of women members in this Legislative Assembly in their Cabinet, and they countenance - I understand that Madam Speaker was feeling ill-disposed as I make these comments, and you had to replace her, Mr. Deputy Speaker.

Mr. Deputy Speaker, it is just inconceivable to me - inconceivable to me - that this government would tolerate that kind of situation. Mr. Deputy Speaker, this of course goes back not just now at this crisis stage of the issue, this goes back years and certainly several months that members opposite have been aware of that.

Mr. Deputy Speaker, I grieve that this government tolerates a Crown corporation paid for out of the pockets of every taxpayer in this province that will have among its policies, will tolerate among its policies a racist discrimination policy that prohibits the hiring of Jews, people of Jewish background? This is a New Democratic Party Government? This is the New Democratic Party that tolerates that, Mr. Deputy Speaker?

Mr. Deputy Speaker, this is a party that has not once, but twice been asked and on July 22, 1986, Jewish groups called for public inquiry, Mackling does nothing. On July 27, a week later, Jewish groups called for a public inquiry for the second time, Mackling unavailable for comment. Well, as a matter of fact, he did comment. He called it grandstanding, I believe. I believe he called it grandstanding.

Mr. Deputy Speaker, the fact that those responsible for carrying on this kind of an operation have chosen to, by and large, busy themselves with other matters doesn't worry me at all, because these comments are, of course, recorded in Hansard. Perhaps, I should be speaking most to those few backbenchers of this government who surely have to question their role in supporting this kind of an operation.

Mr. Deputy Speaker, in the last few days of course, the actual allegations, the actual charges have become much more serious.

MR. DEPUTY SPEAKER: Order please. No eating allowed inside the Chamber.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. H. ENNS: Mr. Deputy Speaker, in the last few weeks, in the last few days, the charges of course have become much more serious. How did those charges come into the public domain?

The Minister currently responsible for Manitoba Telephones, I heard him just this morning on the radio talking about, in an aggrieved tone, how accessible he is, what kind of an easy going individual, that his door is always open. He is lamenting the fact that employees with MTS or MTX had to choose the route that they did. Why didn't they just come to him?

Mr. Deputy Speaker, that is all laid out. I want to assure this House, as my leader did earlier in the question period, the particular employee involved chose the right route. He came back from Saudi Arabia, expressed his concerns to his immediate superiors within the system, pressed for meetings with higher senior people in the system, and was told to forget about them.

None of this was reported to the Minister by these same senior people who now we are supposed to accept totally, place full reliance on, are going to cooperate with a management committee in investigating their own shop.

Mr. Deputy Speaker, surely that is stretching everybody's imagination just too far to expect anything other than a company-controlled, if you like, reporting with some understandable cosmetic changes that will be provided to, hopefully, satisfy this unruly group of people who do have the responsibility of, particularly with the affairs of Crown corporations, running them in the best interests of the shareholders, of the people who pay the bills. Even though from time to time, those who we place in charge of these institutions and these corporations feel that we intervene in their affairs, because that just about seems to be the case that has developed with respect to the Manitoba Telephone System.

They have taken a cavalier attitude towards the Minister who is designated as being responsible for replying and reacting and transmitting our concerns in this Legislative Assembly to that Crown corporation. They have treated him in a most cavalier way, misled him not once, not twice, not three times but at least on four occasions that we have documented in this Chamber; and this government tolerates that. This government covers it up, and this government talks about management consulting reports.

Mr. Deputy Speaker, if I took the time to read into the record the kind of responses that my colleague, the Member for Pembina got from Day One when we raised this issue - and this issue was raised by us way back in 1982 and 1983 and 1984 - we asked for business plans; we asked for accounting; we asked for statements, as is our role as Opposition members at the appropriate occasion when this corporation came

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before us in committee and were denied that information.

I think a tremendous expression of gratitude has to be expressed in this Chamber and put on the public record to the Member for Pembina who has, in a dogged fashion, pursued these efforts, did the research, asked the questions, and now we at least have the Premier of this province acknowledging that he has a mess on his hands, except he is now trying to - as unfortunately this Premier and this government always does - they want to look after the interests and the affairs of the New Democratic Party first and his position as Premier, his position as government first, well before the interests of the people of Manitoba who stand to lose \$16 million in this venture, Mr. Deputy Speaker, and probably will.

How did this all happen? Why did this all happen? Mr. Deputy Speaker, also it should be put on the public record that way back when the Manitoba Telephone System was formed, if my research is correct, it was in fact established by a Conservative administration in the early Thirties and they were given a specific mandate. It was recognized that with the development and the early growth of the telecommunications system that, sure, it was available to those larger cities, those villages and communities that had sufficient numbers where it could be a viable venture, but as the system developed the need for interconnecting the different private systems, the need for developing the long distance systems with neighbouring provinces, indeed, right across the country, right across the world, that this was the kind of public utility that lent itself to be developed as a publicly owned, as a Crown corporation and the Government of that Day, attaching no particular ideology to it - just made the kind of common sense decision that Conservatives then and to this day still make - created the Manitoba Telephone System.

Mr. Deputy Speaker, for the next 30 or 40 years the Telephone System did what it was mandated by our legislation to do. They developed a communications system in this province that we can all be proud of. They had a clear mandate as to what their function was, to consistently keep improving the telephone system, getting it out to rural Manitoba, getting it out to isolated communities, keeping abreast with the state of the art of new technology; and if it meant getting more private lines to service the specific needs of industry and of business, that was done. If it meant reducing the party lines in rural Manitoba over a period of years, that was largely accomplished to where we are now serviced, on our party line system on average, with three or four at the most, where not that many years ago we had party line service of 8, 9, 10 and more.

We provided telephone services to the remote northern communities, certainly at subsidized cost from the system as a whole, but that was their mandate, Mr. Deputy Speaker. In my judgment, that mandate was carried out, carried out in a manner, in a way in which we could all be proud of and telephone employees had every reason, telephone management had every reason to be proud of their work, of their occupation and of their position in the Province of Manitoba.

Something went awry; and I have to say it started with the event of a New Democratic Party Government. It started in the early Seventies under Mr. Schreyer, because the trouble was, all of a sudden you had people

there, bright people, intelligent people, engineers, entrepreneurs sitting on a multi-million dollar business, but with I suppose not enough to occupy their minds or not enough to do, and they decided, well, there's got to other ways of using our base, using our monopoly power, using money, if all they have to do is keep coming to this Legislature and asking for loan bills; and all of a sudden our Telephone Company was into a host of businesses that had little to do with the original mandate that this House gave them back in 1934 when the Manitoba Telephone System was established.

All of a sudden they were running paging services, they were running computer services, they were busy with fire alarm services, they were busy with trying to get a toehold into the cable television business, . . .

MR. F. JOHNSTON: And losing money.

MR. H. ENNS: . . . and, Mr. Deputy Speaker, I'd be prepared to say, an argument can be made or an argument can be put forward that maybe some of these enterprises ought to have been matters that the Manitoba Telephone System could or should be involved in.

What I take issue with, and I take some responsibility, Mr. Deputy Speaker, because briefly for a period of some 18 months, I too had the responsibility of being Minister of Telephones; but the difficulty was that this expanded mandate, this new role for our Manitoba Telephone System was never properly debated, was never decided by the policymakers that are supposed to guide the affairs of our Crown corporations.

If we had had - and I don't think any member - I look at the Member for St. Vital who has been in this Chamber for a number of years, I can't recall a debate in this Chamber debating the merits of whether or not the Manitoba Telephone System should be totally involved in the supplying of fire alarms systems throughout the province or the supplying of home detection alarm systems in the province, or in the computer business, much less, Mr. Deputy Speaker, was there ever a debate in this Chamber that the Manitoba Telephone System should be out there in Saudi Arabia and all other parts of the world . . .

MR. F. JOHNSTON: They did it illegally.

MR. H. ENNS: . . . trying to compete with IBM and goodness knows who else in the business - (Interjection) - IT and T, to become a great exporting entrepreneurial firm and a high tech, high risk industry around the world.

Mr. Deputy Speaker, I say, maybe members opposite, particularly members of the New Democratic Party like to see their Crown corporations involved in all kinds of businesses in the private sector. Maybe they could have put forward a convincing argument at any particular time and indeed created, certainly with the strength of a majority government, could have provided the Manitoba Telephone System with that expanded mandate.

I'm only saying that in my judgment the root causes of why the Manitoba Telephone System is in the difficulty it now is in stems fundamentally from the fact that they have entered into fields that they have never, in a totally

satisfactorily or a totally public way, been given a mandate to enter into; and I know, I have some experience of how MTS operates.

There would be a recommendation made to the Minister of the Day that we could get into this little field of activity. It shows signs of profit, and of course governments are always interested in having some profit because it conceivably would reduce the cost of communications to the people that they are set up to serve, the telephone users of Manitoba, and so a Minister - and I lay no particular claim whether it was a Conservative Minister of the Day or a New Democratic Party Minister of the Day - is often, with the force and the argument and the expertise that the corporation on the one hand can mount, can convince a Minister of the Day to put forward an Order-in-Council that the Telephone System ought to get involved in this or that piece of business, and that's precisely how we got involved with MTX.

(Madam Speaker in the Chair.)

Management of MTS went to the Minister then responsible on January 4 or January 6 of 1982, getting the necessary Order-in-Council that could establish the subsidiary corporation known as MTX. It was a year later when it was recognized that, well, that Order-in-Council wasn't really sufficient legal authorization to do what they were already doing, that legislation was brought into this Session in 1983 to give them that further authorization.

But you see, Madam Speaker, by that time we never did have a chance to debate. Members never had a chance to debate whether or not MTS should be involved in Saudi Arabia or anywhere else, in California, in this kind of business. The Premier and the Deputy Premier signed the Order-in-Council which set up MTX without ever really bringing the issue into the House and I would say, fairly without ever really bringing the issue before the respective caucuses, whether it was the Government Caucus of the Day of Opposition Caucus of the Day.

I'm simply saying that we have to ask ourselves, how did we get into this mess? How do we all of a sudden, as people, as legislators, find ourselves in control of an operation that (a) doesn't hire women; (b) discriminates on the basis of race; and of course the most damning thing, on top of all that, the salt that rubs into the injury, the wound, does precisely the opposite that it was initially presented to that First Minister, what we were supposed to do. The rationale was that getting into these ventures would make profit, would make some money, which would be of some benefit to the every-day telephone user of Manitoba.

Madam Speaker, just the opposite has occurred. We've provided an expensive playground for senior Mandarins of the system to travel the world, to travel to Saudi Arabia and the result is we have now jeopardized some \$16 million of Manitoba taxpayers' money on a very questionable, high risk venture in Saudi Arabia; and I still have to answer to my people back in Woodlands why there are four people on a party line.

I have to answer to my people in Marquette why we can't expand the Marquette exchange, why everybody has to phone long distance in the country. We haven't got \$5 million for the people that are putting up the money so that our boys can play in Saudi Arabia -

pardon me and I say boys because we can't take women there and we can't take Jews there either - and this government tolerates that? This is what the Member for Ellice got elected to in this Chamber, and tolerates that? This is what the Member for Concordia got elected for and tolerates that?

I don't want to be unkind to the Member for St. Vital. I know what kind of pressure he's under, but at least the Member for St. Vital has some pension concerns to be concerned about and that's been pretty rough on him.

I find it intolerable, Madam Speaker, that this government wouldn't seize the opportunity that is being presented to them, that members in the NDP caucus wouldn't seize the opportunity that's been presented to them and cut debate as quickly as possible on this issue. Cut your losses; stop the hemorrhaging, and surely don't ask us to believe for one moment that these officials - and I say it with considerable sadness - because I have respect for all those who work in the public service.

I find it extremely distressing what's going on in this Chamber right now. I find it extremely distressing when the Minister responsible for Crown corporations acknowledges, has to stand up in this Chamber and acknowledge that he is being lied to, that he's been told not the truth - pardon me, Madam Speaker, I'll withdraw that word - but he's been told not the truth by senior people in a Crown corporation that all of us put our trust and our faith and confidence in. I just find that - and I'm sure you do, Madam Speaker, - just totally unacceptable.

A MEMBER: That was before CFI.

MR. H. ENNS: That was how it was dealt with, right. And it took a judicial inquiry, a full public inquiry some years. This is not going to be tackled in the manner that is being requested.

The vast majority of the charges, I know the Premier and the government have twiggled on to the immediate ones, the ones that kind of stand out, and they are shocking. The idea that we are the shareholders; we are the shareholders of a company that sends its employees around with white envelopes with \$10,000 or \$12,000 stuck into it and we're sending our employees to bribe some bank official in Saudi Arabia? You and I, we are doing it. We're doing it.

Well I would suggest first of all that the RCMP investigation into those kind of allegations which are there, which have been acknowledged, will never come to justice. I would put a bet on with the Honourable Member for Kildonan right now that our chances of ever coming face to face - or indeed the RCMP of ever coming face to face with one Sonny Birchfield - I don't want to make the odds impossible and it's always possible. It's possible that the Member for Kildonan may occupy that seat as Premier one day, but it'll take longer before the RCMP catches up with Sonny Birchfield.

What I'm saying is, and I regret that the Premier and the government and it's obvious what they're doing - of course those charges are outrageous and they're doing a pretty good job; of filibustering this whole issue by saying, "Of course we'll get the RCMP on there.

I've ordered my Attorney-General within hours that the affidavit came into our hands," and there he's off; but, Madam Speaker, that is one-hundredth of the problem. The problem lies in the corporate structure that exists between MTS-MTX. The problem lies with all kinds of actions that have been taken that may or may - in my judgment are not illegal - but are certainly not acceptable in terms of a public corporation.

The RCMP is not going to punish anybody for not hiring women. The RCMP is not going to punish anybody for not hiring Jews. Our own Human Rights Commission in Ottawa has already backed away from that one and this government won't put it before our own Manitoba Human Rights Commission. What do you think the RCMP are going to do about it?

Yesterday, Madam Speaker, I asked the Minister of Telephones to confirm, because my information may well not be complete, that equipment that was installed some eight or nine years ago in the Oakbank exchange was sold to the community of Keewatin in Northern Ontario and I don't know for how much; I don't know the figures. But I'm asking the Minister for that information.

But I was given to understand that it's not Manitoba Telephone System that sold that used equipment because they're putting in newer digitized equipment into the Oakbank exchange, which is fine, we want to see our system upgraded all the time; and apparently the community of Keewatin thought the old equipment was still adequate for them, and I would think that's good business on the part of MTS, because I would like to see MTS get any salvage value for any old equipment that they have because, hopefully, it returns to the coffers of MTS and in that way helps reduce and helps maintain, helps the profit picture, helps the revenue picture of MTS.

But my understanding, Madam Speaker, is that this equipment that's being taken out of Oakbank is not being sold by MTS. It's being transferred to MTX. So there's the first question: For what amount? Is it a dollar? Is it a fair value amount? I don't know. Then MTX is selling this equipment to the Community of Keewatin. MTS never gets to see the money.

But those are not criminal questions. It'll take a hard look, accountants, other experts that will say whether this equipment is properly amortized over a sufficient number of years, whether or not MTS is getting a fairer figure when transferring over the assets to MTX.

These are the kinds of things that are 80 and 90 percent of the problems associated with MTX. Madam Speaker, the bribery, the backsheish, indeed, the flogging of employees, the discrimination against women and discrimination on the grounds of race, as abhorrent and as unacceptable as they are, are not - I say this advisedly because I don't want to downgrade these other issues - but are not at the heart of the matter that needs a thorough investigation in terms of what's happening in a corporate sense between those two corporations and who is responsible and who is profiting.

The affidavit states that hundreds of thousands of dollars of equipment were sent to Saudi Arabia without order, without contract, now all of a sudden find their way back here in Canada, in Winnipeg, in warehouses, to be disposed of at 20, 25 cents on the dollar of their value. Who is doing the disposing? How was this

equipment resold? At 60 or 65 percent on the dollar value? Who is doing the selling and to where it was sold?

Madam Speaker, we're not talking about shoddy equipment. We're talking about state-of-the-art IBM computers. We're not talking a salvage operation here. We're talking about new equipment that's being shifted back and forth, invoices fudged.

Madam Speaker, I want to tell this government and I want to tell those government members listening. Some of those have seen other issues develop; one can't always foretell when the issue initially raises its head in this Chamber, particularly in this Chamber. I suppose who would have foretold several years ago, when the Attorney-General brought in what we believe to be a relatively innocuous resolution having to do with language rights, a few little changes to our Constitution, what all that would entail.

I think surely by now, even though it took the dedication on the part of one of our members over a period of years, he knew there was something rotten in this system; but I would suspect that for most us and for the media and for the general public, the issues really didn't get too much beyond the question of, well, did some of our employees actually get flogged or caned. You recall, Madam Speaker, when the Minister responsible finally acknowledged, after having been misled several times on that question, he kind of demonstrated to us that there had been a kind of ceremonial gentle caning take place.

Then, of course, we dealt with the other issues that are already mentioned that were and ought to have been of serious concern, the revelation that to do business in that country we had to do things that were abhorrent to us with respect to our discrimination against women and discrimination on grounds of race.

We have noble sentiments expressed in such things as the Manitoba Crown corporations, export policies for a Manitoba Crown corporation, business conduct. The province endorses the principle that each Manitoba Crown corporation establish its own code of business conduct which sets standards for its employees to ensure business is carried out in compliance with all applicable laws and regulations and in an honest and moral manner.

The exporting Crown corporations are expected to develop an exports code of business conduct which establishes corporate rules and standards related to export activities. Among other things, rules and standards are to address such matters as compliance with laws, agent relationships, recording responsibility and internal procedures to ensure compliance, as well as the avoidance of bribery, kickbacks, conflict of interest and other illegal or inappropriate acts.

Well, Madam Speaker, even with the revelation that we were breaking our own guidelines, we had the Premier of this province, we had the Minister responsible, suggesting to us - and it was only several weeks ago - suggesting to us that well, all right, we don't necessarily go along with what they do in Saudi Arabia but we're not going to interfere; at the very most, would ask the Canadian Human Rights Commission to look into it.

Madam Speaker, none of us particularly like to see what's going on in South Africa. It doesn't take very long for this government to respond to that situation.

I was saying, Madam Speaker, members opposite ought to re-examine their position that they're allowing this Minister and the Premier to lead them on this particular question. I think it's an indefensible position which they are going to find themselves in and one that will only get harder for them to extricate themselves from.

Madam Speaker, we believe the issue of restoring public trust to the Crown corporations that for many years has served this province so well is of extreme importance. We also believe it's appropriate that MLA's, parties in their position, do everything possible to restore that trust.

Added to the list of difficulties which have compiled, are starting to pile up on this government with respect to Crown corporations, I simply can't understand this government's reluctance to refuse the request of a public inquiry.

You notice how quickly, when the Premier tried to be cute with the Member for Pembina just at question period - well, the committee can subpoena witnesses, under those circumstances we can have witnesses appear before us, under oath - but by the time his House Leader, or the Member for St. Boniface, got whispering to him a little while, he realized that could be embarrassing. We might call some witnesses that they don't want, or we might call some witnesses that senior officials in the Manitoba Telephone System don't want. The net result was we backed off of that very quickly, didn't we? The fact of the matter is what is coming very clear is this government does not want a full inquiry.

You were going to ask the senior management of MTS to recommend a management concern to look at their affairs. Of course you are. And if you think you're going to ask somebody in SaskTel or Northern Telecom or any other communications business in this country or, indeed, in this province, I will tell you, management at MTS has already seen them and told them who to recommend because it's a pretty tight family. We are interrelated with every telephone communication jurisdiction in this country.

If you think you can pick up the phone and phone somebody in Ontario that Mr. Holland hasn't talked to already, you're badly mistaken. You're badly mistaken. I would assume you're going to have to talk to somebody who has had some expertise in telecommunications.

The Premier talks about the RCMP having involvement in this matter. Of course they do. A judicial inquiry cannot conduct and say, this is a matter for the RCMP to investigate, and instruct the RCMP to investigate, and they instruct it that way and they will do it that way. It's part and parcel of one investigation.

A MEMBER: They can call it consulting; they can do what they like.

MR. H. ENNS: I know one thing though, that the RCMP will not and cannot investigate the relationship between senior people at a Crown corporation and the Minister, for instance. They're not going to investigate. Is the Minister responsible for Telephones going to be investigated for having told us facts that aren't true, because he got facts that aren't true from his officials? Is that going to be part of the investigation by the RCMP? Of course not, and I wouldn't expect it to be.

MADAM SPEAKER, M. Phillips: Order please.

The honourable member's time has expired.

MR. H. ENNS: Madam Speaker, I only close with the very serious appeal to honourable members opposite, and I am very pleased that there are five members who could probably be pivotal in the decision-making with respect to their welfare, the welfare of the people of Manitoba and the welfare of the Crown corporation known as Manitoba Telephone System.

MADAM SPEAKER: The Honourable Member for St. Vital.

MR. J. WALDING: Thank you, Madam Speaker.

The Honourable Member for Lakeside has provoked me to rise in this debate and, although there may well be other things that would arise during this Session that I would like to rise on my grievance on, I'll take this opportunity to get up and say a few words, having a little bit of interest in telecommunications' matters as I know the honourable member has and other members of this Chamber do, too.

I was on the Board of Commissioners of the Telephone System in the mid-Seventies, about 1973-77, I think and it was a most enjoyable time. I learned a lot about telecommunications and telephone systems and the people who work there, and some of the language that they use that has specific meanings to the industry but perhaps not anybody else.

I found out that there was a particular sort of close spirit amongst people who work in telecommunications. They will work additional hours overtime in an emergency. They will band together. There is a Telephone Pioneers group or association or what it's called that does some excellent, charitable work. I learned quite a bit during that period.

I was very pleased to note that the people of the province could be very satisfied with the calibre of the way that the Telephone System was run and the calibre of the employees who worked for the system. I was very pleased to see that MTS, other than minor administrative details, worked quite smoothly and well and, I believe, gave the people of Manitoba good value for their money.

Some people pointed out from time to time that there was equipment being used by the Telephone System that was 40 years old and 50 years old; and why weren't we keeping up-to-date on the leading edge, was a particular phrase, and modernizing? Fair enough, but the 40 and 50 year old equipment was still working. It was doing the job, and there was simply no need to scrap it.

The Member for Lakeside mentioned that the House has never really had a debate on whether MTS should properly be moving into other things that he mentioned, cable and smoke alarms and various other things like that. That might well be true, but the Opposition has it in its power to bring that item before the Assembly for discussion if it so wants to.

I'm sure that he has heard the same arguments that many of us have about the electronic highway, and the fact that MTS is making that cable system and the electronic system available to everybody and different commercial establishments can use that all on the same

basis. It's not being held by MTS as a monopoly against commercial establishments wishing to move into that field.

However, like so many of the members, I've been a little concerned and worried about some of the things that have been said over the past few days. I've read the affidavit that the honourable member kindly sent me a copy of, and I am quite concerned with the things, even if only half of them are true, even if 10 percent of them are true. It is serious, and it needs to be brought out into the light of day so that we know exactly what is going on there.

I want to know what's happening with MTS and MTX. My constituents want to know. They ask me. They say, what's going on there? These things we read in the paper, are they true? I don't know whether they're true, but it worries me in case they are.

(Mr. Deputy Speaker in the Chair.)

Some of the things are obviously of a criminal nature; some of them are clearly not of a criminal nature, and I don't know anyone in here who would say that those allegations of a criminal nature should not be investigated by the RCMP. I don't think there is any argument about that at all.

But there are other things that the RCMP would not look into as a police force that needs to be examined and to be brought out for our information. It's been announced in the House that that would be done by a management company, or whatever the term was. Whether that will in fact get us the information or not and when, I'm not sure. I suppose it will, but I for one, would not object to an inquiry headed by a judge or whatever, before which evidence could be given under oath and it would be clearly public and would be heard and reported by the press, so that my constituents would know from the horse's mouth, what was happening. If that is not the decision and the investigation is to be conducted by a management company, that's out of my hands. That's a decision made by the government, by the Minister or whomever.

But there is one other aspect that really hasn't been stressed, in my opinion, enough, which I think should be addressed and should be of concern to all of the members of this House as MLA's, not as Opposition or government; and that is, the principle that all information that's given to this House is the truth; and that all the bureaucrats who give information to this Assembly do so truthfully and they give the truth to us; and that reports to the Assembly from the government or from the Opposition or from whoever be the truth, so that we can rely on that and know it to be in fact what the case is. That is really the whole basis of this Assembly, and that is that we can rely and trust the information that's given to the Assembly as being in fact the truth.

If it is not, then where in fact are we? What can we debate? What can we argue about, if we don't know whether the information is truthful or we suspect that it's not? So that is really a foundation, a cornerstone of the legislative parliamentary process.

We've been told that information that has been given to the Minister reporting for Telephones which he then relayed to us. I'm confident that it was correct - it was later found out not to be correct, on several occasions, by the way - the House, I believe, cannot hold the Minister responsible for that since he was only relaying

information that was given to him. So that information, if it has been found to be false, not in full accordance with the truth, is information which was given to this Assembly and this Assembly should be highly indignant that that has happened and be more than determined to get to the bottom of it and to find out who it was and what was the reason that that was done.

That, I believe, can best be carried out through the Committee of Public Utilities and whatever. — (Interjection) — I don't want to get into debate across the floors with members opposite. If they wish to join the debate, they can, of course, stand up following that and enter into the debate if they wish to.

The Committee on Public Utilities can, of course, send for papers and persons and hear evidence and statements to it under oath and, if it should do so, and we have the suggestion from the First Minister that there is at least a possibility that the Committee will decide to do so, it could, in fact, and in my opinion they should do, call for the people who have made those statements to the Minister to try to get to the bottom of it, at least that part of it should be dealt with by the Committee.

The criminal investigation should be done by the RCMP. If the management committee or company, whatever its called, should deal with that part, so be it; but there is the part that has to do with the Assembly itself and things that have been said to the Assembly and I think there is evidence on four occasions where that has not been the case. We need to find out.

We need to say to those people, we want the truth, you must tell the truth to the Assembly and to make it clear to other people that they cannot do that sort of thing. It will not be tolerated. I look forward to that meeting next Thursday. I'm hoping to be there and to see just what it is that the Committee will decide to do and I do recommend that they take that opportunity to really get to the bottom of it so that we will have some information and perhaps the Minister himself won't look under quite so much strain on the matter.

MR. DEPUTY SPEAKER: Are there any other? If there are no other people who want to send grievance, there is a motion on the floor of the House that the Speaker leave the Chair and that we go into Committee of Supply. Is that agreed? So ordered.

MADAM SPEAKER: Is it the will of the House to waive Private Members' Hour? (Agreed)

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Natural Resources; and the Honourable Member for Kildonan for the Department of Northern Affairs.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - NORTHERN AFFAIRS

MR. CHAIRMAN, M. Dolin: The committee will come to order. We will be dealing with the Department of Northern Affairs, Page 131.

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Prior to beginning with the line-by-line resolutions, the Minister of Northern Affairs will have an opening statement.

The Minister of Northern Affairs.

HON. H. HARAPIAK: Thank you, Mr. Chairman.

I am pleased to present the 1986-87 Estimates for the Department of Northern Affairs. During my opening remarks, I will review departmental responsibilities and indicate our planned activities and policy thrusts for the current fiscal year. Following the presentation, I would welcome the opportunity to hear your comments or respond to any questions which may arise.

First, let me say that I was pleased to have the opportunity to serve again as Minister of Northern Affairs subsequent to the March 18 election. It has been and continues to be a challenge to deal effectively with the unique problems and aspirations of northern Manitobans. This is especially true during these economic times which demand careful management of our limited resources.

I would also like to indicate how personally rewarding it has been to travel throughout the Northern Affairs area and meet with the residents. It has been a privilege to work with them as well as with departmental staff to make the North a better place for Manitobans to work and live in.

Insofar as this government's record is concerned, my colleagues and I are proud of the part we have played in the development of Northern Manitoba over the past four years. It has been a period which has seen significant improvements in Northern Manitoba in terms of economic development and the provision of community infrastructure. We are also proud of our record in the areas of education, health care and skills training where we have maintained our commitment to respond to northern needs.

While the role of my department in the implementation of these programs is not always a direct one, we do have responsibilities to both coordinate the activities of government and act as the municipal authority throughout the Northern Affairs area. We fulfill this mandate through a process of consultation with residents and advocacy on their behalf within government.

I share with my Cabinet colleagues and members of my caucus a conviction that the best way to address northern needs is to include Northerners in the process of policy formulation. We have had every confidence in the ability of Northerners to make a positive contribution to all levels of program development, and they have not disappointed us. We will continue to encourage them to participate with us throughout the balance of our mandate.

During this fiscal year my department will require \$26,537,200 to meet ongoing program requirements. This figure is down \$867,500 or nearly 3.2 percent from last year's adjusted vote. It was possible for us to identify this decrease through a process of program review and appraisal.

As I indicated in my opening remarks during the 1985-86 Estimates, my department recognized the need to enhance its strategic planning capabilities to determine the most effective and efficient use of financial and human resources. The result is this reduction in our

overall budgetary requirements. However, I would emphasize that my staff and I are committed to ensure that our expenditure reductions do not translate into program reductions which will adversely affect northern residents.

This year we will substantially enrich only one area of discretionary programming: our Community Operations Grant. We are increasing funding in this area by \$325,100, or 9.8 percent, bringing this year's total up to \$3,194,600.00. It was necessary to increase these grants to cover costs associated with the operation and maintenance of community infrastructure. The inventory of this infrastructure increases each year with the delivery of our annual capital works programming.

Our largest reduction has occurred in the area of expenditures related to capital where a net decrease of \$1,742,500 was identified. Expenditures in this area are principally used to ensure that the required infrastructure is available to communities for the provision of an adequate level of local services.

The capital reduction was affected in two areas: one, a nonrecurring expenditure related to Northern Flood Agreement obligations; and, secondly, a reduction to the ongoing community infrastructure program. This capital works reduction was achieved by rescheduling over a longer term without creating undue hardship upon community residents. The infrastructure program was previously cost shared under the Northern Development Agreement. However, the agreement's \$12 million allocation has been fully expended at the end of the fiscal 1985-86 year.

As in previous years, my department will continue to provide training to community councillors and their staff. This training will allow them to assume a greater degree of local control over the management of their community affairs. An indication of the success of this program is that during 1985-86 an additional six communities entered into block funding agreements with the department. Block funding is the final developmental step in a community's advancement to incorporated status. Experience has supported our view that the devolution of responsibility to local community administrators does provide more responsive delivery of local service programming.

In the same context, we are continuing in our policy of encouraging local management and delivery of capital works projects. This policy continues to create numerous employment and training opportunities for area residents. Our goal for 1986-87 is to have 46 of 68 planned projects delivered locally. In terms of expenditures related to capital, this will require approximately \$3 million of the \$3,734,500 department capital works project to be managed by the communities.

As in the past, we will continue to put a high priority upon support and management of our federal-provincial economic development agreements. Both the Northern Development Agreement and the special Agricultural Rural Development Agreement will expire in 1987. The Northern Development Agreement, a \$1.186.2 million pact, is intended to create locally based income and employment opportunities by removing physical barriers to human and economic development.

Under the Special ARDA program, the two levels of government provide assistance to northern residents,

primarily those of Native ancestry, for the development of primary resource harvesting opportunities.

Both of these initiatives, the Northern Development Agreement and special ARDA programs are of central importance to the development of northern Manitobans. It is essential to the ongoing viability of our northern communities that both levels of government maintain their commitment to progressive regional employment.

Toward that end, we have initiated discussions with both northern groups and the Federal Government to effect the renewal of these agreements. It is our hope that the Federal Government will cooperate with us to conclude such arrangements at the earliest opportunity.

In other agreement-related areas, we are currently increasing our efforts to address problems associated with the Northern Flood Agreement. While this government has maintained its commitment to implement the agreement, this has, for various reasons, proven to be a difficult task. As you may be aware, the Northern Flood Committee, representing the five bands affected, have proposed a new initiative involving comprehensive negotiations to resolve outstanding issues of concern.

I would like to indicate that we welcome the opportunity to meet with all of the parties of the Northern Flood Agreement to attempt to find more efficient means of implementing our obligations. Both my colleagues and I will look forward to reporting to all members on progress that may arise out of the proposed four-party talks. In the interim, we will continue to meet our commitment to the Northern Flood Agreement bands.

As you are further aware, my department has for some time been responsible for the tripartite negotiations with Canada and representatives of the Manitoba bands to resolve outstanding treaty land entitlements. Our objective has been to negotiate a contemporary settlement which is fair and equitable to all Manitobans. While we have not been able to conclude final terms to date, I can advise you that we are currently dealing with a very limited number of issues. Once they are resolved, I will be free to report to you regarding details of the proposed settlement. Until such time as this occurs, we are constrained by an all-party agreement to not disclose details of the proposed settlement.

In closing, I would like to indicate again my department's ongoing commitment to working cooperatively with area residents to improve the socio-economic circumstances which exist in the North. For our part, we will continue to deliver those programs which are within our jurisdiction. In addition, we will work to ensure any joint federal-provincial initiatives or agreement renewals take into account the special needs of our northern residents.

We will strive to do this through careful management of limited resources. Our challenge will be to ensure that needed services continue to be provided and that the North continues to have an equal opportunity to move forward with the rest of Manitoba towards a better tomorrow.

Thank you, Mr. Chairman. Let me repeat at this point that I will be pleased to hear any comments or respond to any questions which members present might have as we move forward to the formal part of the Estimates process.

MR. CHAIRMAN: Thank you, Mr. Minister. The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman.

As I mentioned earlier before committee started, I'm handling the Estimates for Mr. Len Derkach who is the chief critic on Northern Affairs who has been hospitalized unfortunately and, being a keen and aggressive capable young member of the Legislature, he is feeling very badly that he is not able to be here. But we assured him that we would get all of the questions as they came to our attention on the record for him and it was our intention to finish the Estimates, Mr. Minister, in say the afternoon and this evening, although we had somewhat of a stalled start, as you are aware, today. So whether we have time this evening to do it or not, I'm just not positive, but we're going to make an attempt to clean them up if we can tonight, providing the Minister has made suitable arrangements in his office to look after us after we conclude the Estimates and don't reduce the Salary to \$1 or a pound of wild rice or something like that.

Mr. Minister, just on your opening remarks, if I may. I just made one or two notes and if I might ask a question there, I hope that it might not be repeated later on when we get into the Estimates. You mentioned that you're proud of the development of Manitoba over the last four years which has seen significant improvements. I wonder if you might just briefly indicate what you feel that they have been and where have they happened.

MR. CHAIRMAN: I'm wondering if the member would approve, I could ask the staff to come forward to advise the Minister at this point.

MR. D. BLAKE: Absolutely. If you want to move onto the first section.

MR. CHAIRMAN: Usually it's after your remarks.

MR. D. BLAKE: Right.

MR. CHAIRMAN: But if the staff would like to come forward please.

MR. D. BLAKE: We'll let the Minister introduce them. One, two, three, four, five, six, seven - not bad. They usually have 15 or 20. That's not bad.

MR. CHAIRMAN: The rest are up north.

HON. H. HARAPIAK: I'd like to introduce my staff. John Morrisseau is the Deputy Minister of the department; Isabel Dube is the Assistant Deputy Minister with the local government; Brenda Kustra, Assistant Deputy Minister with Agreements Management; and Rene Gagnon is Director of Administration.

I would just like to say before we proceed that all of these three people were in acting capacity when we had our Estimates process last year, and they are now in their permanent positions. I would like to say that we have given some lead in the affirmative action direction that our government has adopted. Two women

have been appointed to the two senior positions with our department so I think that we, as a department, have been showing some leadership in that area.

MR. CHAIRMAN: Thank you, Mr. Minister.
The Member for Minnedosa.

MR. D. BLAKE: Yes, I would just repeat, I assume we're under Item 1.(a), are we?

MR. CHAIRMAN: No. Item 1.(a) is deferred. We would begin with 1.(b).

MR. D. BLAKE: All right, okay. I'll just repeat my question, and the Minister might just briefly comment on what he feels has been the significant improvements in Northern Manitoba in terms of economic development. Just what have they been and where have they happened?

HON. H. HARAPIAK: The critic asks a pretty broad question. I guess he wants to ask where the improvements have been. I guess the improvements have been mainly in the area of economic development and in the area of community development within the community infrastructure.

I point out that several communities have received infrastructure installed in their community, waterworks and sewer system. That's in the communities of Cross Lake and Norway House. The community of Barrows has also received waterworks and a new lagoon, which has improved the standards of living in that community — (Interjection) — you want to talk about that later?

I guess there are several projects that, through Programs 1 and 2 of the Northern Development Agreement, which has improved the quality of life for Northerners. There are several communities, the structure of halls and recreational facilities that have been built in consultation with the local communities.

I think one of the areas - it's quite a broad area - but the communities moving into block funding, where they're having greater controls over what is happening in their community life. So I think that's one of the areas there has been great improvement. They're having more and more say in what direction their community is doing, how do be developed, and they're in the delivery of the programs that are in there. More and more, they're taking the initiative to deliver the programs that are affecting the lifestyle of their community.

MR. D. BLAKE: Yes, I was particularly interested in economic development, Mr. Chairman, whether it was just been broadened there. If he could single out one or two instances where a business enterprise has been established with them providing employment for a number of people. Are there any of those instances that he could cite, where there's been a success story?

MR. DEPUTY CHAIRMAN, D. Scott: Mr. Minister.

HON. H. HARAPIAK: There are several examples of where we're not looking at any large scale number of jobs, but I guess a couple we could point to is the Waterhen Buffalo Farm which has about 12 employees; the Waterhen Tourist Lodge which has about 24

employees; and another one is Longpoint Development in Grand Rapids which has about 8 employees during the winter months.

I think through the Northern Development Agreement, we've also assisted several private operators to operate with Moose Lake Loggers; although they're not independent, through the Northern Development Agreement we've assisted them to receive and to use the machinery to make them independent operators if they are operating with Moose Lake Loggers; and several people from Cormorant are also employed with logging operations as well.

MR. D. BLAKE: The Minister explained it further down that the reduction then in his budget - I was wondering where they were - but it's explained later on.

On the increased funding, are there any significant amount of funds coming out of the Jobs Fund and going into projects in your particular Estimates?

HON. H. HARAPIAK: There will no funding out of Jobs Fund whatsoever in this year's Estimates.

MR. D. BLAKE: Is there any other special area where you're receiving funds for projects, outside of what's being requested.

HON. H. HARAPIAK: Outside of the Northern Development Agreement, no.

MR. D. BLAKE: With the feds, there's funding there, okay.

You mentioned that the \$12 million in allocations had been fully expended at the end of 1985-86. Does this stop your programs when you've expended those funds or do you have some contingency plans to run a carry-over?

HON. H. HARAPIAK: Normally, the infrastructure is paid for on a 60-40 cost-shared basis, 60 percent being from the Federal Government and 40 percent from the Provincial Government. Now that that money has been fully expended, any infrastructure we'll be putting in will be paid 100 percent by the Provincial Government. We haven't pulled back our commitment on it. Our commitment is still as high as it was last year.

It has increased this year. We have probably had to increase it because the federal funding is no longer in place, but at the same time we are working with the Federal Government to try and get a renewal of the Northern Development Agreement so we can go into infrastructure development at the same level as we had been in previous years, but that funding is not in place at this time.

MR. D. BLAKE: Where do these negotiations stand? Are you reasonably enthusiastic or hopeful that agreement will be put in place?

HON. H. HARAPIAK: We are presently conducting a third-year review, which the Native community of Northern Manitoba is participating in as well as our department. But in the meantime, there are ongoing discussions to try and get an extension for a two-year extension to the existing agreement with the same level

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of funding. We are led to believe that we would probably be getting some indications by September if there would be an extension to an existing agreement or we would have to renegotiate a complete new agreement.

MR. D. BLAKE: I wonder if the Minister mentioned the training of community counsellors and their staff. I wonder if he could indicate where the training takes place and what is the format of the training. Who is eligible? How long is the training they receive?

HON. H. HARAPIAK: The majority of the training takes place right in the communities. Sometimes when there's a special project, we will have the community clerks come into the city or some other location to provide some of the training, but the majority of the training is done right in the community.

MR. D. BLAKE: Is that in-house training by other staff who have been trained, or do we have staff go in, capable people go in to train them, or how is that carried out?

HON. H. HARAPIAK: The majority of it is in-house, but sometimes we have some specialized people come in to provide some special training. We'll have some outside people come in, but the majority of it's done with in-house staff.

MR. D. BLAKE: Would these be largely managerial skills or are they accounting skills, budgetary?

HON. H. HARAPIAK: Most of the training is done in the area of administration and finance, but there are also training sessions put on for community counsellors and mayors so they'd be more aware of what their responsibilities are as elected representatives of the community. So the training is also provided for the mayors, community councillors and clerks. There is also ongoing training being provided to our maintenance people as well.

MR. D. BLAKE: The maintenance of machinery, the infrastructure, things of that nature?

HON. H. HARAPIAK: That is correct.

MR. D. BLAKE: That leads me into the other section of your comments, Mr. Minister, where you mentioned that more and more communities were entering into block funding. What control and what audit procedures are there in place to provide for proper accounting, proper reporting and a proper control of the block funds?

HON. H. HARAPIAK: The communities are monitored by our specialists on a quarterly basis, and then we are audited on an annual basis.

MR. D. BLAKE: By the Provincial Auditor's Department or by your Northern Affairs Audit Department?

HON. H. HARAPIAK: By the departmental auditors and then the Provincial Auditors audit our auditors.

MR. D. BLAKE: Yes, I wonder if the Minister is satisfied now to date with the accounting and the reporting of the funds being used under the block funding program.

HON. H. HARAPIAK: I guess the training of any community employees is an ongoing process. The training is being given and accepted continuously but, up till now, there have been no major difficulties with the accounting for the funds that have been expended by the department.

MR. D. BLAKE: There are no incidents where there haven't been proper records kept or lost invoices, receipts, and things of that nature that you could report to the committee?

HON. H. HARAPIAK: I guess we couldn't say that there have never been any invoices lost. We can't say that 100 percent of the invoices have been accounted for. There are always some minor discrepancies, but there has been no major . . .

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. D. BLAKE: That's what I'm concerned about, if there's anything significant. I realize nickels and dimes disappear or aren't accounted for, but there's nothing of any major concern?

HON. H. HARAPIAK: No, we're extremely pleased at the developments of the communities that have gone into block funding, and we've been well satisfied with the results that have been brought forward by the communities that have gone into block funding.

MR. D. BLAKE: What type of money are we looking at when we mention block funding, say, for an average community? What type of dollars are we looking for? Is it a quarter million, a half million, or 20,000 or?

HON. H. HARAPIAK: An average community would be in the vicinity of \$100,000.00.

MR. D. BLAKE: Around 100,000, okay. That's fine on that one, Mr. Chairman.

Under the Agricultural Rural Development Agreement that expires this year, I wonder if the Minister might bring us up to date on just what's happened there.

HON. H. HARAPIAK: You're asking what has developed?

MR. D. BLAKE: Yes, if you could give us just a brief update on the Rural Agricultural Development Program as it pertains to the Native.

HON. H. HARAPIAK: In 1985-86 there were 107 projects and there were 3,973 persons assisted. There was a commitment of \$1,013,400.00. I should point out that this is aimed at disadvantaged people, especially people of Native ancestry.

MR. D. BLAKE: Yes, what would this pertain to; the raising of cattle? Are there any cereal crop farmers in

under this program; are they forage crop farmers or strictly livestock?

HON. H. HARAPIAK: Outside of some projects for assisting trappers and fishermen, most of the assistance has been provided for gardening in the local communities.

MR. D. BLAKE: Yes, there was quite an extensive gardening project undertaken at Cross Lake a few years ago when I was there. Is that being carried on and has it been successful?

HON. H. HARAPIAK: The program that you're referring to was carried on under Frontier Schools and it was provided for assisting the people to have gardens in that area. It's still going on but on a much reduced scale than it was at the time when it was first initiated.

MR. D. BLAKE: Yes, that bothers me. You know, there is tremendous growth potential in that area. Years ago, 50, 60 years ago, they raised tremendous vegetable crops in that area. It's surprising that they've gotten away from it and it hasn't been encouraged to become a productive community again for vegetable crops.

HON. H. HARAPIAK: I think we have to recognize that their way of life was disrupted to a great degree. But more and more, when I travelled the north country during the last election campaign, there were many communities that I went into where they were looking for assistance to become more self-sufficient in providing of their vegetables. I think there's a greater interest for people to once again become self-sufficient. With the programs that are being provided by the Department of Agriculture, I think people are again becoming more involved than they were in previous years.

I know in Moose Lake there were some gardens established this year; in the community of Easterville, I think, as well, there was some assistance for people to begin a garden; and the community of Cormorant. We've provided quite a bit of assistance for the community to get started and apparently six families are having their own gardens this year which will provide for, not only some of their own needs, but some of the gardens are large enough that they will be able to supply some of the rest of the residents in that community. So I think the process is a slow one, but people are once again realizing the value of having their own gardens and they are moving in that direction.

MR. D. BLAKE: Yes, that's encouraging, as the Minister knows, I've talked to him before on it. When I spent some time up in his riding, the area that is now, although they have difficulties, a thriving agricultural area in the Carrot River Valley; I travelled that whole area by motorboat and by canoe before it was drained and turned into productive farm land, so there is a potential and it extends further north. I know it's going to take time.

I bring this up because I came across something in my files the other day going through them, on a conference that was held on the North feeding the North. I think they've had one or two of them, or three

of them maybe, up there and I participated in one of them. Some very interesting stuff that just doesn't seem to grab the imagination of people down south and catch on.

I had the opportunity last summer to be in the Yukon and they're just as encouraging. In fact, one of the members from the Department of Agriculture, Dick Filteau, is in there on contract. Cattle and that type of agriculture is pretty well out on account of the transportation cost, but vegetable production is being encouraged very widespread there. They grow cabbages in Dawson City up to 40 lbs. It's staggering for someone down south when they figure that far north, they realize that they grow crops like that but the growth is so strong; the days are so long and the sunshine.

That's an area that I think, Mr. Minister, we can direct a great effort to and you'll certainly get support from me on our side of the House for funds that are directed in that way because I think it's a vitally important part of them becoming economically strong and self-supporting and of course that adds as much to the quality of life as some of the other things by way of infrastructure that we might add.

I know this department is not responsible for wild rice harvesting at all; that's strictly Natural Resources. Is this department involved at all in the operation of the wild rice harvesting?

HON. H. HARAPIAK: Yes, I share a vision with my critic in that area of the North feeding the North because I think that there is an awful lot of potential in Northern Manitoba for further development of agriculture. Not only has it been very successful in the area you usually hunt ducks in, in the Saskeram area, which is now producing crops that will compete with any other part of the province, I think that there is some testing done in that area and they're above any other part of the province in production and also because of the extended hours of sunlight, that area is very well suited for growing many cereal crops.

I think that this can be expanded further north and I think we have to utilize the greenhouses to a greater degree because some of the areas do have early frost. But they still have many hours of sunshine which can be utilized for the growth of the vegetables necessary for the local people. I think that we have to promote it and it is being promoted and I'm glad to see that you're supporting us in that area.

But in the area of wild rice, I guess that is another special pet of mine. I think that there is an awful lot of potential in wild rice. People don't look at that as a traditional agricultural product but I think that there is a greater potential for wild rice than there is for some of the traditional cereal crops in Northern Manitoba. But this department does not have any direct involvement outside of, again, a coordinating department and also through the Department of Northern Affairs, Northern Development Agreement, we support some of the development that is going on. Under the Northern Development Agreement, North Country Wild Rice Co-Op received a \$92,000 grant to establish a processing plant in The Pas area. There's also a co-op that's been developed which we've had some assistance as a coordinating department to help them get established in establishing a co-op in The

Pas area, which takes in Cormorant, some interest in Moose Lake, Cranberry Portage and Sherridon. There's a lot of potential for wild rice in that area.

It would also help some of your friends in their wild duck production as well because when there is wild rice, the ducks also thrive under those conditions.

MR. D. BLAKE: Is the wild rice operation in there strictly a Native operation? I know there are some entrepreneurs in there. Just what are the regulations now in that area and how many people are involved in the seeding operation in trying to reproduce wild rice on a commercial basis?

HON. H. HARAPIAK: There's a mixture between Native people and other Northerners who are involved in it. From our last word, there were 47 people involved in the Co-op Development.

MR. D. BLAKE: I know one operator in there who does a fairly good promotion job. I've seen at the Brandon Fair and various Ducks Unlimited functions where he promotes the product and he's involved, I know, and he promotes the product quite significantly; actually it's to his mutual advantage as well as to the area. But they have had some successes I think in reseeding and it's something that could catch on because, as the Minister is probably aware, we've lost a tremendous share of the market that we used to have to commercial operators now in Southern California and through there.

HON. H. HARAPIAK: A lot of the areas have been seeded down in the last year, but I think if you had been at that Sportsmen's Show where they were displaying their product, they would have pointed out to you the superiority of our product in Northern Manitoba, compared to the product that's coming up from the United States; and I think if that's pointed out to people and there's an education done to the general public, I don't think we'll be able to supply all of the wild rice that's needed or wanted by the people of Manitoba.

MR. D. BLAKE: That's right, because I don't think the quality of the product that's produced commercially elsewhere can compare in any way with our product because it has a distinct natural flavour, I think, that isn't attainable in the commercial operations.

I might say to the Minister - he may have noticed a week or two ago I was sprouting some particular growth - the pilot was supposed to pick us up Wednesday and didn't come till Friday for us and, naturally, when you expect to get out Wednesday you go to work and get rid of all your supplies because you don't want to carry them out; and there happened to a packet of wild rice pancake mix in the camp so, between that for breakfast and bannock and fish the rest of the day, we survived for the two days. So I can attest to the quality of the wild rice pancake mix very substantially.

I'm sure my colleague in the other committee will be having all the information I need on wild rice before he's finished in that committee so I won't belabour it.

There was another question on the end, the federal agreement, I suppose, I just had a note here. It's on Regional Development I guess, I just wonder where

that stands. I think maybe you covered that earlier, saying your negotiations with the new agreement were progressing.

HON. H. HARAPIAK: That is correct. It is presently being negotiated or there are discussions going on, hoping to have a two-year extension of the existing program and then, once that is in place, negotiations will begin for the next five years or whatever term we can get.

MR. D. BLAKE: You mentioned in the Northern Flood Agreement that you were dealing now with a very limited number of issues. I wonder if the Minister could just describe to us what they are, as far as he's able. I realize this is pretty wide-ranging, Mr. Chairman, but it may help us when we get down to it, and speed it up.

HON. H. HARAPIAK: I'm wondering if you are referring to the Northern Flood Agreement or were you referring to the Treaty Land Entitlement Agreement discussions?

MR. D. BLAKE: The Northern Flood Agreement is where we were on there, yes.

HON. H. HARAPIAK: I guess, on the Northern Flood Agreement, right now we're going into discussions that bands would like to see a new agreement negotiated, so we have written back to the band and we've said we're prepared to go into a new round of discussions and we are awaiting at this time to receive some word from the bands as just how comprehensive an agreement or a round of discussions they want to get into; so I guess there were some policy questions that we had that were not settled at that time.

I guess maybe I should take you through to where we are at this time. The agreement was signed in 1977 and four of the bands came forward with the land that they claimed; they came forward in 1983 and we finally got our last parcel of land identified by York Factory in 1986.

I guess some of the concerns we have is in the area of land exchange, that we are not affecting other people who have some prior claim to the lands and that's some of the policies that we are dealing with at this time.

We want to be sure that trapping rights and other communities that are already existing are not affected by the land claims that have been in place; or in some of the areas there are existing trapping rights and fishing rights, so we want to be sure that some of these aren't affected by the Northern Flood claims.

MR. D. BLAKE: Maybe we can during the supper break - the Minister has indicated that there's a map with overlays that may bring this picture into focus a little better - so we can maybe leave that, Mr. Chairman, until we have a look at the map; and some more questions may come to mind.

I want to move on to some of the items now. Mr. Chairman, we can proceed to cover some of the other questions and I think an awful lot of them have been probably covered. We can get maybe some more detail under the various items. Some of my questions, I'm

just wondering what particular item they might come under.

If we just go to (a), (b), (c) and (d) in the first section, Mr. Chairman, and the Minister could just give us some idea what's happened with the staff complement there, this year, as compared with last year's Estimates.

HON. H. HARAPIAK: On (a), (b), (c) and (d)?

MR. CHAIRMAN: On (b), (c) and (d); (a) is Minister's Salary.

MR. D. BLAKE: (b), (c), (d) and (e).

MR. CHAIRMAN: That's Executive Support; Research and Planning; and Financial and Administrative Services, those three areas?

HON. H. HARAPIAK: There has been no change on the staffing at the executive level. Planning and Research is the same level of staffing as it was last year. They are all at the same level of staffing as they were last year.

MR. D. BLAKE: Under (b), how many executive assistants or special assistants does the Minister now have?

HON. H. HARAPIAK: I have a special assistant located in Winnipeg and an executive assistant located at The Pas.

MR. D. BLAKE: The Northern Affairs Fund, I wonder if the Minister would just briefly tell me what that covers. Is that a slush fund or does it have a particular purpose?

HON. H. HARAPIAK: The Northern Affairs Fund is divided in two major segments: the first is property taxation and the second is the trust fund. In property taxation, they maintain the property taxes and they maintain the records of all the assessed properties under the Department of Northern Affairs. They also levy property taxes to all properties for school purposes and municipal purposes, and they also maintain a record for actual and tax collection and make the remittance for the communities. This system is controlled in accordance with The Municipal Act.

Under the trust fund - or do you have a question on that?

MR. D. BLAKE: Yes.

Just what is it in trust for?

HON. H. HARAPIAK: The trust fund is a mechanism to maintain a record of all funds forwarded to the communities under the jurisdiction of the Department of Northern Affairs.

MR. D. BLAKE: These funds are turned back to the community?

HON. H. HARAPIAK: That's right. That's correct. We taxed the portions of the properties that are under the Department of Northern Affairs and the taxes are turned back to the communities.

MR. D. BLAKE: Is the assessment done by the Municipal Affairs Branch, by the Assessment Department of the Municipal Affairs Branch and who sends the tax notices out to the individuals taxed?

HON. H. HARAPIAK: The Municipal Assessment does the assessing and the Department of Northern Affairs sends out the tax notices.

MR. D. BLAKE: You do your own bookkeeping as far as the tax notices go?

HON. H. HARAPIAK: That is correct. That's part of the trust fund's responsibility.

MR. D. BLAKE: Okay.

MR. CHAIRMAN: (b)(1) to (e)(2) were each read and passed.

We now move to Resolution No. 132.

MR. D. BLAKE: Mr. Chairman, a question before we leave that. On (d) the Financial and Administrative Services, those are just the normal services provided from the department to the various communities. Is there anything out of the ordinary day-to-day operations of the department contained in that?

HON. H. HARAPIAK: This portion of the department is located in Thompson and there they assist in obtaining departmental goals and objectives by providing effective administrative systems, the financial management and personnel services to the Department of Northern Affairs. They also administer The Northern Affairs Act and they also provide . . . and service for the department and also for the communities that come under the Department of Northern Affairs.

MR. D. BLAKE: Some of the training program that we mentioned earlier could come from some of these staff involved in this department?

HON. H. HARAPIAK: Not really.

MR. D. BLAKE: It's strictly administrative.

HON. H. HARAPIAK: Yes, that's correct.

MR. CHAIRMAN: (e)(1), (e)(2)—pass.

I now move to Resolution 132: 2. Local Government Development, Local Government Services - the Member for Minnedosa.

MR. D. BLAKE: I suppose we can get some of the questions answered under this particular section, Mr. Chairman. It maybe would come under local Government Services. But I wonder if the Minister could comment on - well, we can start off, I suppose, with the Lagoon at Barrows. Would this be the right section or, if we cover it here, we can jump over it when we get to it? Where would you want to cover the infrastructure on the . . .

HON. H. HARAPIAK: I guess this would come under capital, but I guess if this is where you want to ask your questions, you could ask the questions. . . .

MR. D. BLAKE: Yes, we can leave that, Mr. Chairman, and come to it later.

I hadn't read this particular . . .

HON. H. HARAPIAK: I should comment to the Member for Minnedosa that is in the hands of the courts right now, so we're really not at liberty to discuss the Barrows Lagoon.

MR. D. BLAKE: He did sue you, did he? We may get finished tonight after all.

As I say, it really doesn't matter to me if we jump around if that's agreeable with the Minister and the Committee if we jump around, and then all of sudden we find that we're finished when I run out of questions and it'll probably be six of one and half a dozen of the other.

HON. H. HARAPIAK: It may just take us a little longer to find the page that you're referring to, but if that's agreeable with you it's agreeable with us as well.

MR. D. BLAKE: My time is your time.

I wanted to ask some questions about Jungle Lake and Kiskeynew Lake as far as the logging goes. Does that come under Northern Affairs or would that be under Natural Resources or the Manfor operation?

HON. H. HARAPIAK: Kiskeynew Lake and Jungle Lake both come under Manfor.

MR. D. BLAKE: They are both under Manfor?

HON. H. HARAPIAK: That is correct.

MR. D. BLAKE: So there is no responsibility for Northern Affairs under those?

HON. H. HARAPIAK: That is correct, it's all under Manfor.

MR. D. BLAKE: We can maybe move to the Wabowden Housing Project. What responsibility does this department have over the housing projects in the North?

HON. H. HARAPIAK: The only responsibility we have as a department for any of our Northern Affairs communities in the area of housing is for providing lots. As any other municipal level of government would have, we provide lots for MHRC or CMHC or whoever is going to be building the homes in the community, we make sure that the lots are available.

MR. D. BLAKE: To any cost overrun involved there, would come under housing?

HON. H. HARAPIAK: That is correct.

MR. D. BLAKE: The Minister mentioned the community infrastructures, halls, and I wonder if he could give me an indication of what communities halls were constructed in or renovated in and what was the amount of some of the renovations and if any outside funds were available from lotteries, grants or various things of that nature.

HON. H. HARAPIAK: We can provide you with a list of halls that were upgraded or new halls built last year, but for this year the community hall of Cross Lake is scheduled to be built.

MR. D. BLAKE: Maybe the Minister - we can't talk about the lagoon at Barrows - is there anything else about Barrows he can tell me that isn't sub judice? I haven't been in Barrows for awhile. How many houses have been constructed in there; what is happening in that community? I understand there's construction at National Mills.

HON. H. HARAPIAK: I've had the opportunity to go into Barrows on a number of occasions, and I find that it is a community that is very very progressive. They have had a waterline installed in the last year and also some upgrading on their community hall. Their community hall was upgraded under a project under MCAP and they've also had a new fire hall built there within the last couple of years, and also the lagoon, as you say we can't discuss the construction of it, but I can tell you that is it working. There was some concern that it was not working the way it was designed to, and the staff has been in there very recently and is functioning the way it was designed to function.

As to the number of houses in the community, I'm not sure of the exact number of houses there are there - there's certainly around 50 homes in that community.

MR. D. BLAKE: What is the lagoon designed to handle, a much larger community?

HON. H. HARAPIAK: All the lagoons that are built in Northern Affairs communities are sized for a 25-year growth, so there is a lot of capacity still existing with that lagoon.

MR. D. BLAKE: Maybe the Minister can tell me, what's happening at National Mills and at Baden? Are there significant housing projects going on there? Are we deluding one community for another, or are we going to require the same infrastructure in them all?

HON. H. HARAPIAK: National Mills is remaining quite constant. There's been a few families move out of National Mills to Baden. Baden received Northern Affairs community status on June 1, and there has been about five new homes built in the Community of Baden.

MR. D. BLAKE: What infrastructure is in place there? Are they just remote homes, there's no lagoon plan there?

HON. H. HARAPIAK: They have a small infrastructure, a small community hall in Baden. That is the only existing infrastructure at this time.

MR. D. BLAKE: Are the homes that are put in there being put on septic fields?

HON. H. HARAPIAK: No, there are no provisions for septic fields.

MR. D. BLAKE: What is their water supply in there, strictly wells?

HON. H. HARAPIAK: There are no wells at this time in Baden. They haul either from Barrows or from National Mills, from a well in that location.

MR. D. BLAKE: Are the wells in those communities adequate for water supply? Is there any problem with their water supply there?

HON. H. HARAPIAK: No, there's an abundant supply of water in those communities.

MR. D. BLAKE: Are all of the houses in Barrows and National Mills occupied, or are there any empty houses in there?

HON. H. HARAPIAK: There are some vacant homes in National Mills at this time, but they have been vacant for a few years.

MR. D. BLAKE: Are they in good condition of repair or are they rundown?

HON. H. HARAPIAK: I've been advised the houses that are vacant at this time belong to MHRC and CMHC, so when the people leave the homes, CMHC and MHRC makes some provision to make sure they have been maintained and don't deteriorate to too great a degree.

MR. D. BLAKE: . . . difficult problem with those communities, Mr. Chairman.

Going back to the Barrows Lagoon, were their environmental reports tabled with the Minister and could those reports be made available to the committee?

HON. H. HARAPIAK: I've been advised that the Environment will do their reports once the lagoon is completed and they test the effluence that is coming out of the lagoon, to be sure that it is functioning properly at that time, and it is not polluting the environment. That's when they will be submitting a report.

MR. D. BLAKE: Yes, so there wasn't an Environmental Impact Study done prior to the lagoon being contracted, or the contract being awarded for the lagoon?

HON. H. HARAPIAK: Prior to the construction taking place, Environment was contacted and there were no concerns, as far as we know, so there were no concerns with the construction of the lagoon.

MR. D. BLAKE: I think that's okay for that section there, Mr. Chairman.

Under the Northern Development Agreement, section 2, Mr. Chairman, there's an Emergency Response Program that's recoverable. This is pertaining to the fire services in the North?

HON. H. HARAPIAK: That is correct. It's under the Northern Development Agreement. It is providing some support systems for EMO, and also support services to all the communities to see that they have some fire protection for all their communities.

MR. D. BLAKE: Are there any disaster plans in place in Northern communities? I wonder if the Minister might

just tell us what they are. There are probably some EMO connections and some trained people in a few different communities. Maybe we could just get up to date on that.

HON. H. HARAPIAK: There are about 15 communities that have fire departments set up in their community, and there has been some recent training provided for the communities of Dallas, Red Rose, Harwill and those communities. So they'll be providing some fire protection of which they haven't had in previous years. But there are about 15 communities that have fire departments with thoroughly modern equipment. There is a disaster plan in place for them which is coordinated to go to EMO to provide the direction.

MR. D. BLAKE: In some of the larger communities, are there reasonably well-trained people on-site? I'm thinking of the larger ones, the community of Norway House and some of these, in the event of - I don't know what I could think of - an explosion, a meteorite landing or something like that.

HON. H. HARAPIAK: I think that the member should know that there are some communities that come under the Department of Northern Affairs, who take an awful lot of pride in the fire department that they do have, particularly the communities of Norway House, Cross Lake, Waterhen, Thicket Portage. They have annual events where there is a competition between the different communities, and there's really a very high level of competency for these members. They really take a lot of pride in the way they run their departments, the protection they provide to their communities. So I've witnessed some of their participation and really they do a really good job for a group of volunteers.

MR. D. BLAKE: I've been in quite a number of the communities in the North, and I know there's a community spirit developing there that is similar to one that has existed in maybe southern and more developed communities. That's encouraging to see.

I wonder maybe just if the Minister hasn't realized it by now, I'm just groping to run this out to 5:30. I just wondered if it might be a good time for you to discuss with us the fencing of the gravel at Berens River. You might bring us up to date on what's happening there.

HON. H. HARAPIAK: I think that we should realize that granular material is really at a premium in Berens River. We have had difficulties maintaining our roads because of the lack of material in Berens River. So we let out a contract last winter, because the Department of Highways had very graciously given us - the Department of Northern Affairs had given us their supply of gravel so we could bring the roads — (Interjection) — up to an acceptable standard. So, we utilized all of the gravel that the Department of Highways had for upgrading or keeping their airport up to specifications.

So we were short of gravel, so we let a contract out last winter while the winter roads were in, and we crushed about a quarter-of-a-million dollars worth of gravel in anticipation of repaying the Department of Highways and also some additional material on the

roads that are in place now. We have had an experience previously where there was some gravel crushed for us, and it did not last as long as we had expected it to. So, in discussions with the community, we had made the decision to go ahead and fence the gravel to protect it.

After it was raised in the media, I guess the comments that were made to the Legislature, the people misunderstood the comments. They decided they would not have a fence put up, because they thought it was a reflection on the part of the people who live in that community. They felt that they didn't need the gravel to be fenced in. So the decision has been made after a consultation with the Deputy Minister and for local people involved in there; a decision was made not to fence the gravel, so the gravel is not going to be fenced.

But at this time, there's a consultant's report out which makes some recommendations. It has gone to the department in Thompson, and we have not had our recommendations from the department at this time. Once the recommendation comes, we will be having a meeting with the local council, the bands, the Department of Indian Affairs, and the Departments of Highways and Northern Affairs to see what direction we will be going with the developing of that road.

MR. D. BLAKE: I wonder if the Minister can recall off the top of his head who had the gravel-crushing contract in there.

HON. H. HARAPIAK: We'd be guessing at the name, so we'd better check that and we'll give you that name later on this evening.

MR. D. BLAKE: It was just on a point of interest. It's not that overly important.

Maybe, Mr. Chairman, if we could call it 5:30 now, we might be able to proceed up to Mr. Morrisseau's office and get a look at that Northern Flood Agreement.

MR. CHAIRMAN: The time being 5:30, we'll adjourn the proceedings until 8:00 p.m.

SUPPLY - NATURAL RESOURCES

MR. CHAIRMAN, C. Santos: Committee, please come to order.

This section of the Committee of Supply has been considering the Estimates of the Department of Natural Resources. We are now on Item No. 2.(a)(1) Regional Services, Administration: Salaries; 2.(a)(2) Other Expenditures; 2.(a)(3) Problem Wildlife Control.

The Honourable Minister.

HON. L. HARAPIAK: Mr. Chairman, we are still awaiting arrival of one of the staff members who will be helping us in this section. But perhaps, while we're awaiting the arrival of that individual, I would just like to note that, in my opening statements on Tuesday evening, I had recognized the efforts of certain of our staff. In that regard, I would like to note for the record that I have just learned that Gene Bossenmaier, who is the Director of the Resource Allocation Branch, will retire shortly.

Gene is very well known for his knowledge and contribution to conservation and stewardship principles,

and has had a major influence on such thrusts as the establishment of the ecological reserves, Crown land planning and growing attention to conservation strategies.

I am sure that many will want to join me in wishing him well in his retirement. We are fortunate in that in his retirement, he will be staying in Manitoba, and I'm sure he will continue in his contribution to the conservation interests of the resources of Manitoba.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Mr. Chairman, I thank the Minister for that comment there, and I certainly would want to endorse it. I think it's always a loss to a department when our senior people who have been there a long, long time and have had an influence in the direction that the department is going when they retire. Particularly, we want new people and young people to move into the system, but the advice and knowledge that many of our senior members have accumulated over many years of dedicated service is always, I think, a loss when they leave the department. So I certainly want to be supportive of the, should I say regrets, that a senior official has retired again. Certainly, we feel that we wish them well in their retirement and would like to thank them for their contribution over the years.

Mr. Chairman, I think we can probably, unless the Minister feels inclined to wait for his other staff, we have been covering the Regional Services aspect of it up to a point. I had raised some concerns about the various programs and the C.O.'s and I had indicated to the Minister, unless some of my colleagues have anything further that they want to bring up under that aspect of it, I wondered whether we could maybe go into the - I have a few questions on enforcement.

I wonder if the Minister could maybe enlighten members of the Legislature in terms of - I understand there's been a change in directorship in the enforcement aspect of it. I wonder if he could indicate who that individual is and whether there are any major changes in the direction that the Enforcement Branch is going.

Last year during the Estimates the Member for Lac du Bonnet indicated that they were going to be coming down very hard on poachers in terms of people being caught poaching. He was indicating at that time that they would be recommending strong fines or heavier fines and not too much sympathy to people who get caught poaching. I'm just wondering if the Minister could indicate how that procedure has gone. I don't know whether this is the right place to ask for the number of convictions for poaching and number of charges laid, etc., or whether that would maybe come under the Wildlife section. It's up to the Minister.

HON. L. HARAPIAK: Mr. Chairman, just on a more general note with respect to the Regional Services Branch, and perhaps I can clarify responsibilities in that area. The director of the Regional Services Branch is now a manager of the eastern region, I believe it is called, and the position for Director of Regional Services is now being bulletined for competition. So that is the situation with respect to that particular position. I think that is what the Member for Emerson was making some inquiries about.

MR. A. DRIEDGER: Who is the acting director?

HON. L. HARAPIAK: In the interim, prior to the selection, the Assistant Deputy who I have present with me today, Derek Doyle, along with a team of the regional managers - so all of the regional managers would be acting as a support team - it is that combination of regional managers plus the Assistant Deputy who would be tending to the responsibilities of that position on an acting or interim basis.

MR. A. DRIEDGER: Could the Minister then maybe clarify at this stage of the game under this section the directive that was sent out by the previous director indicating that certain people in the province would be getting, if charges were laid, it would be under ministerial discretion that charges would be laid? I think the Minister is aware of the paper that I tabled in the House. I wonder if you could maybe clarify how that came about.

HON. L. HARAPIAK: I'm glad that the Member for Emerson has raised that point, because it has been raised in the Chamber on other occasions, and I'm not sure that it is clearly understood as to what that particular directive is going to mean. I think there was the impression left perhaps with some that it is I, as the Minister of Natural Resources, who would exercise prosecutorial discretion. I don't have that authority. It is only the Attorney-General or the appropriate authority at the federal level, depending on what the issue is. Only they can exercise prosecutorial discretion. I, as the Minister from the department, cannot.

But that particular issue arose out of trying to address the difficult and sensitive action of the take of waterfowl during the spring migratory period. I think it is understood that during the fall period, Treaty people for domestic use are permitted to take waterfowl. There is no provision for the take during the spring period, though I should indicate to people that there are some discussions under way with the signatories to the Migratory Birds Convention Act to determine whether there is some basis to review that issue, given the view that some people have as to what the provisions of certain treaties were, that perhaps that matter should be looked at.

What that particular directive was meant to do is to give some guidance to people who were administering The Migratory Birds Convention Act and, where there were violations of it, to ensure that people weren't put into, say an impossible position in terms of enforcement, given the view that some others had he said perhaps those should be forwarded to have the view of someone else in the enforcement system or in the judicial system to determine the validity of proceeding with those charges. It was not meant to indicate that those charges would not be laid.

MR. A. DRIEDGER: Mr. Chairman, could the Minister indicate then - I'm trying to pair it out - he's trying to explain why this was done and he's indicating that if officers in the field, for example, were faced with a situation where they contemplated laying charges, that they would have to look for further advice higher up in terms of whether these charges could be laid.

Could the Minister indicate who would make that decision within his department as to whether charges would be laid or not?

HON. L. HARAPIAK: Mr. Chairman, I want the Member for Emerson to know that people who are in the field have laws to enforce - The Wildlife Act, Migratory Birds Convention Act - and certainly if they come across a situation they feel warrants the laying of a charge, they don't contact our office to determine whether a charge should be laid.

After a charge has been laid - and this is no different than in any other areas of jurisdiction, whether you want to deal with matters totally unrelated to Natural Resources - if you get into other areas of law where after a charge has been laid, there could be a review and there could be prosecutorial discretion exercised by not the department laying the charge, but those who are responsible for enforcing the law, or administering the law perhaps I should say.

MR. A. DRIEDGER: I'm still not clear exactly the procedure that the Minister is trying to explain. He indicates that if the officers in the field felt charges were warranted, they would lay the charge. The Minister indicates then the people responsible for the law would be making that decision. When we looked at that directive, that was not the impression I got. It was my impression that somebody within the Department of Natural Resources would decide whether the charges would be proceeded with or not.

Is the Minister now saying that in the event where there are charges laid, these charges would be turned over to the Attorney-General's Department to decide whether to prosecute or not?

HON. L. HARAPIAK: Yes, it is correct that we in the Department of Natural Resources would not exercise any prosecutorial discretion, that depending on the legislation, it would go via the Attorney-General's Department and depending on the legislation, if there was a federal statute - which the Migratory Birds Convention Act is in fact that - it would have to involve the federal authorities, but certainly not the Department of Natural Resources.

MR. A. DRIEDGER: Can the Minister then maybe explain why a directive like that even went out, because certainly it must create confusion in the minds of the C.O.'s when they're exercising their responsibilities to get a directive saying, listen if you charge somebody, it will have to be reviewed somewhere higher up. I think that is a most unfortunate type of directive to hand out to them, at least in my view, because it certainly puts a lot of pressure on them in terms of fulfilling their responsibilities. They almost, to some degree, are put in a position to make a judgment call as to whether they should be laying the charges or not when they have this kind of a thing hanging over them. I feel that kind of directive is, in my mind at least, irresponsible and certainly not fair to our people in the field.

HON. L. HARAPIAK: Certainly I think we would always want to look at improving communication with people in the field. Perhaps the wording could have been more precise so that there wasn't that element of uncertainty.

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I want the Member for Emerson to understand, and I'm sure he is aware by way of the various issues that were coming into the media in that period of time, that there were certain individuals who felt we really did not have, and were claiming quite publicly, that we did not have the authority to enforce that particular activity. That caused some pressure for the enforcement people in the field.

So from our office, in terms of trying to assist them in their enforcement role, the directive was simply meant to mean that proceed with your view of the situation that you encounter and then if, in fact, there is need to exercise this prosecutorial discretion, it will be exercised at another level, not within the Department of Natural Resources.

I'm quite prepared to take some advice in terms of communication. I think we should always be looking to improve our communication and perhaps in that particular instance the document could have been worded differently. Certainly I want the record to show here that it was not intended for someone within the Department of Natural Resources to exercise some prosecutorial discretion in terms of the decision made in the field.

I think the member is aware also, that in terms of dealing with some of these sensitive issues, whenever a charge is laid you have to be precise in the information that you put forward and there are times where, for very technical reasons, a charge does not go forward. We were trying to improve our communication in that respect.

MR. A. DRIEDGER: Mr. Chairman, I'm just wondering if the Minister or his staff, if any correction or clarification has been forwarded to people in the field. Certainly I had some confusion with that kind of a statement and I don't know whether - maybe the people in the field don't have a problem with that. But if the Minister is indicating that he would like to have good communications with his people in the field, possibly my suggestion would be that maybe a clarification about that should be sent out to the C.O.'s so that they know, in fulfilling their responsibility, they have an idea what this is about. I'm sure some of them must have had the same impression as myself, that there were some preferential decisions that could be made by people within the department. When the director himself sends that out, certainly it's open to interpretation in that direction and maybe a clarification would be well in order.

HON. L. HARAPIAK: I accept that whenever a written document or in fact the spoken word is exchanged, there is the possibility of somebody interpreting it somewhat differently. That's why we have to be as precise as possible.

To just help the people in the field and to help the critic understand the process, I would want to have the record show clearly that we have not just that single document. We have a series of volumes of operational guidelines for people in the field. This was intended to be an additional item which could be added to those operational guidelines which are updated weekly as necessary revisions. If something is unclear, it would be revised. I'm advised by the staff present here that

we did not have any indications from the field staff that particular memo was causing difficulty.

I think the member probably does know that the issue we were dealing with at that time was confined to a fairly specific region in the province, that it didn't have implications for many regions in the province where there isn't a large movement of a concentration of migratory fowl in the spring of the year.

I hope that is of some assistance.

MR. A. DRIEDGER: Mr. Chairman, the area of Native hunting rights is always a sensitive one I'm sure that creates concern for all kinds of people. The Minister indicated there's a meeting taking place to review this; did I interpret his previous remarks a little while ago where he indicated that there was going to be a review taking place in regard to the hunting rights of certain groups of people?

If that is the case, and I think I understood the Minister correctly in that, can the Minister indicate whether he or his department will be having any input into it, and what their position is that they would be presenting at that meeting?

HON. L. HARAPIAK: Mr. Chairman, perhaps before I touch on that area, I have some information here that I would want to share with the member. He wanted to have some indication of the level of activity in terms of prosecutions. I could share this information.

In 1984-85, under all of the acts that we have a role in administering, there were 2,294 prosecutions and 1,466 warnings. In 1985-86, there was a slight increase in the number of prosecutions to 2,363; and the warnings we had a slight reduction there, a total number of 1,218. So that would give the member some indication of the level of activity in terms of prosecutions and warnings.

Now in terms of the hunting privileges for Native people, the member is correct. That is a difficult and sensitive area because under the treaty provisions, the Treaty Indians - provisions were made for the take for domestic purposes. There are two areas that are of a concern, I think one that I referenced earlier, being the Migratory Birds Convention Act. There is a treaty involving Canada, the United States, and Mexico, I believe, when we deal with migratory birds, so there are three different countries really dealing with that issue.

There is indication that one of the signatories to that agreement, the United States, may be looking at making some provision in Alaska, as I understand it, or a spring take of waterfowl. If that does in fact develop, there will be discussions taking place. I think it would be difficult and somewhat unfair if one of the signatories to that agreement allowed for a spring take of waterfowl and indicates that Canada, where there is presently a provision for the fall take of waterfowl - the setting here was different - so we will be entering into some discussions on that and the outcome will be determined by the position of the other countries involved, namely, the United States, who would be the major player in terms of numbers of hunters, and also Mexico.

I think the member is probably concerned, as well as many others are, with the take of big game. There is that provision under the treaties for the take of big

game for domestic use. I think there is need to assess the means by which the game is taken; I think that is certainly a controversial issue and one that does have to be resolved. I think, shall we say, the technology or the hardware that exists today is probably of a nature that those people who wrote the treaties and made provisions could not have envisaged and we have to enter into discussions on how those resources can be detected, if you like, but yet the provisions of the treaties can be honoured.

I, for one, want to make it very clear that it is not my intention or the intention of the department not to honour the treaty provisions, but in that framework, I think we do then have to look at the means by which game is taken and I think one of the controversial issues is the use of a light or nightlighting. Again, that is an issue that would have to be addressed.

But I want to indicate that there is a very real concern on the part of many of the treaty people for the preservation of the resource, so that when we are addressing this issue and if we are experiencing, as we are, some depletion of the resource, I would not want to leave the impression that that problem arises only out of the activity of treaty people, because that certainly is not the case.

In fact, many of the treaty people have been involved in discussions in establishing moose management areas, where they have voluntarily restricted the level of hunt in recognition of the pressures that exist, and out of their desire to ensure that the number would be there for the consumption in future years. We have had discussions with some of the bands in the North with respect to the migratory birds. We have had some meetings with the tribal councils in dealing with those issues as well.

MR. A. DRIEDGER: Mr. Chairman, two years ago when the Member for St. James was the Minister, there was a discussion of nightlighting and illegal hunting and Native hunting rights, the subject that comes up invariably every time, I suppose. At that time the Minister then indicated they were in the process of, instead of putting on restrictive measures to do it by negotiations. That's two years ago.

I had the privilege of being involved when the Member for Turtle Mountain, Brian Ransom, was the Minister of Natural Resources and we met with the Inuit up North and with the Tadoule, Brochet, and Lac Brochet Reserves, discussions about conservation of the caribou. We went out there and had discussions with them about the possibility of combining various organizations and looking at the aspect of conservation; and that developed to the point where I think a good organization came forward and the whole program has been working well.

Now, I'm just wondering, I believe - at least in my mind I envision - that the Minister of Natural Resources two years ago had that same kind of procedure possibly in mind, in terms of the Native hunting. He indicated at that time consultation was going to be used. I wonder if the Minister could indicate, is there any progress in that direction. Has anything happened in the last three years or are we still making motherhood statements in terms of what we all feel should happen and is not necessarily happening?

HON. L. HARAPIAK: I think when the member was speaking of the caribou, he was referring to the structure that was put in place to deal with the Beverly and Kaminuriak herds and that has worked very well. Where the herds were seen to be in jeopardy at one point by way of involving the people, a very satisfactory management program has been put in place and yet the needs of the people who rely very heavily on the take of animals from those herds has been accommodated.

I just saw the report very recently on that and it is a good report and it indicates that the herd is in good health. So I think that demonstrates very clearly that through a process of consultation and involvement, some of the historical problems can be overcome and the resource can be there for the various users. The consultation is going on with bands and tribal councils with respect to the issues that we're facing here, more specifically in Manitoba exclusively, dealing with big game and with waterfowl and we are confident that process will lead to the resolution of the problem.

Now, I hope that won't be taken by the critic to be just again, a motherhood statement. I think it is an indication that the process is a slow process but there is evidence by way of the management of the caribou herd that it will work. I am confident that in terms of dealing with the moose population, with the elk population or with waterfowl, combined perhaps with a few legislative changes, that the interests of all of the users and the long-term interests of the resource can be addressed.

MR. A. DRIEDGER: Mr. Chairman, can the Minister indicate; he is making reference to some legislative changes which could be brought forward, obviously not in this Session, but could the Minister indicate what kind of legislation he is contemplating when he talks of legislation?

HON. L. HARAPIAK: One of the areas we have had some discussion in is the discharge of firearms, any discharge of a firearm which could be looked at as being dangerous to the public well-being.

MR. A. DRIEDGER: Mr. Chairman, two years ago, the Minister responsible at that time was contemplating - first of all I have to indicate that Minister, I don't think, was very supportive of hunting, period - he was talking of restrictions. I remember he was talking of a restricted zone, a buffer zone on highways for example where nobody was allowed to carry a firearm other than in a case and no discharging of firearms. It would be sort of a reserve along all major highways. Also the Minister brought forward at that time the area of having firearms in cases all the time, a lot of reaction - it was proposed at that time - I think there are certain areas where it has been implemented where there's a buffer zone.

At that time the Minister indicated to myself that it was for reasons to control poaching from roadsides and stuff of this nature. I'm just wondering, is this Minister considering regulations along those lines where there's going to be a controlled area, as was initially proposed because there was a lot of resistance by hunters to that kind of situation as well as having to have your gun in a case until you got into your hunting area?

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HON. L. HARAPIAK: I think the member is aware that right now you cannot discharge a firearm from a roadway or the road allowance; that is my understanding of it. In addition to that, there are areas in the province where there are buffer zones and some of those exist in the region of the province that I represent where, I believe, for a distance of 300 metres on each side of the road, hunting is not permitted, that did meet some negative reaction from some hunters.

But I have to say to you very frankly that I, as a person who enjoys getting out into the field and perhaps on occasion have been successful in hunting, don't view that as an unrealistic restriction. I think what is required is a balance that most people would recognize that there are certain areas where hunters of no particular description will travel roads and take game right from the road. There is a tremendous amount of pressure on the game in those regions.

I frankly have no sympathy for people who choose to hunt from the roadway and from the vehicle. I think hunting should be enjoyed, should require that a person would walk some distance into the field or into the forest and enjoy that activity away from the travelled road. So I am not uncomfortable with the provisions that have been put in place, which in the interest of protecting our wildlife resource, and have seen the establishment of these buffer zones. If there are some alternate means of accomplishing that end, I would be delighted to enter into discussions on that issue.

MR. A. DRIEDGER: Mr. Chairman, I'm certainly not going to be speaking in defence of the road hunter, you know the fellow who drives along with his vehicle and on the road. But I think we have regulations in place now that says you cannot discharge a firearm from the road or from the road allowance aspect, so that covers that end of it.

But when we're starting to talk of a restricted zone or a buffer zone in there, I wonder if the Minister is considering some of our senior citizens who still love to get out there and hunt. And to put up this kind of restrictive buffer zone, that is one area where I got a lot of concerns expressed by some of our senior citizens.

The Minister indicates that in his particular area that the buffer zone worked relatively well and I travelled through that area last year when I was hunting in that area and knew where the buffer zone area was, which was outlined properly in the hunting guide. But this does not apply equally throughout the province. You know, circumstances change.

For example, when you take the southeast area where you have a lot of forestry trails, the interpretation as to what is a road allowance, what is a road, because you have your forest roads in there, invariably like I say, the circumstances change and a lot of hunting pressure is always coming down in the southeast area.

It's easily accessible - I'm talking of the Sandilands area, Woodridge area, all the way through there - and we have a lot of these trails. I know personally a lot of our senior citizens who maybe are not much for walking anymore who have been hunting all their life and just enjoy it and maybe travel some of these, the Minister is talking of expanding the buffer zone area. I would certainly want to raise some strong concerns about that.

HON. L. HARAPIAK: I would like to follow this up further perhaps when the Wildlife people are here because they would have more specific information as to the area. But right now it is a relatively small percentage of the total area that is hunted that would have the 300 metre buffer zone. So it is in those areas where there were specific pressures that those were instituted.

Certainly I accept that there has to be some - shall we say - discretion used when defining what a road is. The area that I am from as well, when you go into certain areas, there are old logging trails and certainly I would want to see that in those areas where there wasn't that excessive pressure to accommodate the interest of seniors in particular, that those kinds of provisions would be made so that they could enjoy their hunt.

We have made, for example, just to demonstrate our concern for seniors, a provision for a special hunt on Hecla Island which is specifically for seniors. So I would want it to be clearly understood that we do not in any way want to deny seniors the opportunity to enjoy the hunt.

In fact, whenever we are faced with some of those decisions with putting in buffer zones or restricting hunting in a given area, it is to ensure, though you may at a given moment be denying somebody their traditional hunting methods shall we say, that it is done to ensure that in the long run those who enjoy hunting will be able to carry on in that activity.

MR. A. DRIEDGER: Mr. Chairman, the Minister indicated that possibly some of this could be gone into a little deeper when we have the Wildlife people here. I apologize; I believe I'm drifting off under the enforcement end of it.

My concern of course has to be, Mr. Chairman, that in the future sometime - a fair amount of years yet - but myself who enjoys hunting, that there would still be provisions that the regulations will not be so restrictive that I can't get out there . . .

Anyway, I just want to pursue the area of poaching a little bit more. From time to time over the years things have surfaced dramatically about concerns about poaching, especially at the commercial level, that there's a lot of - depending who you talk to, of course - and it's always hard to substantiate how much poaching is going on and how much wildlife or wild meat is being sold and transported into a city like Winnipeg, for example, from time to time; and the same thing applies with fish and things of this nature. There was talk of underground poaching rings and I'm just wondering, is there any provision, has the Minister or his department got any people who are working in this respect who zero in specifically to follow up on these kind of things, to check whether there's wild meat being sold in stores or in restaurants. I just wonder if he could indicate whether there's a program in place to take and keep control of this.

HON. L. HARAPIAK: Yes, Mr. Chairman, we have had special groups assigned from time to time to try to determine the level of activity in a given area, whether it is in the illegal sale of fish and fish products or big game.

Recently, we did have some sites monitored for a period of two weeks and this resulted in no charges.

Given the information that we had that these areas were particularly vulnerable and there was a lot of activity in those areas, we monitored them and there were no incidents on which to lay charges. But maybe just to add a bit of information so that again we understand that, though in that specific instance there may not have been charges, I shared with the member earlier the total number of charges from the previous years in excess of 2,000 and out of that number we had 116 charges in 1985-86 for nightlighting, and 117 for 1984 and 1985; so there certainly is enforcement activity in the field.

MR. A. DRIEDGER: Under the aspect of this underground poaching ring, I hope that the Minister is not treating it lightly, because it was a few years ago when an individual did a study and did a thesis on the underground poaching and got a fair bit of attention in the media at that time. Some concern was raised and that affects all people, whether they're hunters or not, a lot of concern was expressed that this kind of activity is going on and I certainly would hope that the Minister - he says we have from time to time had people investigate this. I would hope that he would be a bit more serious about that position and follow it up a little closer to make sure that this kind of activity, as much as possible, can at least be halted.

But if the Minister is saying, well, we checked a few times and we didn't lay charges and we want to just leave it alone, I certainly would raise very grave concern about that, because without having any proof I would certainly be suspect that there's a fair amount of this activity going on all the time and I'm certain that people within the resources know this as well.

HON. L. HARAPIAK: Again, to try and alleviate the concerns that the critic might have, Mr. Chairman, when I was talking about this happening from time to time, I'm referring on specific projects. We are not on to a specific site continually, but from time to time we will monitor in a given area or on a given information that we get from public input and from the information that our own staff will acquire.

So when I referred to it happening for a period of time, I was referring to a particular activity; but we do have an ongoing strategy with respect to underground, if you like, or illicit traffic in wildlife products. But the problem that arises is the one that the critic himself points out, that when you are dealing with an illegal activity, it is difficult to know precisely the extent of that activity. Different people have made different observations and I think I am aware of the report that's more commonly referred to as the Bessey Report - is that not correct? - where he had done considerable research.

Our own staff have been involved in research in trying to determine the level of out-of-season take of game and there are sort of low-end guesses and there are high-end guesses, and I suppose there are opinions ranging in between, but it is very, very difficult to determine precisely the level of activity. Having made that statement, I want the member to know that this is not something that we treat lightly but, at the same time, I think it would be unreasonable for us to allocate all of our resources strictly to that activity, but we want

to allocate our resources in a reasonable manner and as we study this issue. If it is revealed that there's need to increase the amount of resources that we allocate to this activity, that consideration will be given.

MR. A. DRIEDGER: Mr. Chairman, I'm prepared to leave this area for now. I might be raising some questions with the Minister's permission under the Wildlife section, related to some of these, possibly when he has some of that staff there, not extensively, but I wonder if we could maybe go into the Fire Suppression aspect of it.

If the Minister wants, we can cover or pass these things up to that point. If not, I'd like to cover the Fire Suppression aspect of it and then we can pass them all in a block; it doesn't matter to me.

I wonder if the Minister could then under firefighting and Fire Suppression, we have a series of categories here. It says, Fire Suppression, Fire Detection, Fire Prevention Program, Fire Pre-Suppression Program and then Fire Extra-Suppression Fund.

First of all, I wonder if the Minister could indicate the status of forest fires in this year. I think it's been a much better year. At least we haven't had any announcements in the House of a major nature and of course we still aren't through with the season, but I wonder if the Minister could give us an update where we're at, in terms of fires and the kind of damage that we've experienced.

HON. L. HARAPIAK: Mr. Chairman, I'm pleased that we have had a good year in terms of fires. The number is down from the previous year - I was just given the numbers. To date this year we've had 184 fires compared to 284 for the previous year, so barring any kind of an unusual fall, we would have what again I would describe as a good year in terms of fire.

Just to give you a better history of this, in 1984-85, as I said, we had 284; in 1984, at that time we had 500; in 1983, 535; so we are into, I suppose, a fortunate stretch with respect to the weather. It's been going well.

If the member asked about the different categories, the Fire Detection under (n) deals with the matter of, as the title indicates, detection of fires. That involves, to a lesser extent now, the monitoring from observation towers, but to a greater extent monitoring from aircraft to detect fires and the use of the other monitoring equipment that we have to detect lightning strikes and the basis of the lightning strikes that are recorded that identifies the area that we should be paying attention to and then the monitoring from the aircraft will be concentrated in those areas. So that section deals basically with detection and this, as I indicated, is the administrative portion of the program. Maybe if I slip over to the last section there, (s) Extra Suppression Fund, that deals with the extra staff that would be taken on in case there was a massive fire and that regular staff could not accommodate this, we could bring on extra people to deal with suppression.

Pre-suppression, (r), deals with putting in place equipment and because we do know that we could predict that there is a certain risk that we can anticipate and on the basis of that anticipated risk, materials and equipment can be put into place to deal with fires that arise. Fire prevention deals with the matter of education

and dealing with people and organizations to deal with communities and to prevent this actually from taking place, dealing with groups making them aware of risks associated with fires and other kinds of fire prevention activity.

In (t), we have the Fire Tac Program where we have teams of fire fighters on site in different regions and I should be able to provide for you later the number of teams that we have, that these people are there available on call to deal with fires.

And the last area, (w), the Helitac Program deals with similar crews. But rather than being ground transported, they are transported by helicopter to deal with fires very quickly. Once the fire is detected, if they are not accessible by ground or they would get them in as quickly as possible by helicopters. They are situated at the east side of Lake Winnipeg and, in the North, I believe there are three stations at which we have helitack (phonetic) crews. So that basically covers those areas. I would be prepared to give more specific information if the member needed it.

MR. A. DRIEDGER: Mr. Chairman, it says here in all cases Northern Development Agreement provincial, all of these categories. Northern Affairs is meeting right now dealing with their Estimates. Is there any money in the Department of Northern Affairs that deals with the same fire fighting situation or not?

HON. L. HARAPIAK: No, I'm advised that there is not. I'm just indicating that under the Northern Development Agreement, certain components are funded totally by the Federal Government, certain components are totally funded by the Provincial Government and then some are cost-shared on a 60-40 basis. The items, although they are under the Northern Development Agreement here, these are 100 percent funded provincially.

MR. A. DRIEDGER: Mr. Chairman, does the Federal Government participate at all financially in terms of firefighting, some of the other programs, not just firefighting, but suppression prevention, etc.?

HON. L. HARAPIAK: Yes, Mr. Chairman. I think it would fall into the Suppression Program where we utilize water bombers. There is a water bomber that was purchased by the Federal Government and made available on a lease basis, I believe, for \$1 - for a \$1 lease. Given that it was such a favourable lease rate, I think we could consider that as a contribution from the Federal Government.

MR. A. DRIEDGER: I assume, Mr. Chairman, within this section here there's a fair amount of equipment that is involved as well. We have no idea which is the capital end of it in there in terms of purchases - I'm not talking of just hoses and equipment - but under the capital end of it, is there anything in here that indicates capital? For example, the water bombers, would that come under this category here, or would that come under the Government Services end of it, or under the capital program here?

HON. L. HARAPIAK: The water bombers are under lease to us from the Department of Highways, so there

would simply be a lease charge. We pay a lease charge to Highways, so we don't own the bombers as such.

MR. A. DRIEDGER: Mr. Chairman, if the Federal Government is so kind and leases them for a buck to this department, would it not be feasible to possibly have the Provincial Government do the same thing? But obviously that is not the case. Can the Minister indicate how is that lease charge worked out, on a per capita cost basis? Maybe you can clarify that?

HON. L. HARAPIAK: I suppose it would be difficult for me to argue against getting a lease rate of a comparable nature, but I have figures here. The fixed cost portion we pick up in terms of the lease is \$1,560,000 and in addition to that we would have the operating costs to cover.

MR. A. DRIEDGER: Mr. Chairman, it is my understanding that there are agreements with other provinces, for example, in Carrier, Saskatchewan, or actually I believe it is across Canada where, if one province runs into real problems that they can lease, I suppose, from one another, there must be some revenue coming when you lease to another province. Certainly, if this department is being charged with rental, how does that work out?

I'm concerned a little bit that the Department of Natural Resources through the lease arrangement is paying the total shot and any revenue from the water bombers, if they provide a service in other provinces, that goes into Government Services or Highways Program, and the department does not get the benefit from that.

HON. L. HARAPIAK: Mr. Chairman, I'd like to indicate to the critic that there is a coordinated effort in terms of firefighting through what is known as CIFFC or the Canadian Interagency Forest Fire Centre and there is an agreement to share any equipment.

As an example, if there were a fire in Quebec and the people in Ontario were helping people in Quebec, we would back up the people in Ontario. So throughout the country, there is that kind of a sharing arrangement.

I believe last year we had sent water bombers down to the, I believe, the U.S. Just to indicate what the charge is, they assisted in Ontario and the charge for that was a billing of \$48,000 and that will come back into general revenue.

MR. A. DRIEDGER: Just a few questions here really, is there an anticipation of further purchases of the government for purchase of water bombers at the present time?

HON. L. HARAPIAK: There is one more water bomber to be purchased, and this one the Provincial Government will be paying for the full costs. It was out of a sharing agreement under that program, the one was available at a lease of \$1.00 but the next one, we will buy at full cost and it's in 1989 when that is due to be here.

MR. A. DRIEDGER: Mr. Chairman, as far as I'm concerned, pass the whole thing. You don't have to

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read them all. Read the main motion; that's good enough.

MR. CHAIRMAN: We need it for the record it.

MR. A. DRIEDGER: Pass it then.

MR. CHAIRMAN: Regional Services, 2.(a)(1) to 2.(w) inclusive, were each read and passed.

Resolution 120: Resolved that there be granted to Her Majesty a sum not exceeding \$20,919,800 for Natural Resources, Regional Services, for the fiscal year ending the 31st day of March, 1987—pass.

Item number 3.(a)(1) Engineering and Construction, Salaries - the Honourable Minister.

HON. L. HARAPIAK: Perhaps before getting into the detailed discussion on the Estimates, I would like to introduce the staff member who has joined the table. He is Umendra Mital, who is the director of the Engineering and Construction Branch. Umendra took over from Bill Newton, whose retirement I acknowledged in my opening comments. He took over as director of the Engineering and Construction Branch in November of 1985.

Umendra came to Manitoba Natural Resources from Candu Operations, Atomic Energy of Canada Ltd. in Mississauga, where he was the manager of Project Management Services. He has previous experience with Public Works Canada in Ottawa, where he was the Chief of Project Services for Design and Construction Branch.

Umendra has a Master's Degree in Mechanical Engineering from the University of Ottawa, and a Post Graduate Diploma in Business Administration from Queen's University in Kingston. He has also authored technical publications in international journals and was a speaker at the Sixth World Congress on Project Management in Munich, Germany in 1979.

We are pleased to indicate as well that he is bilingual in his language capacities. We certainly look forward to his participation in this program.

MR. A. DRIEDGER: I want to also welcome the gentleman in his position there. Mr. Newton served in that capacity a long time and I'm sure it must be quite a challenge to take over that position.

Dealing with Engineering and Construction, Mr. Chairman, and Water Resources, the next two areas are areas that members on our side have some major concerns. I personally find it - I suppose that's the way it is - basically they go hand-in-hand and I find it interesting - the Minister can maybe give me some outline as to what the programs are under Engineering and Construction. We'll deal with Water Resources a little later.

I just want to indicate or raise a question right now: When is the Minister planning to table the Capital Program for his department? It would help, actually, if we could look at that program in conjunction with these two sections, Engineering and Construction, and Water Resources because this way it will lead to a lot of questions as to which program is on and which is not on. I believe it is under this section, Engineering and Construction, where it says, ". . . professional engineering, planning" etc. where this all takes place.

If we had an idea what the capital programs were for this year, it would save additional time going through them one by one to see whether they're on this year's program.

Does the Minister have the program available?

HON. L. HARAPIAK: I would like to suggest that we deal with Engineering and Construction, and Water Resources, as separate issues. We are, in fact, dealing with the technical side through Engineering and Construction, that provides support services for the delivery of those programs. The specific capital projects I think would be of particular interest to you would probably be better dealt with in the Water Resources section in that the director for that branch is Mr. Weber and we would like to bring him in for that section and deal with the capital projects there.

Perhaps just so we can read into the record the role of the department, I would just read a brief section here that would describe that; and that would give some better appreciation of the role of Engineering and Construction as a separate entity from Water Resources, but certainly one that works closely with Water Resources. But it should be understood that they deal with other than Water Resources.

I would like to read into the record the following brief paragraph: Engineering and Construction provide other branches of the department with the professional engineering services necessary to plan their programs and projects and to design, construct, maintain and operate specific projects and systems in effecting these programs and systems.

It provides professional engineering services to Conservation and Water Management Districts, the Manitoba Water Services Board, and other departments and agencies and rural municipalities. The branch also maintains a contingency plan for the coordination of flood-fighting activities and provides professional engineering services in respect of flood damage repairs and restoration works.

So with that brief statement, I hope that would give some impression of the role of this branch, specifically recognizing that it would tie in very closely with the activities of the Water Resources Branch.

MR. A. DRIEDGER: Maybe the Minister could then indicate: Would this be the area, under Engineering and Construction, where things like cost benefit ratios would be worked out in terms of projects?

HON. L. HARAPIAK: Mr. Chairman, those studies would be done by the Water Resources Branch. The Engineering and Construction would provide the technical and design information in support of a project.

MR. A. DRIEDGER: That is, I suppose, part of my problem because in my mind I think, as possibly with many municipal people, they combine both and it makes it a little harder to be specific on one item when they have a problem, whether it's Water Resources, or whether it's Engineering and Construction.

But I assume, Mr. Chairman, and maybe the Minister can clarify that a little bit more, when we talk of a project, is this the area where the survey crews work from? I want to make specific reference to a proposed

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project coming up and I believe some of his staff within his department certainly are involved in that, because we had a delegation in to see the Minister about the Ile a Pilote or the Rat River containment area. Is this the area where this kind of planning would take place?

HON. L. HARAPIAK: Mr. Chairman, the member mentions the Rat River. We recall the member coming with the delegation and meeting in my office. Certainly, I think the subsequent or perhaps part of that same meeting, the R.M. of De Salaberry was present and Hanover. That's correct. There have been meetings not only in my office, but in the area as well. There is some hope that the Ducks Unlimited may have an interest in the project. Certainly I'm aware of that project but, in response to the specific question as far as surveying, yes. All the surveyors are from this branch, from Engineering and Construction.

MR. A. DRIEDGER: Mr. Chairman, considering the lack of actual projects that seemingly get undertaken, and they seem to be getting less and less each year as the monies get cut back, I have to express some concern. I'm wondering, is this department very busy at the present time. Can they catch up with their work or are they way behind?

HON. L. HARAPIAK: Mr. Chairman, I'm told that there is approximately a three-month backlog in terms of activities. I think the member is probably aware that we do provide these services to municipalities and other outside agencies. So even though there may not be a specific project being carried on by the Water Resources Branch of the department, there are other agencies that are interested in having survey work done. So they are a very, very busy branch.

I'll try and get you some information with respect to the staff, because I think there have been some changes over the years.

MR. A. DRIEDGER: Mr. Chairman, the Minister just made reference to the fact that this is the department that provides services to municipalities. That is where I want to raise the issue of a specific case where the R.M. of Franklin is undertaking to do some drainage works. It's on the roads that drain specifically.

I think all it needs basically is a stamp of approval from this department, and the request is for staking. The conditions are ideal at the present time. The drag line apparently is out there waiting, and they are waiting for this department to somewhere in the - but certainly, I don't believe it's in the field staff problem; it's a problem further up, and I wonder if I could get a clarification as to why there's a delay in getting the stamp of approval on the design. The municipality is undertaking the work. I think it's just a matter of giving the design approval and getting the stakes out there, and they're being held up in this project.

HON. L. HARAPIAK: Before we would undertake any work, we would require a resolution from the municipality asking us to do the work. I am not aware at this time as to whether, in fact, that request did come through. So we would want the opportunity to check into that further.

But I should indicate to the member, and he may well be aware of this, that they are not obligated to have the engineering services of this branch. They could, in fact, hire some outside engineering and get approval for us on the project.

I think what makes it most attractive for municipalities to have the work done by Engineering and Construction is the rate that is charged. We charge, I believe, \$175 a day. It used to be free, but it is still less than the cost. Given the pressures that we are under, people ask us to do something about cost recovery. We were just discussing earlier about the cost recovery from Ontario for the use of the water bombers. We do try and recover some of our costs from the municipality, but it is certainly still at a rate which is considerably below that which would be charged by a firm that was delivering this from the private sector.

I want the member to understand that if they are prepared to go ahead with it, they are not obligated to wait for the services from the Engineering and Construction Branch. They could have the survey done by someone else and have it approved by us, but I would like to have the opportunity to check into this case specifically, but I would also want to share with you that in 1985-86, we serviced the needs of 85 municipalities. So there is considerable activity in our branch with different municipalities.

MR. A. DRIEDGER: Mr. Chairman, first of all, I would request of the Minister, I know that within his staff, somewhere along the line, they know what this is all about, the Roseau Drain. I just got phoned by the reeve today on that, and I would like to check out and find out what the delay is. If there's any technical problem there somewhere along the line, I would like to have it expedited as fast as possible so that they could complete their project. I think, if the Minister will have his people check into it - I don't want to get specific about the delay somewhere along the line - but I think if he maybe can check into it and find out.

The Minister makes reference that they service 85 municipalities. I can recall when I was the reeve of the R.M. of Hanover, and that's a few years ago — (Interjection) — thank you. At that time, Water Services was already providing a very important service. I've always encouraged municipal councils to use the services of Water Resources because, if you want to develop a proper drainage program, you can't do it on an ad hoc basis. I think many of them look to this department to have that kind of assistance.

I assume, Mr. Chairman, to the Minister, that it is within this department where a regulation was passed where municipalities when they have a third-order drain - or am I talking Water Resources again? I'm having difficulty keeping the two apart — (Interjection) — Water Resources again.

Okay, when they want to talk about things like - certainly the dike and flood protection comes under this, at least according to the report here, or are we off-base there again? Am I in the right category to talk about flood protection here?

HON. L. HARAPIAK: I am advised that it is only the emergency flood protection that is dealt with through this branch. So the flood protection projects we would cover under Water Resources.

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MR. A. DRIEDGER: Mr. Chairman, I have here the '84-85 report and under Engineering and Construction - I'm comparing that over to Item 3, Engineering and Construction - we have a variety of things that come under that. One of them has to do with the various valley, town, dyke upgrading programs where they have earthwork contracts; one for Brunkild and another for Morris, and the upgrading of Rosenort, St. Jean Baptiste, Letellier; the remaining Red River Valley towns west of the river will continue into 1985.

Is the Minister now telling me that I have to deal with that under Water Resources? I'll do that, but I want to just know which category, because I have confusion as to when we have two departments like this, which actually are one and they get split apart, it makes it difficult to establish what we want to find out.

HON. L. HARAPIAK: I can appreciate the problem in that they work so closely, and perhaps I have not conveyed it clearly, but in terms of those projects as well, the engineering and the design is still from Engineering and Construction, so that the design work is from Engineering and Construction but the initial stages of implementation before it gets to the design and then the delivery of it would involve Water Resources.

MR. A. DRIEDGER: Just one final comment before we break for the supper hour. I suppose that's maybe part of the thing that aggravates and creates a lot of the problems, because we have two different departments; you work on supposedly the same thing, and one doesn't know from the other. This is where a lot of confusion starts off and a lot of buck passing gets done and the same thing with municipal people, that's why they're getting upset with this. Because here they request Water Resources - no, that's Engineering and Construction; you ask Engineering and Construction - it's Water Resources. I feel that is part of the problem that is happening here and part of the problem that municipal people run into from time to time. I don't know whether this is a way of stonewalling the requests or not, but I'm certainly not very happy with it.

HON. L. HARAPIAK: I just wanted to make a brief statement indicating that it is not intended in any way to frustrate the efforts of people who are wanting projects done. If we have to improve our communications, we will work at it. — (Interjection) — I'm quite prepared to do overtime.

MR. CHAIRMAN: The hour being 5:30 p.m., I'm now leaving the Chair with the understanding that the committee shall resume its session at 8:00 p.m.