



**Third Session - Thirty-Sixth Legislature**

**of the**

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

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

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Portage la Prairie	

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 5, 1997

The House met at 1:30 p.m.

**PRAYERS**

**ROUTINE PROCEEDINGS**

**PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

**Committee of Supply**

**Mr. Gerry McAlpine (Acting Chairperson of the Committee of Supply):** Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for Pembina (Mr. Dyck), that the report of the committee be received.

**Motion agreed to.**

**MINISTERIAL STATEMENTS AND TABLING  
OF REPORTS**

**Flooding  
Emergency Response Plans**

**Hon. Glen Cummings (Minister of Natural Resources):** I would like to make a brief report to the House followed by a statement from the Minister of Government Services.

Madam Speaker, we now have the flood waters at peak levels at the gates to the floodway. I believe, however, that we should all remember that the Selkirk area, Breezy Point and Netley Creek, in fact, all parts of the system are at peak levels in the northern end of the Red River Valley. We must remember the ring dikes, the personal dikes, the floodway, the system of dikes within the city are all at maximum stress. We have seen a slight lowering of the gates at the floodway intended to stay within the mandated operating range.

Everyone has worked extremely hard to prepare and defend the property and the homes of affected areas, but we must remind ourselves that this flood event is

far from over. We can expect high water for at least a week to 10 days and even more in some locations. Now, as much as yesterday, everyone in the flood zone depends on each and every one to maintain a high level of vigilance to watch the infrastructure to make sure that it can withstand this long period of very high water. High pressure and high volumes are also possible to take their toll. We must continue to be concerned about problems with wind setup.

Madam Speaker, our hearts go out to all those who have suffered loss and dislocation during this period, and we are very thankful to everyone, both within the province and from afar, who have lent a hand and have given so generously of their time and their resources.

**Hon. Frank Pitura (Minister of Government Services):** Madam Speaker, an update on the Manitoba Emergency Management Organization. The following communities have extended or are in the process of extending their states of emergencies, and that is the R.M. of Morris, Town of Emerson, Town of Morris, R.M. of Montcalm, R.M. of Franklin and the R.M. of Macdonald. The declarations for the state of emergency are no longer in effect in the R.M. of Taché and the Village of Ste. Anne.

In the R.M. of Ritchot, three coast guard barges manned by water rescue crews continue to assist in the distribution of sandbags and may be used in rescue.

The R.M. of Ritchot has established a sandbag machine at Ile des Chênes for the production of sandbags for the Grande Pointe area and also for Ile des Chênes. Approximately 125 residences have been impacted by the flooding in the Grande Pointe area, and the actual figure will not be known until flood waters recede and access is possible.

Sandbagging of low-lying areas along the tributaries of the Red River in the R.M. of St. Andrews, the R.M. of St. Clements and the town of Selkirk continues with the assistance of the armed forces.

The Roseau River community is planning on having a re-entry into their community; however, there is a

problem with a road access to the community at the present time, and I am informed that the armed forces are in the process of trying to help out that community to obtain re-entry access and may indeed supply them with a temporary bridge across the fault in the highway.

\* (1335)

With the evacuations, as of May 4, Madam Speaker, 28,301 persons have been registered as evacuated from flood-threatened areas; 17,198 persons have received assistance through the reception areas. With regard to re-entry, a 24-hour toll-free line has been established for re-entry, and that is at 1-888-993-2525.

Residents that are allowed to return to ring-dike communities are to be restricted to the community, and travel to rural areas outside the community shall not be permitted.

A meeting took place this morning at the Holiday Inn South with reeves, mayors and local officials to ensure all parties are clear on the complete re-entry process and to address any concerns. All of these communities have these guidelines in place and were faxed these guidelines so that they can implement them as soon as they wish to have the residents re-enter.

In the armed forces area, as of May 4 approximately 8,472 military personnel have been deployed within Manitoba in support of provincial-municipal emergency response. There was some concern about the number of flights taking place over the flood area, but Transport Canada reports that there were 66 flights over the area in a 24-hour period.

In Agriculture, the agriculture municipal authorities are presently developing a plan for the return of farm stock removed from the flooded areas. Within the area of Labour, a 24-hour toll-free line has been established for persons requiring information pertaining to boilers, electrical, elevators, workplace safety, fire, et cetera, that are affected by the flood waters.

Within the area of Natural Resources, they have implemented a security-pass system for individuals who wish to have a pass to re-enter the flood-stricken area to either check on the residences or to help their neighbours. That is apparently a system that is working

very well, and people can get those passes through their local municipality.

In the area of Environment, and of course we are getting to that point where the flood waters are starting to recede, so we are getting a buildup of materials at the edge of the flood waters, so Environment is now taking action for the retrieval of floating hazardous materials identified by security and inspection forces. They have developed a collection and disposal system in consultation with the Miller Environmental Corporation. There is also a whole host of areas that Environment is involved with with regard to flood cleanup to ensure that people on re-entering are entering a safe and healthy environment within the confines of their individual residences or communities.

Under the area of disaster financial assistance, as a result of today, the disaster financial assistance office is now officially operational and accepting applications from those people affected by this disaster.

That is my report, Madam Speaker.

**Mr. Stan Struthers (Dauphin):** Again I would like to thank each of the ministers for their statements to the House and for keeping us up to date on the latest in terms of the flood-fighting effort.

I want to concur with what the Minister of Natural Resources (Mr. Cummings) cautioned in terms of the high water that we are facing right now. Since this House met last, we have seen the spectacle of the Red River cresting, and along with the Minister of Natural Resources, from this side of the House, I want to stress how important it is to remember that that high level of water will remain there for some period of time. It just will not recede quickly. It is going to be with us for a while. It is going to be a fact of life that we are going to have to deal with for the next period of time. In that time, I want to congratulate those who are monitoring the dikes. With high winds and the amount of pressure that is on those dikes, that is a very important stage of this battle that we have with the Red River. I want to congratulate all those who are manning the dikes through the course of this critical period of time

The other monitoring that we need to be vigilant with are the tributaries north of Winnipeg which will still

contribute to the flood problems in that part of the province. As we have seen with other tributaries south of Winnipeg, the water that has flowed into the Red River system has contributed vastly to the amount of hardship that we have endured so far in Manitoba in this flood.

\* (1340)

We also want to wish all the best for those people who are now re-entering their homes and looking at the devastation that exists in their houses. Our hearts are with the people who have to go back now and clean up the mess that has been left in their homes.

Finally, since last we met, I want to point out that the Canadian people from across the country have come and stepped forward in a big way and have shown their co-operation and shown that their hearts are in the right place as well with the contributions that they have made over the last several days and over the course of the weekend. It is very much appreciated on behalf of people in Manitoba, and I am sure I speak for all MLAs when I say that. Thank you, Madam Speaker.

**Hon. Eric Stefanson (Minister of Finance):** I am pleased to table the 1997-98 Expenditure Estimates for the Manitoba Enabling Appropriations and Other Appropriations.

**Hon. Bonnie Mitchelson (Minister of Family Services):** I am pleased to table the Supplementary Estimates for 1997-98 for the Department of Family Services.

**Hon. Linda McIntosh (Minister of Education and Training):** I am pleased to table the Supplementary Information for Legislative Review for the 1997-98 Departmental Expenditure Estimates.

**Hon. Harold Gilleshammer (Minister charged with the administration of The Civil Service Act):** Madam Speaker, I am pleased to table the Supplementary Information for the Department of Civil Service Commission, as well as the report for Employee Benefits and Other Payments.

### Introduction of Guests

**Madam Speaker:** Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have twenty-nine Grade 9 students from the Collège Notre-Dame under the direction of Madame Edith Hague. This school is located in the constituency of the honourable member for Gladstone (Mr. Rocan).

On behalf of all honourable members, I welcome you this afternoon.

### ORAL QUESTION PERIOD

#### Flooding Water Levels—Grande Pointe

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, certainly we are pleased to see that the people of Dominion City are returning to their community, and we look forward to the return, as the minister has indicated, of the people living in the Roseau River First Nation.

There was also some bad news over the weekend, and the ministers have talked about the Grande Pointe situation where some 125 homes have been affected by the high flood waters. I would like to ask the Premier today: What happened to Grande Pointe in terms of why it was flooded, when some of the earlier predictions indicated that it would not be affected by this rising water in the way it was?

**Hon. Gary Filmon (Premier):** Well, Madam Speaker, I am not sure about earlier predictions as to what levels might be. I do know that levels were upgraded periodically during the course of the flood predictions and that eventually—I suppose it was two weekends ago this past weekend that there were two upgrades when the flow information from North Dakota was available to us that indicated that they had achieved flows much higher than predicted in the Grand Forks area. I think that ultimately in those two upgrades, about 3 feet were added to the expected peak. Subsequently, I believe it was last Thursday, another foot was added in the area immediately upstream of the floodway.

I can only share the information that perhaps the member opposite has seen, and that is the explanations

from the Water Resources engineers are that the flow patterns were difficult to predict, that flow was being channelled, it appeared, by a railway line. Flow that was coming directly from the St. Adolphe, Ste. Agathe area seemed to be deflected eastward into Grande Pointe and produced water levels that did not appear in the modelling. Those levels, which appeared to be somewhere in the range of a half foot or more greater, were of course significant, but at the same time, the overall water level there was some 7 feet higher than in 1979 and some 5 feet, I believe it was, 5 or 6 feet higher than last year.

\* (1345)

So, as in any of these things, the engineers who are attempting to make predictions are dealing with a lot of unknown factors. There are a lot of roadways that have been constructed, augmented or altered even since the last time that there have been comparable flows that could be traced. All I can say is that the best available information was given to the people in the area, and they continue to live in a flood plain outside of the protection of the primary diking system and the floodway that protects people in greater Winnipeg or the ring dikes that protect other communities. All of us, I know, are very upset to have seen the devastation and damage. What could or could not be predicted, of course, is not something that I can say.

**Mr. Doer:** Madam Speaker, we have talked and listened to some of the people from that area, as I know the Premier has, and they indicated to us that they were given different sets of predictions about what would happen to their community. I have gone back and looked through some of the releases. April 26, it said that the levels should begin to fall at Grande Pointe and should not exceed current levels when the Red crests in early May. April 28 also mentioned the wind levels had raised the water at Grande Pointe, but they expected it to fall with the change in wind. April 29 noted that there was some rise in water, but they did not expect again the situation that developed over the period of time.

I would like to ask the First Minister and the Premier: When did the forecasts change? Why did they change? Do we know why it happened, and when was the community notified?

**Mr. Filmon:** Madam Speaker, I believe the records indicate that on Thursday, May 1, the forecast level at Grande Pointe was increased by a foot, and that information would have been conveyed to all of those people who were receiving information, principally the municipalities who then of course would translate that into whatever local action would be necessary.

I do not know if the member watched when Mr. Whitney, the flood liaison officer, was attempting to demonstrate what appeared to be confusing signals there with the different currents and flows that were not predicted. The area of Grande Pointe is actually closer to Winnipeg than the entrance to the floodway, and the expectation was that the water there would not be higher than the entrance. In fact, the Grande Pointe levels seem to be mirroring what was happening considerably upstream at St. Adolphe. The engineers do not have any means of being able to explain that, and so I am in the same position as they are, accepting the technical information without having any adequate information to explain how it is that the water patterns took that kind of level.

#### **Military Resources—Grande Pointe**

**Mr. Gary Doer (Leader of the Opposition):** I am sure the Premier has heard from residents of that community over the weekend. There was a real concern, and I am pleased to hear that there are three military vehicles and barges in the area now, but we all saw people in boats with sandbags looking like they were going to go down any second, you know, carrying those bags desperately to protect their home and their communities over the weekend.

Madam Speaker, has the Premier had a chance or will he have a chance in the future to evaluate at what time the communication came from the forecasters to the military and other emergency response people to get as many of our emergency response resources in place at Grande Pointe at the earliest possible time? We seem to be—and it is only appearances and I do not know whether this is correct or not, but the people there perceived that there were lots of military resources available, in fact, even in areas all across the province. That is great; it is wonderful they are here, but they did not get there very early in the process before unfortunately some of those homes went down.

\* (1350)

**Hon. Frank Pitura (Minister of Government Services):** Madam Speaker, with regard to the military being deployed out to the area, I am told by my staff at Emergency Management that the request officially came through for the deployment of armed forces out to that particular area on Friday last, and then they were sent out there immediately.

Prior to that, the rural municipality had not identified Grande Pointe as an area that required armed forces and so, under the Manitoba Emergency Management Organization, the deployment of armed forces takes place upon identification of the need by the local Emergency Management Organization. As I was told, the request came through on Friday.

#### **Disaster Assistance Agricultural Losses**

**Ms. Rosann Wowchuk (Swan River):** Flood victims were very pleased when they heard the increase of coverage to \$100,000. I want to commend the government for moving so quickly on our suggestion when we brought it to their attention last week.

I want to also thank the Minister of Government Services for providing us with the binders on detail and hope that they will be reprinting their pamphlets which say that the coverage is only to \$30,000. However, details of coverage are not very clearly spelled out, so I would like to ask the minister responsible for disaster assistance to indicate whether details have been worked out as to what farm losses will be covered for families who have not only lost their homes but have lost their livelihoods.

**Hon. Frank Pitura (Minister of Government Services):** I cannot answer the member's question with specifics. However, with regard to personal residences, the outline for recovering damage or requiring damage assistance or disaster assistance for personal residences is spelled out in the policy.

I think what the member was probably alluding to, as well, is the fact that last week we signed the Canada-Manitoba agreement with the federal government, and within that agreement there is an area that we are

actively working on at the present time to put in place a program that would address the aspect of farm and agricultural restoration as well as business restoration within that program.

**Ms. Wowchuk:** Because it is impossible to get flood coverage on many things in the Red River Valley, can the minister indicate whether through this agreement that he spoke about, if there is going to be compensation for livestock, whether it be hogs, poultry or cattle that were moved or lost during the flood? Is this one of the things that he is negotiating under this federal-provincial agreement?

**Mr. Pitura:** Madam Speaker, I am told right now that within the area of moving livestock in and out of farms and the movement of grain in and out of farms, that that is a recoverable expense under Disaster Assistance.

With respect to the actual coverage of livestock, livestock is covered under the present program if they are lost on an individual farm, but the whole issue of covering a broad range of livestock, of course, is not addressed within that policy. This is a part of some of the issues that would be addressed under the new program, but it is far too early to speculate as to exactly what the details would be and the numbers, et cetera.

**Ms. Wowchuk:** As the government works through this agreement with the federal government, will the minister assure Manitobans that he will be working to ensure that Manitobans get the same kind of coverage, Manitoba farmers and rural people, that the people and the farmers in the Saguenay area received during their disaster?

**Mr. Pitura:** Madam Speaker, I would like to just assure the member that our government is prepared to seek the assistance that is necessary to address the disaster that we have gone through and any future disasters and to ensure that the residents of Manitoba are treated in a fair and equitable fashion with respect to both within the province and as well across this country. I think that, with the member mentioning the Saguenay region, we are of course employing some of the guidelines used within the Saguenay in terms of some of the programs that we have signed with the federal government.

\* (1355)

### **Flooding Heritage Sites**

**Ms. Diane McGifford (Osborne):** Madam Speaker, during these times of crisis and emergency, saving homes and lives is the first priority. Still, on this side of the House, we are aware of our rich history and the heritage properties along our flooding river systems. I would like to ask the Minister of Culture, Heritage and Citizenship if she could tell us which, if any, of our designated sites or designated buildings have been submerged or flooded.

**Hon. Rosemary Vodrey (Minister of Culture, Heritage and Citizenship):** Madam Speaker, I do not have details on any specific areas; however, I am happy to tell her that there was a recognition of concern around the coming flood, that my department met with Natural Resources. They did identify the heritage sites which were in fact most at risk and then heritage sites which may be at a secondary risk. There has been communication with those sites in an effort to assist them on a prevention side.

**Ms. McGifford:** To the minister again: Could she assure us that the financial resources and professional expertise, which would be necessary for restoration in case of damage, would be available to those buildings and/or properties?

**Mrs. Vodrey:** My department has provided assurance to the sites that they will be available to assist them, especially recognizing that restoration or concerns in these areas may in fact be different than for other buildings because they are historic sites. So, in answer to that part of the question, yes, those resources will be available.

In terms of financial assistance, we also have wanted to let the sites and the buildings know that some assistance, I understand, has been provided in the past through the Heritage Grants program and designated Heritage Building Grants program. They will all be notified of the deadlines, though I understand, if necessary, flexibility would be there.

### **Disaster Assistance Heritage Sites**

**Ms. Diane McGifford (Osborne):** Could the minister tell us if there is a possibility of accessing federal

monies for the restoration work? That is to say, will necessary restorations be covered by disaster relief funds?

**Hon. Frank Pitura (Minister of Government Services):** Madam Speaker, under the disaster financial assistance policies and guidelines, of course there is an area there which can address the needs of certain community organizations or clubs that operate within a community. If some of these heritage sites that the member is talking about are actually controlled by a community organization in terms of maintaining them, they indeed may be eligible for assistance under the disaster assistance policy in terms of damages that may occur to the heritage buildings.

### **Education System Canadian History Curriculum**

**Ms. Jean Friesen (Wolseley):** Madam Speaker, last Wednesday the Minister of Education acknowledged that the new Canadian studies curriculum is not ready and that she has again delayed her elimination of the mandatory senior-level Canadian history. I think this was the right decision and I want to congratulate the minister on it, but I also want to ask her to confirm that this is not just a decision for one year but that, in fact, the new Canadian studies curriculum cannot be made available for at least three years, and could she give us that sense of the long-term prospect for Manitoba schools.

\* (1400)

**Hon. Linda McIntosh (Minister of Education and Training):** Madam Speaker, it is a good question, one which we addressed to the field many months ago when we indicated that, until such time as the new curriculum was ready, the existing arrangements would remain in place. With the new western protocol, as you know, working with Saskatchewan, Alberta, British Columbia, Yukon and Northwest Territories, it will then be a matter of years, not months, two or three years as opposed to a year and a half which might have been had we done it alone. Until such time as that new curriculum is ready and to the satisfaction of all parties, the existing arrangements will continue. Schools have been notified of that many months ago, but we will be reconfirming just for their updating at about this time.



**Ms. Friesen:** Could the minister take the opportunity of this further delay to convene a meeting or indeed several meetings of all the people, the people from the legions and the local historical societies, the social studies teachers, the archivists, all the people who wrote in the past to the minister with their concerns about the elimination of senior-level Canadian history? Could she begin to convene that kind of public discussion and to hear from those Manitobans?

**Mrs. McIntosh:** Of course, inherent in the question is the assumption that we are not doing that. I have met in the last two months alone on three separate occasions with members of the legion, for example, or army, navy and air force veterans or interested veterans individually, so those kinds of discussions are always ongoing. They do not need to be begun in that sense because they do not cease. They are part of our regular process of talking to people, getting input, receiving feedback. I assure her that we will continue, as we have in the past, talking and listening to people about what should be included and what should be done in terms of delivery of the very important subject of social studies in our curriculum.

**Ms. Friesen:** Madam Speaker, is the minister prepared to convene a public meeting, a meeting of parents, a meeting of the parent advisory councils so that there can be the broader public discussion, not just the interviews with the minister, although I congratulate her on that, but the broader public discussion of the place of Canadian history in the school curriculum in Manitoba?

**Mrs. McIntosh:** Again, I should indicate that those discussions that are ongoing are not just taking place with me. They are indeed taking place with senior officials in my department with teachers, with educators, with parent councils. When we go and meet with parent councils, we will discuss an array of topics. That is always one that we are willing to discuss.

As well, Madam Speaker, the development of the curricula should be clearly understood as being done by master historians and master teachers carefully selected from all five jurisdictions working together with historians right across western Canada. Those people have expertise that is invaluable, probably much better than any of us here in this room could gather together.

[interjection] Well, they are recognized master historians and teachers whose expertise and pedagogy and the rate of development and the age in which abstract ideas can best be developed are known, so I think we have a good program in place.

### **Flooding—Cleanup Green Team**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, my question is somewhat of a follow-up from a question we asked last week with respect to once the flood waters start to recede and life starts to get a little bit back to normal, in particular in rural Manitoba. We had asked the question with respect to the Green Team to the Minister of Finance. The government appeared to be very sympathetic to expanding or giving additional resources. I was going to ask the Minister of Finance if we can anticipate an announcement shortly of an expansion of that particular program and if he might be able to also add to it whether or not the home-town component of the Green Team in rural Manitoba will be expanded to include more contributions from the province.

**Hon. Leonard Derkach (Minister of Rural Development):** Madam Speaker, there is some work going on at the present time to expand the Green Team program—to consider it at least—to allow for the areas which are affected by the flood. As you know, the Green Team program has been a very successful one where the youth of Manitoba have really done a great job in terms of greening the province and in terms of helping communities to showcase their communities in the best light. I think that this would be an important aspect to recovering from the flood that we are experiencing at the present time.

**Mr. Lamoureux:** Madam Speaker, in some limited ways this government has come up with some successful programs.

My question to the minister is: The Green Team was projected as somewhere in the neighbourhood of 700 young people involved. Does the ministry have any idea in terms of what sort of expansion it would be looking at given the circumstances surrounding the flood? Are we looking at increasing it to above a

thousand? Do they have some sort of a number that they are currently looking at?

**Mr. Derkach:** Madam Speaker, it is still too early to be able to project what requirement there will be in rural Manitoba for youth, but let me say that I do not believe there will be a shortage of work for the young people of this province this summer because there is an enormous job to be done. We will certainly be looking for all the students who are capable and ready to work to help these communities come back to normal.

**Mr. Lamoureux:** I am wondering if the minister then can indicate or at least provide for public information a telephone number to which young people can actually call in, that are interested, that want to make themselves available in order to register with this particular program or other potential programs that might be out there so that they can do two things: one, to assist in the cleanup, and two, to get some part-time work.

**Mr. Derkach:** Madam Speaker, as the member will know, the application forms for the Green Team are now public and they are available in the communities. We do not see setting up another administration for this program, but indeed there will be an enhancement and an addition to it, and the details of that will be known in the near future.

#### **ManGlobe Project Director—Salary**

**Mr. Jim Maloway (Elmwood):** Madam Speaker, my question is to the Deputy Premier. Last week he confirmed that Karen Alcock, as the project manager of ManGlobe, had a salary of \$130,000 or \$7,500 a month plus GST. Now could he confirm to the House that the salary of Tracey De Leeuw as project director was \$240,000, meaning that these two managers themselves received three-quarters of the provincial grant or about \$360,000 between the two of them?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** No, I did not confirm that, Madam Speaker. In fact, the member cannot get it right. What I said was, for 18 months the company of the individual received so many dollars. I think it was 100-and-some thousand dollars. That was not to Ms. Alcock, as the member refers, so I do not know whether he does not listen or whether he just comes here with his own

agenda to try and malign somebody or try and pick on the Liberals or what his intentions are.

\* (1410)

**Mr. Maloway:** Madam Speaker, we already know what Ms. Alcock's salary was. It is confirmed in court documents. I think the minister is confused. We are asking what Ms. De Leeuw's salary was. Is he confirming that it is the same as Ms. Alcock's? Because that is what he seems to be saying.

**Mr. Downey:** No, I am not, Madam Speaker.

#### **Project Director—Travel Expenditures**

**Mr. Jim Maloway (Elmwood):** Madam Speaker, my supplementary to the same minister is this: Since the president's travel budget was \$60,000, according to the project papers, I would like to ask the minister what benefits did this province gain from the project director travelling to Japan, Germany, Italy, Rankin Inlet and regularly to Boston. Would he release a complete list of all the trips, the cost to the taxpayer and what was accomplished on these trips?

**Hon. James Downey (Minister of Industry, Trade and Tourism):** Madam Speaker, I am informed that the individual that he refers to that was doing the travelling, that the travel was in fact paid for by the companies which she was representing, not by the taxpayers of the province directly.

#### **Bone Density Scans Waiting Lists**

**Mr. Leonard Evans (Brandon East):** Madam Speaker, I have a question for the Minister of Health. Previously I had asked the Minister of Health to provide sufficient resources to eliminate the two-year waiting list for those persons requiring bone density scans. I have since learned that there are several women who have gone or are about to go to Minot, North Dakota, from the Brandon area at considerable cost. One person, indeed, estimated her cost was almost \$700 Canadian.

The minister did agree that this was unacceptable. I would like to ask the minister therefore: Will the

minister acknowledge that the backlog relates to insufficient utilization of the equipment here in Winnipeg because of staff cutbacks and that the waiting list could be reduced if more operating staff were made available?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, the member for Brandon East raises a subject that I agree wholeheartedly is one of importance for the women of this province and certainly for the Ministry of Health. I committed to him and to the House that we were working within the department to increase resources in that particular area in order to deal with that backlog. It is a priority that we have identified and are working towards a resolution of, and I would hope it will not be in the very distant future. So I appreciate his concern, and I hope that we are able to resolve it for those in need of this service.

**Mr. Leonard Evans:** I appreciate the answer of the minister. This was actually my second question: Specifically, when will the government see fit to provide sufficient resources so that my constituents and indeed all of the women of Manitoba or anyone indeed who has a problem will not be deprived of this important bone density scanning service that will have a bearing on their present and their future health?

**Mr. Praznik:** Madam Speaker, we are working now within the ministry to designate the resources to go into that particular area. I hope it is certainly not years away and it is certainly not many months. It takes some time to sort some of these issues out, as I know the member appreciates from his days in Executive Council. If he would bear with us, I think he will find the resolution will come far sooner than later.

**Mr. Leonard Evans:** Madam Speaker, then I presume the minister will acknowledge, given his positive answer, that there are not only obvious costs to Manitobans who may decide to go out of the province for scanning because of the backlog, but there is also an untold and an immeasurable real cost to persons who may suffer in terms of their health because of having to wait unduly for this bone scanning procedure.

**Mr. Praznik:** Madam Speaker, absolutely, I would agree with the member with that point. That is why, in fact, even before his question in this House, the matter

was brought to our attention, and we are attempting to address it and to find the resources with which to do that.

I will add that I think one of the key benefits of some of the regionalization that is going on now in the province is the change in which we will budget, particularly in Winnipeg and in Brandon, for those health authorities and the greater flexibility that they will have within those regions to be able to meet programming needs on a faster basis. That is one of the long-term benefits of reform that I know the previous minister and I hope we will be able to accomplish in this process, so I thank him for his very timely question.

### **Home Care Program Privatization**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, there are literally hundreds of thousands of unsung heroes in Manitoba today and the last few weeks dealing with the flood crisis, including people in the home care sector, home care workers who have put in place an emergency plan and are working diligently to deal with their patients and our loved ones in this time of extraordinary circumstances.

My question to the Minister of Health is: Today is the first day that the private contract given out by the government, the experimental contract is supposed to come into operation. Can the minister confirm whether or not in fact today is the date that the company is in fact operating in Manitoba?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, I am not going to confirm or deny that. In my understanding, we entered into the contract. They were beginning to gear up for operations. Whether it was today or a week or so ago, I can get that information for the member.

### **Back-up Service**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, I wonder if the minister might also advise who is now responsible for the back-up service with respect to home care formerly undertaken by Central Health. Can the minister confirm whether or not it is Central Health or VON or who in fact is providing back-up service now with respect to home care?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, first of all, let us put this into some context that the experiment provided for a change in four quadrants within the city of Winnipeg. Two of those quadrants are being operated by our own home care service with regular backup. In the other two quadrants, one particular private contractor was awarded that particular contract for the year, and the regular processes of backup, et cetera, that are in place, it would be my understanding, would continue. The specifics of that I will find for the member, but I do not have them with me. I appreciate his interest and will endeavour to get them for him.

### Privatization

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, my final supplementary to the minister along the same lines with respect to the contract is: It is not apparent from the contract and from the information that has been made public with respect to the \$5.6 million that is being spent on this project whether or not this fund that is being expended is a total based on volume or whether or not it is a contractual amount that is based on the number of clients that the company sees and whether or not, if they do not see the total, that some of that money will return to the province. Can the minister outline where and how that \$5.6 million is being paid to the company?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, I know we will get into the details of this when we reach Estimates, but my recollection of the contract—I do not have it in front of me—is it is a volume contract that is based on the expectation of past history of service. So we certainly would not be paying, I would imagine, for services that are not being incurred. When we did cost those bids based on the expected volumes, the contracts of other bidders who had met the quality test came in at a greater amount in total costs than we expected we would be able to do that for ourselves. That is why we only awarded one contract, but the specific detail I will secure for the member.

### Waste Management Tipping Fees—Landfills

**Ms. Becky Barrett (Wellington):** Madam Speaker, in support of the government's Waste Reduction and

Prevention Strategy Report issued last year, which included the principles of waste minimization and the reduction of solid waste at source, the Minister of Environment last week in Estimates stated that tipping fees in landfills do have a role to play in helping decrease solid waste and should not be set so low so as to lead to careless disposal of items that could be recyclable.

I would like to ask the Minister of Environment how he squares his comments regarding the role of tipping fees in waste reduction with the Premier's (Mr. Filmon) comments on the radio in March—on CBC as a matter of fact—that, quote, if the city had not raised their tipping charges so high, BFI would never have had to look for its own site.

**Hon. James McCrae (Minister of Environment):** Madam Speaker, I do not see the Question Period as the appropriate place for debate as I understand it. [interjection] Honourable members obviously disagree with that, but the rules are clear about that. The honourable member for Thompson (Mr. Ashton) reminds us of that all the time. Immediately after Question Period I expect to be available in the Estimates for the Department of Environment and we can discuss that matter further, but I do not think this is the right place for the honourable member to engage in debate.

**Ms. Barrett:** I am speechless. I cannot believe that the—Madam Speaker, how can the Minister of Environment state that it is a debate of a point when I am simply asking him to confirm or deny or to explain the apparent and to me very clear distinction between what he said in Estimates last week—which was the proper thing—that tipping fees need to be high enough to discourage solid waste at source with what the Premier said on March 10 at CBC which was a complete negation of that statement?

**Mr. McCrae:** I am obviously pleased with myself today. I have been able to do something no one else on this side has been able to do, and that is to render the honourable member for Wellington speechless. I am sure that will not happen very often either.

Let us be very clear. What I was discussing the other day had to do with setting rates that are appropriate to

ensure the maximization of the reduction of landfill materials so that we can recycle more and reuse and all those things that we should be doing. Surely that ought to be very much part of our thinking when these matters are considered.

**Ms. Barrett:** Would the Minister of Environment then undertake to educate the First Minister of the province of Manitoba as to the efficacy of tipping fees being high enough to discourage solid waste rather than making a purely business decision that says that corporations should be able to tip their waste into BFI's landfill—not the city's landfill but BFI's landfill—so as to increase their private profit? Will he undertake to educate the Premier to that difference?

**Mr. McCrae:** I like to specialize in the difficult, Madam Speaker, and silencing the honourable member for Wellington was difficult. The impossible takes a little longer. If the honourable member thinks that I would deign to educate a First Minister who served with distinction as Minister of Environment many years ago, she is wrong.

#### Point of Order

**Ms. Barrett:** Madam Speaker, would the Minister of Environment clarify that the impossible is to teach the Premier (Mr. Filmon) anything about solid waste management?

**Madam Speaker:** Order, please. The honourable member for Wellington does not have a point of order. It is a dispute over the facts.

#### Coalition of Service Providers Funding

**Madam Speaker:** The honourable member for Burrows, with a very short question.

**Mr. Doug Martindale (Burrows):** On November 13 the Minister of Family Services met with the Manitoba coalition of service providers, and they raised a number of issues, including the inadequacy of their budgets for care-in-home providers. I would like to ask the minister what she has done about this problem since

that time to see that these organizations get adequate budgets so that they can pay their staff appropriate wages.

**Hon. Bonnie Mitchelson (Minister of Family Services):** I want to thank my honourable friend for that question, because it does allow me to tell all Manitobans that we have significantly increased the budget in the Department of Family Services for services for those with mental disabilities and services for children with special needs. I make no apologies for those increases; they are well needed. The dollars are going to support more families, more children that need that support, and we will continue to work to ensure that those services are being provided in the most effective and efficient way for the families that need them.

**Madam Speaker:** Order, please. The time for Oral Questions has expired.

#### NONPOLITICAL STATEMENTS

##### CBC Red River Rally

**Ms. Diane McGifford (Osborne):** Madam Speaker, do I have leave to make a nonpolitical statement?

**Madam Speaker:** Does the honourable member for Osborne have leave? [agreed]

**Ms. McGifford:** I am sure that all members of the House will join me in thanking Peter Gzowski, the Morningside production team and the musicians, writers and other artists who, via CBC Radio, turned the morning of Friday, May 2 into a national fundraiser for flood-stricken residents in our province. The concert, dubbed the Red River Rally, was, as well, beamed via Radio Canada International to Canadian soldiers serving around the world in Bosnia, Haiti and the Golan Heights. This production, described by Peter Gzowski as “a prairie social where friends and neighbours gather together and lend support, both emotional and financial,” is a perfect illustration of community and community development. In the past few weeks, local troubles have become provincial, provincial ones national, and now through Radio Canada national ones have become international.

Temporarily, right now, Manitoba is the centre of a community which has members all over our planet. We take great heart from this knowledge, from the fact that others are sharing in our adversity. This outpouring of support renews our faith in human nature just at the very time when we are looking for solid ground. I understand that to date the Red River Rally has raised approximately \$819,000 and that the flow of money, somewhat like the Red River, continues. Of course, Manitobans cannot place a monetary value on the lift the concert has given our spirits, but we are amazed to know we have so many friends, and we will remember their generosity.

Finally, I know members of the House join me in thanking Canadians for the Red River Rally, a gift which illustrates the importance of national radio in fostering community and the power of art in moving our hearts.

Thank you.

### **Flooding—Volunteerism**

**Mr. Edward Helwer (Gimli):** Madam Speaker, do I have leave for a nonpolitical statement?

**Madam Speaker:** Does the honourable member for Gimli have leave for a nonpolitical statement? [agreed]

**Mr. Helwer:** Madam Speaker, over the past two weeks thousands of Manitobans have taken up the challenge to fight the flood of 1997. Not only are the people of this province contributing, but residents of other provinces are offering relief to the some 25,000 Manitobans who have been forced to evacuate their homes. The people of Manitoba are always ready and willing to help their fellow neighbours in times of need; however, it is during these times of crisis in which they really unite together. I do not recall a time when I have been more proud to say that I am a Manitoban. Even though many members of this Legislature have continued to commend the volunteers who are determined to win this war with Mother Nature, I would like to pay a special tribute to one very important group of Manitobans and that is the youth.

Madam Speaker, every day of the last two weeks busloads of students from across the province have

gone to the flood sites to either sandbag, prepare and deliver food, help to move necessities from evacuees' homes, or simply to offer any needed support to friends and classmates who may be affected by this disaster. Not only have the various school administrations coordinated these groups to participate, but at many of the schools it has been the students' own initiative to volunteer at the flood sites. During the weekdays, when the majority of adults have had to report to work, the students have been the backbone in ensuring that sandbagging was continued. Many of the youth have also volunteered on their own time, either in the evenings or on weekends. University students also are spending long hours in sandbag lines, even though they have been busily writing final exams for the last several weeks.

\* (1420)

Many of the youth are taking pride in their communities and are lending a helping hand to whoever is in need. I would like to offer my sincerest gratitude to all the youth who have contributed in so many ways in making the flood of '97 more endurable.

Thank you, Madam Speaker.

### **Concordia Hospital Foundation**

**Ms. Marianne Cerilli (Radisson):** Do I have leave to make a nonpolitical statement?

**Madam Speaker:** Does the honourable member for Radisson have leave to make a nonpolitical statement? [agreed]

**Ms. Cerilli:** Madam Speaker, I would like to congratulate the Concordia Hospital Foundation on the success of its 14th annual dinner this past weekend. There was a full house, even though we are all of us involved with flood-crisis volunteering and work, and I think this pays tribute to the commitment of a number of the residents and volunteers who have supported the Concordia Hospital Foundation over the years.

This year's dinner committee included Allen Rouse, who is also on the board of directors, the foundation's president, Hal Enns, Eleanor Lynch, Leona Krahn, Diane Letwin, Don Tymko, Alice Kachur, Dr. Henry

Dirks, Bill Kachur and John Melnyk. The dinner honoured Walter Klassen and Helen Regehr posthumously for their long and outstanding volunteer work in support of Concordia Hospital.

Another highlight of the evening was the guest speaker, who was Emöke Szathmáry the president of the University of Manitoba. She talked about the history of Concordia Hospital going back to 1877 when the Mennonites that settled in our province and in the northeast end of Winnipeg had the foresight to develop the beginnings of the Concordia Hospital. She also talked about her own history of fleeing Hungary in 1956 during the Hungarian Revolution.

She talked about how Concordia Hospital has one of the busiest emergencies and is serving the largest suburban area and outlying area of Winnipeg, yet it is the smallest of the community hospitals. She described the many services of Concordia Hospital that have been funded over the years by the work of the Concordia Hospital Foundation.

I want to give special recognition to all those that attended, as well as a number of other organizations that made contributions: Amici's, Blinds are Beautiful, Buhler Industries, Gisele's, Great Canadian Bagel, Hi-Way Florist, Cherry Tree Lane, D'8 Schtove, Edward Carriere, Lifesport, Old Swiss Inn, Patzer Office Equipment, Elite Communications, Neil and Elenore Fast, Future Shop, Small Indulgence, Stewart N. King, Standard Knitting Limited, The Curiosity Shop, Mr. Fred Van Slyck and the Murray Family, Assiniboine Travel, Fehr-Way Tours, Penner Foods, TD Bank, City Press, Ron Bodner and Wanda McConnell. It was indeed an outstanding fundraising event, and I look forward to attending many more in the future.

## ORDERS OF THE DAY

### House Business

**Hon. James McCrae (Government House Leader):** Madam Speaker, I have some matters of House business to discuss with you today. If you canvass the House, I believe you will find there is agreement for the following. I do not know if we have given a copy of this to you. Yes, good.

First, that the House adjourn today at six o'clock.

Secondly, that the House not sit on Friday, the 9th day of May.

Thirdly, that on Thursday, the 8th of May, the House sit at 10 a.m. beginning with Prayers and then the consideration of bills, recessing at noon, resuming at 1:30 for Routine Proceedings and to consider Estimates thereafter.

Fourth, that private members' hours be waived for May 5 to May 8 inclusive.

Fifth, that during the week of May 5 to May 8 inclusive, recorded votes requested in the House, Committees of the Whole and standing committees be deferred to a time and date agreed upon by House leaders.

Sixth, that the quorum requirements in the House, Committees of the Whole House and standing committees be waived for the week of May 5 to May 8, inclusive.

Seventh, that the number of members required by the rules to request recorded votes in the House, Committees of the Whole, Committee of Supply and standing committees be reduced to one for the week of May 5 to May 8.

\* (1430)

**Madam Speaker:** Firstly, is there leave that the House adjourn today at 6 p.m.? [agreed]

Two, is there unanimous consent that the House not sit on Friday, May 9? [agreed]

Three, that on Thursday, May 8, the House sit at 10 a.m., commencing with the Prayers and then to consider bills, recess at 12 noon and resume at 1:30 p.m. for Routine Proceedings and to consider Estimates thereafter. Is there unanimous consent? [agreed]

Four, that private members' hours be waived May 5 to May 8 inclusive? Agreed? [agreed]

Five, that during the week of May 5 to May 8 inclusive, recorded votes requested in the House,

Committees of the Whole and standing committees be deferred to a time and date agreed upon by House leaders? Is there agreement? [agreed]

Six, that the quorum requirements in the House, Committees of the Whole House and standing committees be waived for the week of May 5 to May 8 inclusive? Is there agreement? [agreed]

Seven, that the number of members required by the rules to request recorded votes in the House, Committees of the Whole House, Committee of Supply and standing committees be reduced to one for the week of May 5 to May 8. Is there agreement? [agreed]

**Mr. McCrae:** On a further matter of House business, Madam Speaker, upon consultation with the members of the Subcommittee of the Standing Committee on Privileges and Elections, I have been advised that the subcommittee intends to hold public hearings in Winnipeg on the following dates in order to receive submissions from persons who have already registered regarding the review of the legislation pertaining to the Office of the Children's Advocate. I am therefore announcing these meetings to the House as a courtesy to all honourable members.

The subcommittee will be meeting in Winnipeg on Monday, May 12 at 7:30 p.m.; Thursday, May 15 at 10 a.m.; Tuesday, May 20 at 3 p.m.; Tuesday, May 20 at 7:30 p.m. and Wednesday, May 21 at 3 p.m., with all of these meetings to take place in Room 254 of the Legislative Building.

Given that all of the meetings, with the exception of the May 15 meeting, are scheduled to take place when the House is sitting, I seek the leave of the House to have the subcommittee meet at the same time as the House while it is in session and while the Committee of Supply is meeting. This will also necessitate that the Committee of Supply sit in two sections only on the evening of May 12 so that Committee Room 254 can be used by the Privileges and Elections subcommittee.

Also as a courtesy to inform honourable members, the subcommittee will also be having hearings with rural presenters. On May 13, between 12 noon and 2 p.m., a video conference meeting will be held at facilities in the Trizec Building with presenters from

Dauphin. On May 14, the subcommittee will be travelling to Thompson to hear presenters, and the location of that meeting is the Thompson City Council Chamber. On May 15, a video conference meeting will be held between 1 p.m. and 2 p.m. at facilities in the Trizec Building for a presenter from Brandon.

There was one item in all of that that required some agreement.

**Madam Speaker:** Is there leave that all of the meetings, with the exception of the May 15 meeting, are scheduled to take place when the House is sitting? Is there leave of the House to have the subcommittee meet at the same time as the House while it is in session and while the Committee of Supply is meeting? [agreed]

**Mr. McCrae:** Further to the agreements made a little earlier with respect to the arrangements for the Legislature, I seek leave of the House to adjust the Estimates sequence as set out in the document tabled on March 27 and amended subsequently by moving the Estimates for the Department of Finance into the Assembly Chamber to be considered immediately after the Estimates of the Department of Environment.

**Madam Speaker:** Is there leave of the House to adjust the Estimates sequence as set out in the document tabled on March 27 and amended subsequently by moving the Estimates for the Department of Finance into the Assembly Chamber to be considered immediately after the Estimates of the Environment department? [agreed]

**Mr. McCrae:** Madam Speaker, I move, seconded by the honourable Minister of Natural Resources (Mr. Cummings), 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.

\* (1440)

**Madam Speaker:** Due to the unavailability of the Deputy Speaker and the Deputy Chair of Supply, the honourable member for Sturgeon Creek (Mr. McAlpine) will be chairing the Estimates in the Chamber, and the honourable member for Turtle



Mountain (Mr. Tweed) will be chairing the Committee of Supply in Room 255.

**Motion agreed to.**

\* (1500)

**COMMITTEE OF SUPPLY  
(Concurrent Sections)**

**CONSUMER AND CORPORATE AFFAIRS**

**The Acting Chairperson (Mr. Jack Penner):** Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Consumer and Corporate Affairs.

When the committee last sat, it had been considering item 1. Administration and Finance (d) Research and Planning (1) Salaries and Employee Benefits on page 24 of the Estimates book. Shall that item pass?

**An Honourable Member:** No.

**Mr. Jim Maloway (Elmwood):** Mr. Chairman, it has been agreed that we would deal with the Automobile Injury Compensation Appeals Commission and issues relating to that particular section today, and just thinking back to last year now, this is a relatively new Appeals Commission, and as we all know, this no-fault system that has been with Autopac now, it has been around for three years, but it was pretty much a copy of the Quebec plan, and I believe the Appeals Commission has a lot of similarities as well.

The experience in Quebec, however, on the appeals front when it was originally set up under Rene Levesque, in 1976 I believe, or '77, the experience in Quebec was that there were quite a number of appeals, and I think in Manitoba the experience has been quite

the opposite. It has been a limited number of appeals, so much so that in fact the Appeals staff, I believe, have been reassigned to other jobs and the Appeals budget was not what had been budgeted for. However, I must say that there have been a number of complaints and there is a consistency to the complaints, and the complaints are made to certain reporters and elected officials regarding qualifications for the income replacement. There seems to be a certain inflexibility, a certain confusion perhaps in the corporation, in the MPIC among the Appeal board people as to what the policy really is and how it should be interpreted and so on.

\* (1510)

You know, it might be fine to say, well, the government has appointed a review which mandated review, three-year review was put in by us as the opposition party when this legislation was in three years ago. We introduced a whole range of, 30-plus I think it was, amendments, and the government was good enough to go along with us on at least three or four of them, and one of them was the three-year automatic review.

Now, as the minister knows, the review chairman has been announced, Mr. Sam Uskiw, and I believe a report is going to be made on this by the fall for changes and so on to the whole scheme, to the whole structure, if any. But my colleague from Wolseley has some specific questions about this appeal procedure, and I would like to turn it over to her to ask as many questions as she wants to ask.

**Ms. Jean Friesen (Wolseley):** Mr. Chairman, this arises from a series of situations brought to my attention by a private citizen who has dealt with the public insurance commission and also I believe with the Appeal board, but the issue he is raising is one of principle rather than of his own particular case, and, in fact, really the origin of what I am going to talk about is in an appeal that was held—let me get the date right. The hearing date was Thursday, April 18 and Thursday, May 2, 1996, and it was a hearing dealing with the issue of income replacement after an accident.

It stems from the legislation, Section 85(1)(a) of the legislation which says that a nonearner is entitled—and

it is all stemming from the nonearner aspects of the new legislation which, of course, is one of the things which the government believed was a great improvement over previous legislation, so it is, I think, an interesting issue for many Manitobans from that perspective. The legislation says that a nonearner is entitled to an income replacement indemnity for any time during the 180 days after an accident that the following occurs as a result of the accident, and here is the significant part: He or she is unable to hold an employment that he or she would have held during that period if the accident had not occurred. Much of the dispute and the confusion stems or comes from that phrase "would have held" and the interpretation of "would have held."

If you look at the briefer materials—not the act itself, I began with the act—I wanted to draw the minister's attention to two types of information that are provided by MPIC. One is a longer brochure—and I only have the xeroxed material from it at the moment—which deals, pages 6 and 7 it is of the brochure given out by MPIC of nonearners. It says, and I can understand what it is trying to do, it is trying to put in colloquial language or everyday language, the language of the act and this is how it does it. I am quoting. If you did not hold a paying job when the accident happened, you do not get income replacement for the first 180 days. That is because you have no employment income to replace. However, if you had been hired for a job that would have started after the accident—and, again, we get to that issue of "would have"—you can qualify for income replacement during the first 180 days, even though you had not started working when the accident happened and will need proof that you were actually hired for a job that was to start after the accident. Now that goes further than the legislation actually says. It is attempting to expand upon the legislation and argues a kind of intent and proof required which is not stated in the legislation, "will need proof" that you were actually hired for a job that was to start after the accident.

A second piece of information—again, the commission trying to put into plain language details of the act—says this, and this is page 48. This is the smaller booklet. The section is called What you Get When you Buy Autopac Coverage. It is a small booklet done in about two or three colours, I think. It says on page 48, people unemployed at the time of the accident who can show they had secured employment which was

to have begun after the accident, receive an income replacement indemnity based on that employment. This is actually slightly different from the other piece of information that MPIC is suggesting and does not argue that you have to have proof and does not add to all those kinds of things that the other brochure does. So one issue is the constancy of public information provided by MPIC, (a); and (b) its relationship to the legislation. In going into plain language, they seem to have gone beyond the legislation or to have explained it in ways that may or may not have been intended by the Legislature when they passed that.

So arising from that, I believe there have been a number of appeals to MPIC and then to the Appeal board. Some have been turned down on the grounds that the appellant had no evidence of a job that he or she had been offered in the period of the illness that resulted from the accident. However, there is one judgment which seems to be quite different from other judgments, and that is the one that I began with and it is the one of the hearing date of April 18 and May 2, 1996. In that judgment, MPIC had refused the appellant income. He was a nonearner at the time of the accident, and as I understand, and all I have is the public account of the Appeal Commission, he did not have evidence of a new job that he had been offered or that he was to undertake or that had been offered to him subsequent to the accident but which he could not have taken up as a result of the accident. Neither of those two situations applied, so MPIC had turned him down.

He appealed, and the Appeal board took some time to look at the definition of the act and to look at what the implication of that would have, that he or she would have held during that period if the accident had not occurred. They came to the conclusion in this particular one—and they quoted Section 12 of The Interpretation Act of Manitoba which provides that every enactment shall be deemed remedial and shall be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects. They seemed to argue that—and I am quoting from page 9 of it: We find that the appellant has met that onus. We are satisfied that within two months after he commenced his search for suitable employment in Manitoba, he would have found it. So the argument they are making is that he was in such a field and that he had such experience, he would have found work.

Then they go on to estimate that as to the income level at which he would have been employed, we find that a gross annual income of X would have been appropriate, at least as a starting salary. Then they say, while it is probable that his position would initially have been a probationary one, the salary might well have been more, et cetera, but, basically, they are arguing, it seems to me, and the underlying assumption is that here is somebody who is a skilled person in a market which was expanding and that would have offered him a job.

So it is quite different from what is implied and indeed is written in the information sent by Autopac as plain language information, and it is unclear whether indeed that was the intention of the act. So that is that issue, and that is why I think we would have liked to have had somebody from the board here to discuss that with us.

Perhaps the question I should pose then is, Mr. Minister, is that particular decision one that sets the precedent, and is that the one which all subsequent cases should have followed, at least until the law is clarified or whatever is to happen as a result of the inquiry?

**The Acting Chairperson (Mr. Penner):** I am going to, Minister, ask the honourable member for Wolseley whether she would like to extend her question or ask another question before you answer that, or did you want to answer?

**Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs):** No, I can address some of the issues of this question now, and I will make some undertakings for some of the unanswered portions of the question.

Madam member, the pamphlet to which you make reference, I gather, is an MPI pamphlet. We take no responsibility for the publications from MPI because, in fact, it is different from our situation. However, I certainly will pass on your remarks and request that they be made consistent and harmonized with the decisions of the board. I think that you have raised a very good point.

Further, the decisions of the commission are precedent-driven, so therefore what you have described is setting precedent for the commission. I think that when the fact situation appears again, when another case comes up on all fours, that they, I think, undertake that they will be bound by their previous decisions. However, you are sufficiently aware, I am sure, of jurisprudential wisdom. [interjection]

Well, no, I do carry an inactive—yes, I have maintained an inactive status, and I can reflect upon my status before the courts over the years, that you can go into a court with something that you think is on all fours, absolutely and binding, and you can find that a judge will except himself out, or herself out, of that situation. So I would not want to create false expectations, I guess is the point.

\* (1520)

But it certainly appears that what you have described has set a precedent. I will inquire into the department for an interpretation of that further. If something comes up that is different from what you have outlined as a policy, I certainly undertake to advise, but it appears that the policy is that the board is prepared to enter into speculative forecasting as to what a claimant will reasonably expect and does not necessarily rely upon hard, objective documentary evidence, which is I think the point you are making, and that they are willing to look at something that is reasonably objective.

I remember in law—and we have a number of lawyers on this board—that they always looked at what was reasonably foreseeable. That was often one of the tests that you entered into. When we were in school, it was what the person on the Clapham omnibus would anticipate. So I think that if there is a change from this forecasting of precedent, then I will undertake to advise.

**Ms. Friesen:** Just for the record, what we are considering here is not MPIC's policy. I will certainly be looking at that in another area. What we are looking at is the policy, the role, and the jurisdiction, I guess, of the board. Yes, indeed, at least two of the board on this occasion were lawyers. The third may well have been, I cannot tell.

I am quoting from—the particular area of the decision that I am interested in is on page 9 of the decision. It does, just for the minister's clarification as well, deal with the 180 days, the first 180 days after the accident is how I understand it. I thank the minister for looking into this. We would certainly welcome any further information on this. I understand what he is outlining, the precedent-driven nature of this board.

Could I ask what the other side of that is? What is the situation for people who might have gone before, or who in fact did go before with similar situations but may not have gone to appeal, may have lost, as they saw it, their case at the MPIC level or indeed may have gone to appeal? I do not know, I think there are about a hundred cases that the board has seen. I do not know how many would actually fall into this category. What is the situation for others at the lower level and others who receive their judgments before this precedent?

**Mr. Radcliffe:** Part of my answer is entering into jurisprudential theory. Part of that is that there is a body of law that is infinite and has always been, and that mankind's journey through the development of law is that we are continually realizing on something which has always existed and known. This is a fiction, of course, this is a legal fiction. But this is the theory upon which the courts continually function. So the Court of Appeal or the Supreme Court of Canada will often develop a branch of law or take an issue in a particular direction. It is assumed that this always has been and that that court decision is just recognizing a status and a new plateau of knowledge.

The difficulty, of course, is that people I believe would be time-barred from going back and reviewing their circumstances. In this particular case, it is prospective development rather than reflective, going backwards. So people who are beyond the time limit of appeal are in fact regrettably—and I say that sincerely—barred from realizing their rights.

**An Honourable Member:** Shall we adjourn for five minutes?

**Ms. Friesen:** Yes, I can continue discussing jurisprudence, most interesting, or we could take an adjournment—recess, sorry, for three minutes.

**An Honourable Member:** Sure.

**The Acting Chairperson (Mr. Penner):** Let us make it five. It gives me an opportunity to do what I was going to do before. Is that all right—five minutes? [agreed]

*The committee recessed at 3:25 p.m.*

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#### After Recess

*The committee resumed at 3:33 p.m.*

**Mr. Radcliffe:** Mr. Chairman, for the benefit of the honourable member and the record, I would like to add in further amplification of my answer that as a result of the decision which we have been talking about that the honourable member referred to, there was a revision of the Autopac pamphlet on March 1, '97. On page 48, the pamphlet says as follows: Section (d) Nonearners receive no income replacement indemnity for the first 180 days after the accident unless they can show that they would have held employment. So that is almost reflective of the statute.

Then subsection (f): People unemployed at the time of the accident who can show that they had secured employment which was to have begun after the accident receive an income replacement indemnity based on that employment.

So it would appear that MPI have now, as a result of this decision, made their language more generic and general. I can advise that the decision by the board is determinative of the issue now, that MPI must follow the decision, and that does set the precedent.

**Ms. Friesen:** I recognize that it is difficult for the minister not having the case in front of him, but, in fact, what he has just read out to me as the revised version of the MPIC pamphlet is, in fact, the original version that I read out to him. It does not deal with the issue that has been raised by this case. You see, what the MPIC pamphlet says is, people unemployed at the time of the accident who can show that they had secured employment. That is the issue.

In the case that we are discussing—and I have not used the person's name in the case we are discussing. We will just refer to it as the case, although it is a matter of public record. In the case we are discussing, there is no evidence of a job in hand. There is no written offer. There is no workplace. There is an assumption that given the ability and skill of this person A, given the marketplace for those particular skills, the Appeal board has made a decision, and, again, I am going to quote: We find that the appellant within two months after he commenced his search for suitable employment in Manitoba would have found it. It goes back to that “would” in the earlier one.

What is happening here is that MPIC in its public information and, indeed, in its own decisions—MPIC it seems to me is consistent—is saying that you have to have this job in hand. You have to have a written version. You have to have hard evidence, however we want to describe it, but when the case was taken to the Appeal board, different assumptions seemed to come into play.

Now, that was over a year ago, and my concern is, has it created a precedent? Is it a precedent? What has happened since? Is MPIC going to be directed to alter its policy?

**Mr. Radcliffe:** The language, and I stand to be corrected here, but the language that I read is now a much more generic language in the pamphlet. The language in the pamphlet that I cited now echoes the language of the statute, I believe, because the operative clause is, would have held employment, not required to show objective documentary evidence.

I would suggest that MPI have now adapted their documentation to a much more generic test, a test of reasonableness which is a change. I agree with the honourable member that this is a change in direction of the corporation, that the corporation had been following a much more restrictive path before. I agree with the honourable member, that the custom was that you had to show actual proof of a job. Now the test is one of a much more prospective and generic nature, where it gives a wider ambit for the claimant or the appellant and that is binding on the corporation.

I would suggest that the language now in Clause D, “would have held employment,” is something that—and then you may have the old wording in front of you there, I do not know, and as I say, I beg to be corrected—but this suggests a wider threshold that you have to prove.

**Ms. Friesen:** I appreciate what the minister is saying in that D, Section D can be interpreted in the manner that the Appeal Commission has interpreted it. However, Section F, which then goes beyond the 180 days, am I right in assuming that Section F goes beyond the 180 days?

**Mr. Radcliffe:** The people post-180 days were entitled to compensation at a prescribed level regardless of whether they had employment or a reasonable prospect of employment.

**Ms. Friesen:** So in the pamphlet that I think we are both reading from, Section F, which reads people unemployed at the time of the accident who can show—again, that requirement to show they had secured employment which was to have begun after the accident—receive an income replacement indemnity based on that employment. Does Section F apply to the 180 days and the period afterwards, or does Section F only apply to people after the 180 days?

So what I am saying is: Does that requirement to show secure employment or new employment only come into play after the 180 days?

\* (1540)

**Mr. Radcliffe:** Mr. Chair, I would believe, and again subject to further inquiries, but I would believe that paragraph F is a more selective, exclusive interpretation of the issue, but it is not exclusive. It does not rule out the wider interpretation that has been put on this by this case. So what F is saying, and every clause—now this is only a clause from MPI as well. This is not legislation, so my answer is somewhat speculative, but I think it would be interpreted as saying that if one can show, as the honourable member has raised, the prospect of employment, then you are also entitled to compensation, but the prospect of wording, the wider ambit wording in D also is the threshold test which a

claimant must pass, and that has been borne out by the level of this case. I agree that it is confusing as well.

**Ms. Friesen:** I think what the citizen who brought this to my attention is saying is that as it stands the public information that MPIC is making available—and albeit we understand that they are trying to put things in plain language, but in so doing they may, in fact, be not reflecting the legislation, not reflecting the intent of the legislation, and certainly if this is the revised one, if this is the most recent, it is not in accordance with decisions which have been made. In fact, F should read, people unemployed at the time of the accident who can show that they had prospects of securing employment which would have begun after the accident.

That would make it clear, and it would also make it consistent with D. So that is really one element that the citizen is arguing. I understand we are talking MPI brochures here and not Consumer and Corporate Affairs, but there is other information from MPI which still reads, and this is on page 6 of a larger brochure, which says to nonearners, quote, if you did not hold a paying job when the accident happened, you do not get income replacement for the first 180 days after the accident. That is because you have no employment income to replace.

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

Now that is misleading if indeed the precedent of the Appeal board is to stand, because in fact if you had the prospect of employment—the commission has decided that this person in the appeal case had prospects and also that they had prospects at a certain level of income. So that would seem to me to need to be changed.

The second part of that nonearners which says, and I quote, however, if you had been hired for a job—the past perfect I guess—that would have started—future conditional—after the accident, you can qualify for income replacement during the first 180 days even though you had not started working when the accident happened. We will need proof that you were actually hired for a job that was to start after the accident.

Now any average citizen reading those two brochures would make assumptions that they must have a job in

hand and concrete evidence of it. So I think there are a number—I do not know what other brochures exist, and whereas I compliment MPIC in trying to put things into plain language, they must be consistent with the law, they must be consistent with the appeals, and they certainly should not restrict the opportunities because that is what is happening here. They are restricting the opportunities and information that is available to people.

So I think those are the issues that I wanted to deal with. Is there a process—perhaps I can put this in the form of a question—for transferring from the Appeal Commission information on precedent-setting situations so that such adjustments can be made in MPIC's training for its agents as well as—because there is a personal, there is an individual component to this as well, the information that you receive from your agent—the actual written material that is available to citizens?

**Mr. Radcliffe:** I would advise the honourable member that at the time a decision comes out from the board, it is sent simultaneously to the appellant and to the corporation. The particular decisions are referred to Mr. McCulloch who is the vice-president and in charge of internal review by the corporation. Mr. McCulloch is a solicitor, and it is our understanding that it is his obligation and duty to communicate this information and these new tests or the development of the law to the adjustors and to train the individuals within the corporation.

I would add that, judging from what the honourable member has raised, I agree with her that the language does seem to be at odds with this decision and while, albeit, the board does not have any binding authority over the operation of the publications from the corporation, I certainly will not waste the opportunity to bring this to Mr. McCulloch's attention.

**Mr. Maloway:** I believe the member for Wolseley (Ms. Friesen), in the case that she had brought to the committee's attention, indicated that the hearings on this particular appeal were April 18 and May 22, 1996. So that is evidently—that would be the point at which the commission basically changed the policy, correct?

\* (1550)

**Mr. Radcliffe:** I do not want to beg the issue, but that is when then the hearings were conducted. The policy would have been developed or the precedent would have been set at the time that the decision was rendered, and sometimes those may not be consistent.

**Mr. Maloway:** That being the case, and I do not want to quibble about a few weeks either way, I mean in that time frame is when the commission evidently made the decisions which, in fact, changed the precedent. We have an internal memo here, written by Kevin McCulloch an MPIC memo, as far back as November 27, 1995, basically outlining—in paragraph 4, he says, and I quote: I also have some doubts about the hard-line position taken by the corporation. It would appear to me that if we are facing a situation where the nonearner has, prior to the accident, applied for employment and subsequently that application is successful, but the victim, due to his injuries is unable to take up the employment, then this should be treated as employment that he or she would have held during that period, 180 days of the accident not occurring. He goes on to say: In effect, that was the approach that he took in the Bellcourt matter, claim No. L1264082.

So my interpretation here is that he, Mr. McCulloch, had in fact been implementing a more relaxed approach to this problem six months earlier than the board actually made a ruling on the matter. I guess I would like to ask: How many appeals—now there is a list here of 37 appeals—from the beginning of this commission to current has the board dealt with, and how many of them are in this particular area of adjustment? How many people are we talking about? I guess my question really is: If the precedent has now been changed, is it retroactive? Is there any retroactivity here back to the people who have been actually, I guess, victimized by having their appeal dealt with before the commission set a new precedent?

**Mr. Radcliffe:** I am advised that there was a case touching on this question that came before the commission in November of 1995. The preliminary threshold was described at that point, and then the May of '96 decision, May 6 of '96 apparently was the date of the second decision and that amplified and made the threshold broader. So there appeared, to our records, to be two decisions touching on this particular area of the

statute. We will inquire, and if there are more decisions on this issue, we will advise.

As to retroactivity, as I responded to our honourable colleague earlier, so far as we know there is no retroactivity, and we do not believe that the corporation is going back and increasing the compensation to individuals according to the new test that has now been determined by the board.

**An Honourable Member:** Paying retroactively because 180 days will have long since passed.

**Mr. Radcliffe:** That is correct. My honourable colleague has said paying retroactively. We do not believe that the corporation has paid retroactively. Again, we will inquire, and if any information comes to hand on that, albeit MPI is not my responsibility, but in order to complete the ambit of this examination I will advise.

**Mr. Maloway:** Mr. Chairman, I just wanted to add to the point that we would like to know how many cases the retroactivity, if it did apply, would apply to?

**Mr. Radcliffe:** I think you are saying how many cases are there in MPI that were ruled on a restrictive nature where individuals did not get the compensation which, had this decision been in place earlier, they would have.

My answer is I have no idea. This is an issue which I think more properly lies within the review of MPI, but I certainly will pass this question on to MPI. If they have any way of giving us that information, if they record these sorts of judgments, I will advise the honourable member.

**Mr. Maloway:** It should not be too hard to do because there were only 37 cases that the board dealt with last year, I believe, according to your annual report. I mean, how many could you possibly have that are in this specific category?

**Mr. Radcliffe:** But I believe the question that was posed was how many cases are there at the MPIC level that never surfaced to the appellate level. I think that is the question you asked.

You see, the Appeal board is a completely separate appellate body from the compensation process at the corporation's level, so we have access to a number of cases at the appellate board level. Our information is that there are these two cases that I have described at the appellate board level. We do not believe there have been any subsequent at the appellate board level, because, in fact, the last case in May of '96 has set the threshold standard. I will double-check that with the department, and if there is any more info, I will pass that along.

\* (1600)

**The Acting Chairperson (Mr. Tweed):** Section 5.1 (d)(1).

**Mr. Maloway:** I believe when we finished the section on the Automobile Appeals section, we would be going into the Consumers' Bureau section, and that is where we should be right now.

Mr. Chairman, I am sorry, but you are a new chairman to us. What we have been doing is we have not been passing anything really. We have just been wandering from section to section. Because of the flood situation, the minister has been good enough to allow us to leave everything open, and we have just called people in as required, both from our side and the department side of things.

**The Acting Chairperson (Mr. Tweed):** I have no problem with that. The other day when I chaired this committee, after we were done Residential Tenancies, we passed that section of it, and I see by the record that that was my impression given to me. So whatever is agreeable to all members is certainly fine with me. So you want to move into Consumer Affairs. So we are not going to pass 5.1 (d) Research and Planning, and that would get us right out of that department.

We are now considering 5.2 Consumer Affairs (a) Consumers' Bureau (1) Salaries and Employee Benefits \$876,900.

**Mr. Maloway:** We have a number of questions on the operation of the Consumers' Bureau. I know the member for Wolseley has some questions, so I would invite her to start off the questioning by asking some.

**Ms. Friesen:** I am interested in the number of inquiries and complaints that I receive as Education critic on private vocational schools. I wonder if the Consumers' Bureau has records or could give me any sense of how many of those kinds of complaints or inquiries—we will not necessarily think of complaints at this stage—are directed to the bureau.

At times when I have raised the issues of private vocational schools in the past, the Minister of Education, not the present one, but earlier ones—in fact, two earlier ones—have put together a brochure which is essentially a consumers' guide to private vocational schools which, I believe, are supposed to be displayed in the private vocational schools, essentially arguing these are the kinds of questions you should be asking; this is the kind of informed consumer you should be when you are looking at this kind of school.

So I wondered if those kinds of brochures are still in place, because my sense is that people I have talked to have never seen those brochures and are not aware of what kind of recourse they might have as a result of either the Department of Education or the Consumers' Bureau.

I noticed that in the annual report, 1994-95, that there are three complaints about schools, and in 1995-96 there were four. Could the minister perhaps tell us what kinds of schools those are? Are they what are called private vocational schools? Are they public schools? Are they private schools? How are these dealt with?

**Mr. Radcliffe:** I am advised, Mr. Chairman, that, in fact, the line reference on page 19 of the annual report indicating three complaints in '94-95 and four complaints in '95-96 refer to activity with regards to dancing schools and not private vocational schools.

I am told by my director that, in fact, private vocational schools are the exclusive responsibility of the Department of Education, and, in fact, we have no knowledge of the brochures to which the honourable member makes reference.

**Ms. Friesen:** So the department's response to any inquiry or complaint about a private vocational school would be to direct it to the Education department and



not, in fact, to record it in any way, so it just simply gets redirected?

**Mr. Radcliffe:** That is correct.

**Mr. Maloway:** Dealing with the Consumers' Bureau, now, I understand that the Consumers' Bureau administers a number of legislative acts. One of interest to me is The Charities Endorsement Act. The member may recall last year, about a year ago, the Premier (Mr. Filmon) was on a cruise, and there were some monies that were supposed to be—it was a charity cruise that he was on.

I asked a question at the time and I am waiting to hear from the minister to find out whether any changes are going to be made to The Charities Endorsement Act to require that real benefit accrue to the charity, because our questions at the time were that we felt that the real benefits here went to the person taking the cruise and that there was really not a huge component here for charity. I guess we do not have a problem with cruising as long as the charity gets a good percentage.

The minister is quite aware of all sorts of examples where some charities return very, very little money to the people that they are supposed to be working on behalf of. There are a lot of examples of charities, some very obscure charities. I believe there is a book out right now by a nationally known author in Canada on this very subject, suggesting somehow that some charities do not eat up too much of their monies in administration and so on. The bottom line in all of this is how much of the money actually sees its way to the people who are in need.

So we wanted to make certain that either the legislation was amended or the regulations were amended to require that whenever charities are operating, that a maximum amount of money and benefit see itself to the people that it is trying to help, and what is the standard; what percentage is acceptable?

I think in some cases it is probably unacceptable. I think the minister would probably agree that in some cases with some charities, virtually nothing gets to the people it is supposed to help. In other cases, there would be much better results shown, and a much higher

percentage of the monies would get to the eventual recipient. So I would ask the minister what is being done regarding that whole issue, and when I might receive some sort of response to my question.

**Mr. Radcliffe:** Mr. Chairman, the attitude of the department has been that the relationship between the charity and any individual promoter of a cruise, scheme or benefit which raises money in the private sector is a private matter which is a relationship which really is determined by the nature of the relationship between the promoter and the charity.

\* (1610)

Where the department gets involved is that if they do receive a complaint, their response is to go to the charity and say, would you please make sure that you make full disclosure to the member of the public as to what level of income received from the public goes to administration and what level of benefit goes to the actual recipient or cestui que trust.

I believe that perhaps is really what my honourable colleague is directing his attention to. The experience of the department has been that if the department is to become more involved and to get its hands more into the relationship between the promoter and the charity, that, in fact, it raises antipathy onto the part of the charity, and basically the department has, therefore, been reluctant because of the attitude of the charities themselves, which are the ultimate recipients, to regulate this field anymore than is to date, which is perhaps one of ensuring that there is honest, complete and adequate disclosure.

**Mr. Maloway:** Mr. Chairman, well, what sort of rules and regulations are in place right now to govern these arrangements?

**Mr. Radcliffe:** Mr. Chairman, I am advised that where there is a relationship between a particular promoter and a charity, the financial statement of the promoter has to be filed annually with the department and the participation of the promoter, the actual disclosure of income received by the charity and the amount of income retained or the expense level of the promoter is declared, and that is a regulation which is enforced and complied with. Other than that, the relationship is

complaint driven, and I am advised that there have been a minimum of complaints, if not no complaints, currently before the department on this particular issue.

**Mr. Maloway:** Mr. Chairman, well, then, I have several examples that I would like to ask about for clarification. In the last few months a promoter or a person surfaced and offered to raise money for the Elmwood Cemetery. The minister is aware of this. Would this person even be considered a charity? Just where does this person fit into the scheme of things? You say the system is complaint driven. If a person does not register with you, you have no way of forcing them to, I guess, and it is only if they come into your office and ask you to register, and I imagine they have to get a federal tax number, do they not?

**Mr. Radcliffe:** I think that my honourable colleague has put his finger right on the issue, that in fact in order to qualify as a charity, an individual has to get the tax number and, therefore, you have to achieve a certain threshold of eleemosynary objects and goals in order to qualify to get the tax relief from your donations. If you do not get that, then, of course, individuals like this fellow who was roaming around the community, I think he was looking to remedy a situation which we have here in the city, but in fact my information is that no money was collected, and there were no complaints from the Elmwood Cemetery proposal.

**Mr. Maloway:** Because it is complaint-based, I am just wondering—I mean, the department people must read the papers as well, and if they see something like this I would expect that they might be proactive and try to check these things out without waiting for a complaint to be made in a case like this.

Another good example—and it just comes to mind right now—but the minister will recall a couple of years ago that there was a big social at the Convention Centre to save the Jets. I remember writing a cheque for \$100 to this social and saw a few elected politicians over there. There were about 5,000 people at the social—certainly the largest one I have ever been at—and each person going there had to pay \$100 and pay for their own drinks and so on. So my assumption is that this was quite profitable for the people putting it on. Now the money from the social was supposed to go to saving of the Jets.

As we know, the Jets did not get saved, and I am wondering whatever happened to all that money and whether or not the staff could check this out and track this down. I mean, once again this would not be a registered charity. It was just a couple of—I think a real estate agent and somebody else got together in the emotion of the time and decided to put on a social.

The reason I ask the question, Mr. Chairman, is that I have actually had people ask me these questions as to whatever happened to this money because it was a considerable amount of money, and there was a concern that—there is nothing improper about you or anyone else or me putting on a social. I gather you go to the Liquor Commission, get a permit and you put on wedding socials and put on different socials for political party functions and so on, so what would stop a couple of people from putting on a hundred-dollar social to save something or other that was popular at the time. I do not know. You can do the mathematics on this, but that is a heck of a pile of money, 5,000 people at \$100 a pop. So I have been asked a couple of times over the last couple of years, like whatever happened to this money?

\* (1620)

I have said, well, you know, look, I will check it out for you because some of mine is in there too, and I just have not gotten around to doing it, but I think this is probably as an appropriate place as any. With the head of the Consumers' Bureau around, we should be asking these questions.

**Mr. Radcliffe:** I am advised that if any charity wants to raise money, they have to be endorsed by the Civic Charities board, and the Jets in fact were a registered organization at this point in time in the city of Winnipeg. So I can confirm that in fact that was a legitimate endeavour and there was regulation.

My department tells me that in fact there have been no complaints received from any member of the public with regard to funds that were not returned as a result of this particular social event of which you speak. I can advise that I made, or actually my family, made a contribution and I think the—well, I know the money came back. I think even the actual cheque was returned; it was never cashed. It was held for about 90

days, 45 to 90 days, and then when the actual project or proposal—it was clear that we were not going to go ahead and retain the Jets, that particular money was returned to us, but you are talking of an actual party at the Convention Centre. If you could give us some particulars as to the date or the name of the promoter, this is certainly something that we are prepared to look into. We have no specific knowledge at this time as to whether those funds were returned, and you are obviously saying that you did not receive any refund, so we would certainly be prepared to look into where those funds were directed.

**Mr. Maloway:** Mr. Chairman, for the minister's information, the social was the only social, I believe, that was put on to save the Jets and it was probably the night of the big rally at The Forks, but you know there were 5,000 people there. It was just huge, and there was some two or three days of publicity surrounding this, some TV interviews and stuff with the people putting it on. I think there were just a couple of sports fans that were promoting this, just Jets fans. I think one was a real estate agent, and they were quite successful.

There was a tremendous amount of donations for the Chinese auction, and so on, around the outside, and for all I know, the Convention Centre may have been given to them for free. I have no idea, but all I know is it was a fair amount of money raised. Even that very night, as I made my rounds at the Convention Centre, people were asking me about it, you know, like, it is a lot of money, and they were doing the mathematics, and where is it going to go and all that kind of stuff. Right. So if you can track that through and find out just what happened to it, I think people would be, you know, fairly satisfied to know that after expenses the money was all turned over to a charity, some sort of a charity anyway.

**Mr. Radcliffe:** It will be so undertaken.

**Mr. Maloway:** Mr. Chairman, now, with regard to the disclosure that the minister talked about, and just getting back to the example that I used originally, the Premier's (Mr. Filmon) cruise, just where was the disclosure supposed to be done, and to whom? Because my understanding is when the charity was contacted, the charities were very happy to receive anything. I mean their position was it is found money;

if Carlson Wagonlit or any other travel agency wants to donate a piece of the profits or revenue from the cruise to the charity, then that is fine with us because it is money we would not have got normally. So whether it is 1 percent or 10 percent, I mean it means nothing to the charity because they are just basically franchising out their name. They are allowing their name to be used, and their position was, if we were to say no, we would not get any money.

Our argument is no, that is not the way it should be. We should look at the total endeavour and find out who is benefitting by this. If basically by stamping the charity's name on this business venture, it is the glue that kind of keeps it together and drives it all, drives the whole thing to success, then surely the charity should be getting a lot more than just a token amount, even though it is found money. If you understand what my point is, we thought that the charity would say, well, you know, we did not get very much money out of this, and in fact I do not think they did, but their point was that we did not do anything. We just lent our name to this, we did not put any effort into it, and we got a cheque and we are happy with it. The point is where does this all end. A lot of businesses then can operate basically with charities as fronts. I mean the charity just lends its name, and the business goes out to the public and basically deals with the public on the basis that buy this product or that product because it is endorsed by a well-known charity, when in actual fact, the public who is buying the product does not realize that next to nothing is going to the charity. It is kind of basically a business ploy and very little is getting back to its source.

So what I am seeking to find out is what sort of regulations could the minister put in place and maybe—I am trying to think of the author of the book, he was on CJOB six months ago, but he is a very popular author in Canada, well known to all of us here, I just cannot remember his name right now, but he was making allegations about well-known charities and so on not using as much money at the end as they should, which kind of prompted some people to think that maybe we should be looking at this whole area to see if we can streamline things and put in a few regulations to make certain that any charitable events that are put on see the maximum amount of money flow to the final beneficiaries of this or recipients of this and not be kind

of used up in management and other things and profit for, say, businesses that are kind of masquerading as a charity.

**Mr. Radcliffe:** I would probably redirect my honourable colleague's attention to the federal government and, in fact, that if there was any tax accrual or tax benefit coming out of donation to a charity, the whole level of what qualifies to be a charity, not only for the general objects and aims but the percentage of benefit, should be a matter perhaps for the federal government to be commenting on.

\* (1630)

I can tell my honourable colleague that there is no political will by this government at this time to say that in order to qualify under The Charities Endorsements Act that there must be a given percentage of actual benefit accruing to the charity, because my honourable colleague does, quite properly, represent the attitudes of the charities who get involved with these sorts of promotions, that any dollar so found is something more than they had before. So, therefore, the charities themselves are also reluctant to complain or to derogate from this regime.

However, what we do say and do and insist in the Consumers department is that there must be disclosure so that the final arbiter of the merit of any particular contribution and the percentage that devolves to the actual cestui que trust is the member of the public. So that if a particular charity or a particular promotion says 85 percent of your dollar that is raised goes to administration and costs, then I would suggest that quite properly the member of the public who is being solicited would redirect their dollars to another charity. The issue of actual factual and honest disclosure is the key element here and then we leave the responsibility in the hands of the actual person who is making the contribution.

**Mr. Maloway:** Mr. Chairman, my original question though was: To whom are we disclosing? I mean, back to this case of the cruise again. Where are these disclosures and to whom are these disclosures supposed to be made? Because at the end of the day I think the fact that how much the charity was getting—I do not know whether we ever did find out how much the charity was getting in terms of a percentage. All we

know is that they were happy to be involved with it because, while they were not getting much it was better than nothing. Who is the disclosure supposed to be made to, because I hear these ads all the time and the minister does too. I mean, it is football players are going on a cruise and come and cruise with such and such a football player, or such and such a—politicians do not usually get on there because people do not want to cruise with us—but you know sports figures and people in the media are constantly in there.

The minister and the Consumers' Bureau deals with the BPA, right? Under the BPA, there is a big section there dealing with truth in advertising and misleading advertising. We are going to get to those sections in a little while and want to find out just what has been going on with the advertising sections of the BPA. But should it not be a requirement that it be disclosed right in the ads? I do not know where you are required to be disclosing, but I would think that when you turn on CJOB and you hear that such and such a sports figure is going with Carlson Wagonlit on a cruise somewhere next February and would the public just come and sign up, I would think that the ad should have to say that 10 percent of your cruise fee or something is going to whatever the name of the charity is, that people should understand that. The minister did say that there was disclosure, and I want to know who is being disclosed to.

**Mr. Radcliffe:** Well, I think the answer to my honourable colleague's questions is multilayered. First of all, I have never gone on one of these particular cruises, although I have been on cruises but not any of them that are charity-based. My understanding is if you do any activity which involves a particular benefit to the individual, there is always an attribution to the individual payor.

Something that I am a little bit more familiar with is if you go to a political dinner, the cost of the dinner is always prefigured, and then the amount of money, if you spend \$250 for a particular dinner, you get a receipt for \$187.50, and the difference, the \$53 or whatever it is, is attributed to the benefit that you received for that particular activity.

So I would suggest that, firstly, there is always an attribution to the individual payor in this case. So if

you were going to take a cruise, the actual cost of the cruise itself would have to be prefigured, and then the only award which is tax deductible, on which the individual receives any acknowledgement and which has any charitable allusions, would be that aspect that actually goes to the charity. So you cannot write off the cost of a cruise. If it is a \$5,000 or an \$8,000 cruise, I am sure that probably all but \$400 or \$500 goes to the cost of the fuel and the staff and the food and the booze and all the built-in costs for that activity.

Nextly, as I understand it, that particular designation of what is charitable and what is self-benefiting is scrutinized pretty carefully by the federal authorities who are the ones who actually issue the tax receipt.

What my department tells me is, their reaction, if somebody were to call them which is hypothetical at this point because I do not believe we are talking from any experience, but if someone were to call them and say, look, I am concerned about, in your case that you mention, Carlson Wagonlit, how much is the charity actually getting here and how much is going to Jocelyn House or to an AIDS benefit or whatever, the recommendation there from the department is to the consumer, to say to them directly, would you please go and call the charity or the promoter and ask them directly, how much is going to cost, how much is going to benefit and how much am I reaping from this directly.

\* (1640)

So, in fact, our position is that there must be full disclosure. We do not want to say because it would be presumptuous of us to say, well, 10 percent or 1 percent or 3 percent of the price you pay for this cruise must go to cancer research, because, in fact, we would then become meddlesome and either deprive the particular charity of the ultimate residual benefit—and I am not quarrelling with the concept that my honourable colleague has advanced, that, in fact, probably only a very, very small percentage of money that flows from the total price of the enterprise goes back to the particular charitable end or object.

We are not aware as a department that there has been any fraudulent or improper business practice in this particular case, nor have we been aware of any reluctance or refusal on the part of a promoter or a

charity to disclose actually how much money does fall into their hands.

I think that there must be a clear distinction from what is the personal gain or benefit that somebody would derive from such an occupation or enterprise, what are the costs or commission—and I think it is very clear that there are always these elements of the price that goes into it—and what fraction, and it probably is a very minuscule fraction, actually flows to the charity themselves.

But I think if it were seen that individuals were basically taking cruises or extravagant lifestyles and able to write it off, then I think that the proper source to complain to would be the federal department of revenue.

**Mr. Maloway:** I think the explanation that the tax credit would only be for the amount that actually went to the charity probably is the catchall there. That probably solves the problem, because that way people will know, when they go to a political party dinner and what not, they get a tax receipt for a certain amount, and they know by virtue of that tax receipt how much money went to the political party, so that would solve that problem.

Another area that comes to mind that you hear a few complaints about, I guess, are these furniture stores which are constantly having going-out-of-business sales. Once again, we get into the BPA, the truth-in-advertising policies of the BPA, whether the furniture stores can legitimately get away with announcing that the liquidator is at the door.

The last one I heard was a liquidator was at the door and the bank was forcing them to sell off everything in two or three days or whatever, and they were going to be out of business. Then, of course, bingo, they are back in business again. They never seem to go out of business. They have been around for years and years and years and years. I do not know whether this is a practice that is peculiar just to the furniture business, but I am sure the minister knows what I am referring to here.

**Mr. Radcliffe:** I think that my honourable colleague raises a very interesting point. I recall when I was

much younger that there used to be an outfit or enterprise in town called "The Man with the Axe." I remember that "The Man with the Axe" was always having going-out-of-business sales. I think that the purchasing public has the ability to discern the advertising puffery really that a lot of these enterprises do indulge in.

If there are national chains that are involved in any misleading advertising, the department will refer them to a national regulatory agency, but as a matter of practice, the department keeps a very sort of loose, supervisory eye on the advertising.

If it is more something that falls into the field of exaggeration or creative marketing and it is not something where there are guarantees made that are not met which would give rise to complaints, but rather matters of colourful advertising, that really the value that is exchanged, the money for the actual goods, really is not affected by some of this peripheral commentary, then the department is inclined to prioritize this particular activity and does not take a very stern attitude to it but rather it falls into the ambit more of just colourful advertising.

**Mr. Maloway:** Mr. Chairman, I guess the fact of the matter is though that this method of advertising must be successful or they would not keep doing it and people are, in effect, being drawn into these stores through false pretenses if that is the case. I see it as a little more serious than that. I would think that people rush across town to go to the store before it closes when they hear an ad that says it is all going to be over by six o'clock and we are liquidating the whole stock. If that is their motivation for going to the store, then is it true. When they make the statement that the bank is forcing them to liquidate their stock, then I would think that that statement should be true. I would think that if you are going to operate a business and you are going to advertise that is the case, then it had better be true.

A lot of people are legitimately going out of business and people rush over there to get the latest bargains and the store closes and that is the end of it and they feel good about it. But when they rush down to the store and buy something and the next day the guy is operating again and running virtually the same ad a month later saying he is going out of business again, I

do not know that that is really truthful. I mean, we have to have some sort of rules and there should be some truth in what they are saying. These are not political ads.

**Mr. Radcliffe:** Mr. Chairman, I think that my honourable colleague does make a very good point, that if a particular enterprise, commercial entity, is saying that they have a bank liquidation sale or it is a bankruptcy sale and in fact this is not the case, this falls into the ambit then of false advertising and this is against the Criminal Code. The department is aware in the past, although cannot specify at this point, there have been a number of prosecutions of individual entrepreneurs who have falsely held out that there was a state of affairs that did not in fact apply.

In addition, I would add just that I happen to hold a Costco Wholesale card and that trying to be an informed purchaser when one goes to one of these sorts of events, be it a selling-out, going-out-of-business sale or even Costco itself, I am aware of enough pricing. I will look at something that is being offered for sale and either reduce it to a unit cost amount to see whether in fact the advertising is spurious or not and I have found often even say with something like Costco that on items of small quantity I can do just as well at the corner store as I can at Costco, unless I want to buy a large quantity of material.

\* (1650)

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

So that leads me to the conclusion that I think the shopper himself or herself must also take some responsibility to inform themselves as to what the going price is for the commodity which they are purchasing. I think that Winnipeggers in fact do have a reputation of being able to search out wholesale bargain levels. I have been told that when people are marketing, that if you can be successful and market something in Winnipeg, you can market it anywhere because of the acuity of the Winnipeg shopper who in fact does have a grasp of the price of the commodities in that particular field. So two things: There have been federal prosecutions under the Criminal Code for false advertising and a little bit of personal responsibility to know what the prices are for a chair or a box of corn

flakes or whatever the commodity is that one were buying.

**Mr. Maloway:** Mr. Chairman, I appreciate the minister's answer, and I still reiterate that it seems to me that advertising like that should have penalties associated with it if it is not truthful, because to me it is in the same category as upselling or bait and switch or any other requirements that the BPA or the federal advertising people have. I mean businesses over the years have lured people into their shops and then they have told people when they come in the door: Sorry, but I just ran out of that product; you will have to buy a more expensive one.

They have rules that say you cannot advertise a travel package when there are only one or two available; there have to be sufficient quantities of it. You cannot advertise Mexico for \$200 if it is the only seat on the plane. Now these rules are there, and why are they there? The rules are there because people have been abusing the marketplace over the years by doing exactly that. Okay, so the rules have come in. That is all I am saying is why do you have rules against upselling, against bait and switch, against all these other things, and yet you allow these furniture stores to advertise they are going out of business, and they continually are going out of business. They never go out of business, and to me the BPA or the advertising section of the BPA should be looked at and the next time you hear such an advertising campaign, you should be out there checking it out, because maybe it is an area that we should be looking at.

Now, let us deal with the loan broker question. I recall a couple of years ago when Mrs. McIntosh was the minister and we brought the loan broker question up as being a really important issue, and the minister sent me a letter across the legislative floor, and I have got the letter somewhere. I really wish I had brought it along today because it was really a priceless artifact, but it says that she had put the staff, her entire department on alert, high alert, I believe, because she wanted us to divulge the name of the person who was making the complaint about being ripped off by this loan broker.

Now, Mr. Chairman, page 11 of your annual report, you specify and prove us right once again when you

show that—now I hope I am right here, but it looks to me as though the financial-related complaints increased by 327 percent year over year, and so you had financial-related complaints of 919. They led all complaint categories, and that was an increase of 704, so you only had a couple of hundred the year before and now you are up to 919, and it was caused by an upsurge in complaints received against loan brokers. So were we right or were we right?

So I would expect that we could spend a fair amount of time here with you explaining to us just what actually happened since last we dealt with this issue when—actually two ministers ago, because this was prior to Jim Ernst. This was in Linda McIntosh's reign that all this was starting to happen, and it looks like Jim Ernst cleaned it up.

**Mr. Radcliffe:** Mr. Chairman, my honourable colleague is correct that, in fact, there must be approbation of the administration of the Honourable Mr. Jim Ernst, who did clean up this situation, and we are told that, in fact, the department issued injunctions against these particular operators. They proceeded to seize bank accounts of these individuals, charges were preferred against the principals of these corporations, and these were all operators who were coming from outside our jurisdiction and operating and preying upon some of our less fortunate consumers here in the province.

I am told that sufficient funds were seized and returned to all the individuals who were involved with two particular loan brokers. The monies were all turned back to them. Apparently, the third individual or third corporation is before the courts as we speak, and there is not a final accounting yet, but the department hopes that substantial payments will be returned to the individuals who were victimized by these operators.

The department tells me that they take a very vigilant attitude to these particular types of individuals, and I am assured that if there is any news or complaints of any of these people again starting up business in Winnipeg or in Manitoba that the department will be on the minister's doorstep to receive direction to proceed most vigorously against them.

I am further told that there was a press release issued last August summarizing the activities of the Consumers' Bureau in order to publicize as a deterrent that the Consumers' Bureau takes a very vigilant attitude to these sorts of people operating in our jurisdiction. So the numbers of complaints do in fact represent a very vigorous attitude that the department has taken over the course of the last year.

**Mr. Maloway:** Mr. Chairman, these loan brokers, it seems to me that some of them had offices right here in Winnipeg, but is the minister suggesting—I would like to know which ones were located outside of the province and had to be tracked down or were dealing with residents over the telephone and which ones of them were actually operating in Manitoba, and the time frame here?

\* (1700)

I mean it is pretty clear to me that this was happening when Linda McIntosh was the minister and nothing was being done about this issue at the time. So it is heartening to hear that some people did get their money back, but I would like to know how many people were out their money. How many people lost their money and are out of pocket dealing with these loan brokers because of this government's inaction and this minister's inaction, former minister's inaction at that time, through that time period?

**Mr. Radcliffe:** Mr. Chairman, I would just add as well to my previous answer that one of the other steps that the department does is, they also read the newspaper on a daily basis and follow up on any advertising that they see from an alleged loan broker, and they demand an accounting from those individuals. They actually phone up the ads that they see in the newspaper.

I am told that there were two from out of province that apparently had quite a network that was closed down by the department. Two corporations were Nationwide and Credit Acceptance, and these two prosecutions and reaction from the department resulted in complete compensation to all the individual victims. [interjection] Mr. Chairman, as an estimate, in response to my honourable colleague's question as to how many people were involved in the Nationwide and the Credit Acceptance prosecutions, and this is just off the top of

the director's head at this point in time, but he would estimate in the neighbourhood of about 500 individuals who were involved with these particular enterprises.

There is a third corporation, which again is also from out of jurisdiction, called All American, and the prosecution of this particular enterprise is ongoing at this point in time, so we would refrain from making any comment about that one.

There are apparently as well a number of local loan brokers who advertise. The department is aware of who they are, and they watch their activities pretty closely. There are no complaints coming to date from the local people, and so the department assumes that these people, these local loan brokers, are in fact fulfilling their function in a legitimate manner. However, were there any complaints to be coming, this department would be very active and investigate them fully.

**Mr. Maloway:** So I believe the minister is saying there are three or four major companies here. There are 919 complaints. So we have dealt with 500 of the 919. Where did the other 400 go? Were they split up?

**Mr. Radcliffe:** I am told, and there may be a few exceptions, but the majority of those 900 complaints arose from the operations of these three corporations. The department tells me that all the Manitoba citizens who were victimized by these corporations have received their money back. The remaining unresolved complaints are from people from beyond the jurisdiction who are still waiting for compensation. The estimate of 500 people on the first two, which was Nationwide and Credit Acceptance, was, in fact, off the top of the director's recollection. The balance of the other 400, roughly, would probably be allocated or could be largely allocated to the surviving corporation.

I am told by the department that these three corporations emanated from the United States. They set up temporary, very transitory offices here in the city of Winnipeg, were soliciting monies from not only Manitobans but people around this area into the northern United States and other provinces, and as soon as the department heard about them, they moved very quickly to shut them down, and, as I have previously discussed, took the steps that I previously discussed.



I would like to correct one of my answers because I may have left a false impression. I am told that of all the 919, these were American consumers, so the M.O., the modus operandi, of these individual corporations was to target American citizens from the Manitoba jurisdiction, which seems rather strange. It does not improve the situation any, but I can tell my honourable colleague that those 919 complaints are all foreign-based complaints, which is a rather unusual approach that these loan brokers are taking.

**Mr. Maloway:** The case that I was familiar with, and there were several—I do not have the file here so I will have to bring it for tomorrow, but this was a woman from The Pas, I believe it was. She, I believe, was dealing with once again a phone number out of the newspaper, and I think it was a Toronto company. So it is interesting that the three companies that were operating in Manitoba, all of their customers were in the States, and at least the couple that I am aware of who lost money were from outside.

Now, you have had some luck in seizing the assets, closing down the companies and prosecuting the people who were here for these three companies to clear up our 919 problems, but what has the Ontario government done to help our woman from The Pas then? If you could solve the problem here in one swoop, shut down three or four companies and get compensation for 919 people, some of whom may live in Ontario, if you could do that here, then what have they done for us? That is where some of our people are being victimized from. It is not from Manitoba but from outside.

**Mr. Radcliffe:** Mr. Chairman, I am advised that the Consumers' branch here when they receive information that somebody in Manitoba has been victimized from an individual in another jurisdiction—which seems to be the way these organizations work—the reaction of the department is to immediately contact their counterpart, a consumer bureau counterpart, or a loan broker in this particular case when it is in this particular activity in, for example, Ontario. We know that Ontario does prosecute vigorously, and they are quite active. We cannot give you any specific information as to how many people they prosecute. In fact, the particular individual that you are referring to may not have received redress. We do not know. We do know that we do get enthusiastic response from our counterparts

in other provinces, and the method of getting at these particular individuals is to go to their originating or home jurisdiction and attack them where their assets are found, which is the way our law is based.

\* (1710)

**Mr. Maloway:** So is the minister saying that of these 919 people, all of them live outside of Manitoba. Where do they live? Where do most of them live and did all of them get compensation, because I was unclear about that. I know the minister said that 500 people, I think it was, got compensation, and I asked about what happened to the other 400. Then I was told that all 900 live outside the jurisdiction. So where exactly do these people live, and do they all have their compensation?

**Mr. Radcliffe:** I am told that the individual victims, and this is a generalization, but for the most part lived in Michigan, in Florida, in California and Nevada. Why those particular areas I cannot comment, I do not know, but that was the information that we received. Five hundred of the 900 have received their money back, 400 claims are still unresolved and I believe the last loan broker who is before the courts is all American, that the individual claims are being adjudicated right now, and that represents the 400 who are yet to be compensated. That is working its way through the court system.

**Mr. Maloway:** Could the minister tell us how the clients were selected and how much money was involved here? Could you outline for us a typical case of how much money was at stake and how they operated.

**Mr. Radcliffe:** I am advised, Mr. Chairman—this is quite a reprehensible process—that apparently these loan brokers, in particular those that we are talking about, will advertise in a foreign jurisdiction in newspapers and the local media. They will give a local phone number, say, for example, in California or Nevada. The individual consumer will phone that telephone number, which is a local number to them, and there is an automatic call forwarding that cuts in. That call is then immediately transferred to an office here in Winnipeg where individual people are located, actually found.

**An Honourable Member:** A call centre.

**Mr. Radcliffe:** It is a call—well, I refrain from using that because it has other connotations; nonetheless, there is a call-forwarding element to it. The conversation with the individual sitting here in the office in Winnipeg is that the consumer is asked to make an application, and personal details are elicited over the telephone. Then the consumer is told that their application will be considered. The next day, or within a very short span of time, the consumer is then recontacted from the people here in Winnipeg and advised that their loan has been approved and that the consumer is then to forward a fee, which can range anywhere from \$250 to \$500—that seems to be the common area—U.S. currency to an address here in Winnipeg.

I guess once the cheque has cleared the bank, the consumer is then recontacted again or somehow informed that there has been some sort of technicality by which they did not qualify and that their application fee is nonrefundable. The loan broker, then, just carries on their merry way and leaves these poor people in the dirt. This has been, apparently, a consistent method of operating with the particular corporations that we outlined to you. Obviously, the consumer never receives the services or the loan management that was advertised, and they do not get their money back unless there has been intervention.

The consumers then, in these particular 900 cases, contacted our local Consumers' Bureau, through their originating Consumers' Bureau agencies either in their own jurisdiction or directly to Winnipeg, and the remedial steps were then imposed.

**Mr. Maloway:** The minister forgot to mention, I ask him how big these loans were supposed to be. In other words, for the \$250 U.S. to \$500 U.S. there is a range there. How much of a loan was your average amount of loans that were being asked for?

**Mr. Radcliffe:** The loans that were requested by the consumer ranged anywhere from \$3,000 to \$10,000, but in fact the application fees bore no connection to the amount of the money that was being requested. I presume that the limit of the loans, the application fee was probably as much as the particular operator felt that the traffic would bear at any given point in time from the particular consumer.

**Mr. Maloway:** Mr. Chairman, the preponderance of these loans was individual loans, business loans, or were they a combination of both?

\* (1720)

**Mr. Radcliffe:** Mostly personal loans.

**Mr. Maloway:** When the people were responding to the ad in Florida and the other states that he mentions, would they not be suspicious that they were dealing with an out-of-state individual, somebody that was in another country? Or would that be done without them being aware that they were talking to somebody in another—I mean, even the accents are different. If you talk to somebody on an 800 number and they are in Texas or somewhere, you can usually pick that up pretty quick.

**Mr. Radcliffe:** I could not speculate on what was the basis of these individual consumers' minds and what conclusions they arrived at. I would comment, however, that when you are asked to forward your application fee to an address in Winnipeg, it certainly indicates to me that if you are a thinking consumer, you realize at that point at least, if not before, that you are dealing with somebody from out of state.

**Mr. Maloway:** Was there any provision for the use of credit card facilities, or were these people that would not have any credit card room to be paying this fee in the first place? It seems to me, were these companies operating with credit cards where they take people's credit card information over the phone and run the fee through there?

**Mr. Radcliffe:** I am told that the cases that we saw were predicated on cash. There was no use of credit cards that we are aware of.

**Mr. Maloway:** My assumption is that some of these loans would be debt consolidation loans, where they would make an offer to combine the debts of the individual and at a lower interest rate. That was just my assumption that some of that would be going on. It seems like a fair number of people. How long did it take to get these 919 people on the hook here? Over how long a period was this?

**Mr. Radcliffe:** I am told it only took a few weeks to run up the 919 complaints.

**Mr. Maloway:** When you research the background of these companies, had the principals of the companies prior records and prior histories in this business? Because dealing with the Consumers' Bureau over the years, it seems like a lot of cases are the same people that just came circling around under different schemes and so on. What was the nature of these companies, these individuals and their backgrounds?

**Mr. Radcliffe:** I am told that some of these individuals did have criminal records, but we cannot specify at this point in time. Others did not have any criminal records until they obviously were through with the prosecutions in which they were involved here in Manitoba.

**Mr. Maloway:** Was there any indication that organized crime was involved in this sort of operation?

**Mr. Radcliffe:** No.

**Mr. Maloway:** I wanted to, at this point, ask the minister about the Internet and whether or not they are getting complaints. For example, I am told that the government has a very bad experience, to say the least, with Internet shopping malls, so I can appreciate this might be a sensitive issue for this minister at this time. Having said that, I would like to know, Internet commerce is something that is going to develop over the next few years in spite of this government. I am told that there is a problem with collection on submission of PST.

I know this is something that I should be mentioning in the other committee, in Finance at this moment, but you cannot be in two places at once, so I will have to deal with that another day. If people buy things on the Internet, through these Internet malls, I gather there is no mechanism for collecting and submitting the PST. So, if you are a business, you are at a competitive advantage to be in another jurisdiction than the one that you are selling into, if you follow what I mean, because it is on the honour system that the person who is receiving the goods would, in fact, pay the PST.

I will give you an example that has nothing to do with the Internet. I mean, it is common practice for people

to buy, through toll-free numbers, all kinds of things in Toronto and places like that. So typically they do not charge the PST. Well, because it is an Ontario company that is selling its product, it is not going to collect PST for Manitoba. It does not have a PST number here. So it sends you the product; then you are on the honour system to go down and pay the tax. I guess in the same way that if you are bringing cigarettes across the border, and you are allowed to bring so many, you are supposed to go down and remit the tax. It is the honour system. Most people laugh at that. They think that is kind of funny and sort of humorous, but nevertheless it is the law. You are supposed to do these things.

I do not know how many people actually do, but the local businesses in Manitoba are at a disadvantage. If you were to buy a computer out of one of these 1-800 numbers in Toronto, you would be buying a computer without the payment of the PST. So the local computer company is at a 7 percent disadvantage, right or wrong? They are at a 7 percent disadvantage if you do not go and pay the PST, right?

Well, if you follow that through to the Internet, it is the same sort of problem. That is evidently a developing problem right now where—I mean, how are governments to police this thing, and how are they supposed to collect and mandate the collection of a PST on the Internet?

So I would expect that by this time, you have got to have had a complaint or two about this matter. I cannot maybe see the consumers complaining, but certainly the businesses local to Manitoba should be complaining. They are the ones that will be losing out in the sales when anytime a person can buy the same identical product without the PST, the GST, or the tax part. The minister has to admit that that is what people are going to do.

So I would ask you for your comments on this matter and ask you about how you are going to deal with this problem.

**Mr. Radcliffe:** This is not a complaint that has been forwarded to the Consumers' Bureau to date. In fact, I think my honourable colleague is correct that probably this is a matter that should be referred to Mr. Stefanson.

In fact, he may well be much more creative in a solution on this matter.

**Mr. Maloway:** A number of years back we introduced in the House, in addition to our bills on The Business Practices Act and the franchising act and the many, many, many other acts, legislation on deposits, deposit legislation, so that deposits would be held in trust.

Once again, I have to do this from memory because I do not have the file here, but we had very thick files back in 1989, '88 and so on from people who had, oh, built decks and stuff and they were not completed properly and so on. As a matter of fact, one of the gentlemen, I believe, was one of the officials in one of the government departments who was victimized by this scam. Nevertheless, what happened was that a number of renovators were around collecting deposits and not completing the jobs, so the people were out all the money that they put into these home renovation projects. People lost \$5,000 to \$7,000. That was only part of the problem.

\* (1730)

There were other examples where people had put down deposits. The business went bankrupt, and they were stuck without the deposits. There are other examples I guess that we could use. Nevertheless, this legislation was something that we thought would make sense, and the minister can look back into the files and will see that there were some amendments made to it, whether it should be 10 percent or 20 percent of the amount, as to how much the deposit should be.

We suggested that the deposit should be maybe 10 percent or 20 percent of the total amount of money, and that business should have to put the deposit in a trust account similar to what a lawyer would have to do or insurance agent would have to do. It is trust money; it has to go into that account. It has to be separate and distinct from the operating funds of the business. It is just a sensible thing to do.

We did make exceptions because before you come back and say, well, what are you going to do with gravestones, what are you going to do with other—there were some good examples where people said, look, I carved a gravestone for a person and then they do not

pay me, what am I going to do? So we took care of that. We made exceptions. We took gravestones out of the equation.

We took a number of other examples, because we did have business people come before the committee and say that they deal with this custom-made upholstery or custom-made items all the time. If they were to take a 10 percent or 20 percent deposit and a person changed their mind, what would they do with this gravestone or what would they do with this other product they had? So there were exceptions, and we built them right into the amendments, into the legislation.

I think this is proactive legislation because sooner or later, I mean, I am sure that just in the same way that Linda McIntosh is probably pretty sad today that all this loan broker activity occurred on her watch and the next minister had to clear it up, I am sure this minister would not want to have these sorts of activities occur on his watch, so then the next minister would have to clean it up. So we just thought this was sensible. If it is good enough for lawyers, if it has been good enough for lawyers all these years, and it is good enough for real estate agents and real estate companies, then what would be the problem of the minister making a tentative effort in here?

I do not mean to be onerous on the business. So, if 10 percent is not good, then 20 percent should be looked at; and, if 20 percent is not good, then let us go for 30 percent. But let us find some kind of an equilibrium where at least we have a framework. We have the beginnings of a framework to deal with here for big-ticket items and the guarantee that, through no fault of your own, Mr. Minister, you are not going to find out that you have been disadvantaged and that you are going to lose your money and have no recourse.

**Mr. Radcliffe:** I want to correct the record, because my honourable colleague has made some allusions to the legal profession, and that is something, of course, which I have some background on. What happens when, say, for example, one is buying a house? One gives funds to a solicitor; the solicitor does put those funds in a trust account; and they are held at arm's length, as my honourable colleague has quite properly said, for the directed and appointed purpose which the client has allocated. If the solicitor uses those funds for

anything other than the purchase of that property, then the Law Society will interfere and will obviously lift the—well, does, not obviously, but does, if there has been misappropriation, lift the particular practitioner's licence.

The solicitor does, often at the same time as they are collecting the money in advance for a purchase and for funds that are allocated to the trust account, also outline what the nature and extent of the disbursements and the fees will be for the particular transaction. Then the solicitor is not able to collect and transmit those monies into his or her general account until the service has been completed and a bill has been rendered. If solicitors are caught transferring those monies in advance, then they are chastised and are in jeopardy from the Law Society.

So the issue of giving and taking of deposits, and I am drawing a reference to the legal community, I think does not quite match at this point in time. There are very stringent rules for real estate agents and for solicitors because the funds are given by the client to the particular practitioner, be they the realtor or the solicitor, for very specific purposes, and none of those funds can ever be mixed with the general funds of the solicitor to go to the solicitor's income, and the only time where the solicitor or the agent is entitled to a commission is after the service has been performed and the transaction has been completed.

However, if my honourable colleague is addressing the issue of direct selling where people are soliciting door to door, the Consumers' Bureau does license these individuals, and there is a bond required for them, a performance bond. If there is a deposit required from a regular retailer, say, for example, McDiarmid Lumber or Eaton's or somebody of that ilk, then those are not regulated. My department tells me that there has been no increase in complaints to date from individuals who are by virtue of either fraud or business failures failing to provide the goods and services which are bargained for in a commercial transaction by way of posting a deposit by the consumer to the service provider.

**Mr. Maloway:** The minister was doing quite well there in explaining it perfectly as far as the real estate agents and the lawyers were concerned, and this is a situation that is basically tantamount to that. I mean,

we are talking about people who are doing, I guess, essentially custom type work, I suppose, where the money is paid up front, and what is happening is the renovator or the business is essentially using the money for past jobs, I guess. If you think of the co-mingling of funds and stuff like that, basically what is happening is they are taking the money, putting it into their—you know, a lot of businesses have two accounts. They have a trust account and a general account. A lawyer would have the same thing, a trust and a general account.

\* (1740)

All we are saying is that if you are taking advances from the public for customized work, if you are taking those things, then you have this one account that you do not use all the time. A store would not use the trust account at all except for just those kinds of sales, and if a person is coming in and putting down a deposit of a couple of thousand dollars, then I do not think it is fair that the business should be using that guy's \$2,000 deposit to finish the other guy's job. That is in effect what was happening here.

The business was clearly underfunded, improperly financed, and what it was doing was going out and signing up another patio contract or whatever kind of a contract it was and taking deposits from Peter to build Paul's pool or whatever he was building, an addition, sunrooms. I believe they were sunrooms. Now, that hits it about right. I believe it was a sunroom seller who was doing this. He would come out and measure your place and give you a quote for—I mean, we are not talking about little amounts of money here. We are talking about \$5,000, \$10,000, \$20,000, up to \$20,000 maybe for these sunrooms, and what he was doing was taking big deposits. If you were giving that kind of money to a lawyer or to the real estate agent, you know that by law that money has to go right into the trust account. Now, I mean if an unscrupulous real estate agent or lawyer wants to use the money, then you know, it happens every once in a while and there are sanctions to deal with those kind of situations.

That is all we are saying, the same thing should apply here, that where you are taking advances from the public in large amounts and signing contracts for work to be completed in the future, you have no right to be using those monies on somebody else's job. You do

not, it is not your money yet. The customer has given you the money. It is not really part of your general revenue yet, because you have not performed the contract. Essentially, you sign a contract, and these people all signed contracts. You sign a contract.

Another thing was that the deposit varied with the deal. We had about 20 of these things, and in each case, the deposit was different. It was like the franchise stuff we were talking about the other day. They changed the contract at will to suit the company, and if they could only get 500 from you, then that is what they took. If they could get 2,000 from you, that is what they took; if they could get 5,000 from you, that is what they took. They took all these deposits and they started using them once again for last week's projects, you see, so what it was, they never got ahead of the game. They were always bringing in new customers, but those customers were completing the sunrooms for the previous guys, you see. Ultimately, at the end of the day, you were going to have even more people out of pocket in this situation. So a deposit, holding that money, treating it as trust money is the answer to it. The business's argument that, well, it was going to increase their bookkeeping and stuff like that, well, I mean, I do not really see where that would be an overwhelming problem. As I had indicated to you, we certainly had the exemptions in there for the obvious cases, and we are prepared to make more if necessary.

I just ask the minister to look into this. Maybe, you know, a different minister, a different time, there might be some hope for something to develop in this area.

**Mr. Radcliffe:** Mr. Chairman, when my honourable colleague started talking about sunrooms, I can recall that I used to act for a manufacturer of windows, who actually was in the business of providing sunrooms, building sunrooms. These were built to individual specifications and these were basically, as I recall them, glorified, glazed lean-tos on somebody's individual freestanding home.

In fact, what my client was in the custom of doing was taking a significant deposit to show good will and intent on the part of the purchaser, so that the individual purchaser would not, in the euphoria of the moment of signing up the contract, then turn around and back out of the contract. The manufacturer, the window

manufacturer in this particular case, would then use that money as a downstroke on the purchase of materials, and then there would be progress payments through the course of the product, so that the initial deposit would be taken and that would be used for acquiring the product itself. There was the glass itself, which was an obvious, and then there was a sort of a rubberized, I think, frame which was what made this particular manufacturer unique, and it was a product that came out of Germany. Then throughout the course of the building contract, there would be progress payments made and then the final payment, of course, made upon completion and satisfaction to the consumer home owner.

In many cases, there would be disputes that would arise over quality management, the nature and quality of the sunroom. As I am sure my honourable colleague knows, when you look at a photograph in a sample book or a magazine, it always looks much more intriguing and glorious than the actual reality when you see it as a barnacle on the backside of your home. What I have described of taking a deposit and then making progress payments is, in fact, a common practice in the building trades and in the contracting business, and the examples that my honourable colleague was referring to seemed to be directed to that stage. The department tells me that they do not receive any appreciable number of complaints with regard to consumers who feel they have been gypped or deprived of anything because of this practice, and so I cannot say that I am in a position to comment at this point in time, because it has not been demonstrated to us that there is a need.

I understand, hypothetically, what my honourable colleague is referring to, and certainly there is the opportunity for an unscrupulous contractor to solicit funds up front, and in fact this is perhaps something that in the next weeks to come, with the advent of the cleanup after this flood, we are going to have to be vigilant that there are not siding people and basement people and all sorts of service people going out into the communities and offering to provide renovation services and taking money up front for this and then failing to fulfill the commitments that they have undertaken. So I am aware of the fact that this is a potential for unscrupulous individuals to act, but to date the department has not been made aware that this has

been an unsatisfactory environment. So we would be watchful of any individuals in the months to come and take remedial action very quickly if in fact somebody was found to be taking advantage of individuals.

**Mr. Maloway:** Mr. Chairman, the minister or the department will know that this certainly was a problem with the sunroom people. Again, I do not think they would have had any problem with the contractor buying the materials for their sunroom, but they objected to the contractor buying the materials for somebody else's sunroom that he could not get done. I think that, if you are looking at a legal case or if you are looking at a real estate case, the money is held in trust for the completion of that particular deal. You cannot use somebody's deposit on house number A—you cannot say, well, I think I want to complete this deal now, I think I will just take a couple of thousand out of Jack's account here and go and use it on Albert's. You know, Jack would not be too happy about that. Well, that is what is happening. That is what happens with these guys all the time, and then they get behind and the rest is history. So I think it is a bigger problem than you think, and it was a problem back then no matter what your department tells you. It was a problem. I can get you the files if you want, and I do not think you want it to happen again. So we want to take a look at that now.

We are going to run out of time here, but I wanted to ask a bunch of questions about the renovators and so on, but one thing, a note that I have got here—I do not think I asked you about it before, and I should really deal with it—and that is that requirement sticker prices be put on cars, on new cars. It is a requirement, I believe, in Ontario, but in Manitoba what happens is that, if you go down to any car lot in town here, you will see that they send somebody out from the dealership—and the Chairman is a bit of an expert in this because he has some previous experience in this field. We have discussed it in previous times.

\* (1750)

The point is that the car dealers will send somebody out to take the sticker. There is a sticker that comes on the car, and it has got the MSRP, the manufacturer's suggested retail price, on it and it gives all the details of the options. It might surprise you to know that what

these car dealerships do at their expense is, when they take them off the railway cars here, they send a person out and they scratch the stickers off. I have even seen them on the cars while they are awaiting dealer prep at the dealership, and then they have typed up one of their own stickers, right, and then they put it on there.

You see, now, in Ontario you cannot do that. In Ontario you have to leave—no I am not suggesting he did—you have to leave the sticker on there, okay, because that gives the person a reference point at which to, you know what the MSRP price is and then you can figure out with I guess the Lemon-Aid book or whatever what the dealer mark-up is on a certain type of car, and then you can work your way down.

But what typically they have been doing in Manitoba, at least a few years ago, is, they would change those stickers and they would typically mark them up even a couple of thousand more on top of the MSRP and then the customer can dicker them down by a couple of thousand, signs the contract, walks away happy as a clam, but really he has paid the full sticker price.

Even people in the Motor Dealers Association, and I hate to go back to this old story that I have told the minister several times now about the good old days when Lefty Hendrickson was the president of the Motor Dealers Association and his friend Jenny Hillard was the president of the Consumers' Association, so I will not get into that story again, but it was at that time when they were operating here together on these issues that they were opposing the sticker prices on the cars.

There is a new group in power over there now and I would ask the minister if he would take it up with the Motor Dealers Association, because I will tell you how close we got to actually almost getting this legislation in. In the minority government, I think it was the minority government situation, we were approached by the House leaders at the time that if you do this, we will do that, and we want sticker prices on cars so that the Motor Dealers Association will probably go along with it and you will at least have a piece of what you want here. So there is room for movement here. In Ontario, you can drive to Kenora and you will see all the Kenora dealerships will have the sticker prices on there unless the governments in the intervening years have changed the rules, but at least that is what it was in '88 or '89.

So I would ask the minister if he would take this up with the Motor Dealers Association and check it out with Ontario and see if it might not be something they can put on there. I know that some of the dealers have gotten rid of their sales staff now and there is a move to this no-dicker pricing where you just pay what is on the sticker, and that has been kind of a move now throughout the States.

So if the minister would sort of do some work and research, get that Planning Department fired up here on this issue and then maybe I could hear back from where you guys are headed with it now.

**Mr. Radcliffe:** Mr. Chairman, I am aware of the fact that apparently there are some dealers in Manitoba who do remove the manufacturer's retail price recommendation. I think that what the manufacturers must be very, very cautious of as well is not to get into price fixing, which is the ultimate extension of what my honourable colleague might be recommending. I would also respond by saying that it is awfully hard to cheat an honest man. If somebody does their due diligence, and I am told even by the Chairman that, if one goes to Altona, which is a rural location just outside of Winnipeg, one can view and deal with car dealers that do not remove the sticker price, but I think that at the present time I am certainly prepared to make some inquiries amongst individuals who are in the car dealerships and see what they are up to.

If they were replacing the recommended sticker price with another price which purported to be the car dealership price, the manufacturer's retail price, then I think we are talking about fraud, and that is actionable. They would be subject to admonition from the Consumers' Bureau or in fact even the Crown under the Criminal Code, but the Manitoba government, I think, must be very cautious not to unduly interfere with free and open competition. As a result, we would be very cautious about interfering with the prices that individual retailers can display their goods for. I think that there is always a certain charm as well or a certain invigoration of being able to go and bargain for a particular commodity.

If buying a car were the same as going to Eaton's and buying a pair of socks, then I think that we would take the charm out of the whole aspect of buying a car, but

I think that there is a real challenge to shopping around, going to Steinbach, going to different car dealers in Winnipeg, looking at all the different offers that are being made. If we were to take that benefit away from the citizens of Winnipeg, then we perhaps would be becoming meddlesome and interfering too much with the give-and-take of free enterprise.

**The Acting Chairperson (Mr. Penner):** The hour being 6 p.m., committee rise.

\* (1440)

## ENVIRONMENT

**The Acting Chairperson (Mr. Gerry McAlpine):** Good afternoon. Would the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Environment. Would the minister's staff please enter the Chamber.

We are on Resolution 31.1 Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits—\$333,300. Shall the item pass?

**Mr. Gregory Dewar (Selkirk):** I have not had the opportunity to just congratulate the minister on his appointment to the Environment department. I am going to do so now.

In terms of an opening comment, I know there have been some words put on the record by my colleagues, the member for Swan River (Ms. Wowchuk) and the member for Wellington (Ms. Barrett). Although, unfortunately our time is limited, I do not think I will. I will dispense with that, but I do have a number of questions I would like to raise with the minister regarding the state of our environment.

I would like to begin by just asking him, of course, the most pressing concern of all Manitobans at this moment is the high water we are facing because of the flooding of the Red River. It has been alluded to by the minister in a question asked in this House, and as well in a ministerial statement today from the Minister of Government Services (Mr. Pitura), about the impacts that this high water will have on the environmental situation here in Manitoba.



I just wanted to ask the minister just a general question, if he could just enlighten us as to the impacts as he foresees them to be and just what action his department is taking to both monitor it and to deal with some of the very serious consequences that will be a result of this high water. We know that the area that was flooded was a very broad area here in Manitoba, some prime agricultural land, as well as wilderness areas. Although we recognize that the flooding that is occurring currently is a natural event, still it will have negative impacts, I would suggest, on a number of the ecosystems here in the province. I just want to ask him if he could make a general statement about the flooding and the effects that it will have on our environment.

**Hon. James McCrae (Minister of Environment):** Mr. Chairman, the resumption of these Estimates occurs at quite an appropriate time, because my honourable member's question is so very relevant right now as we begin in Manitoba to see the beginnings of receding waters. Of course, nature can deal us environmental blows, the like of which you do not normally see, obviously. We can make a lot of efforts to be good stewards of our environment, and then disaster can strike or this type of crisis can happen. The honourable member will, of course, realize no doubt the reason for his question, that there are indeed environmental impacts when this type of flooding occurs.

\* (1450)

The work of the Department of Environment in a time like this becomes something more intense than you might normally see. As we see communities moving back home and people who were evacuated moving back into areas that were either flooded or within close distance of flood waters, water issues, the safety of the drinking water supply, the domestic water supply, is of a very significant concern, so testing of water supplies would certainly be doubled up significantly to keep a close eye.

The Deputy Minister of Environment was spoken to about this recently and gave some information which I might repeat for the honourable member. Our monitoring is underway both upstream and downstream of Winnipeg. Samples are taken from various locations, certainly Emerson and occasional samples

from the Letellier water treatment plant. We are doing this monitoring to ensure that water treatment facilities that are still operating in the flooded valley are able to continue to provide safe water and to ensure that by the end of the flood we have good information on any water quality changes that might have occurred.

I can give a brief overview of some of the results so far. We have only one detection of a pesticide—that would be trace levels of 2-4-D, and that would be at Emerson—a somewhat elevated fecal coliform bacteria count and relatively high turbidity or suspended sediment concentrations.

Specifically about temperature and the impact of colder temperatures, water temperatures are presently at about seven to eight degrees Celsius. Cold temperatures have the effect of lengthening the period of breakdown for some of the pesticides if they are present in the water. Colder temperatures are likely responsible for slowing the decay of the large amount of organic material that is being moved into the water, thus not reducing dissolved oxygen levels as we have seen in other high rainfall or late spring flood situations. There is some livestock in the water, and these cold temperatures might well delay decomposition of the livestock.

The main areas of concern, I will repeat for the honourable member. I think the highest priority would be drinking water. We are watching for hazardous chemicals that may have been part of the flood waters or joined with the flood waters. We are very mindful of biological contamination coming from dead animals and sewage overflows and that type of thing, and generally speaking, even though these might be seen as Department of Natural Resources issues, we, as a Department of Environment, are also concerned about the impacts on wildlife and their habitat.

The honourable member might have something more specific, but certainly, as the waters recede, that is the time for the Environment department to get into super-high gear with respect to very careful monitoring, so that they, working with Health department officials, can issue the appropriate warnings and orders to people, should that be necessary. I have no doubt that in some areas it will come down to, if not orders, then certainly warnings about the appropriate way to handle water

supplies. There again, we will keep testing and monitoring very carefully, so that any water that is being used by Manitobans either will be safe or the appropriate measures taken.

**Mr. Dewar:** I would like to thank the minister for that answer. In your answer, you mention that the department is monitoring. Can you tell me where the tests are being taken?

**Mr. McCrae:** Samples, Mr. Chairman, are taken from various locations. Certainly we know Emerson and Letellier, south of the Perimeter, north of the Perimeter, and I understand a test was taken near Selkirk as well, and there will be more in the future.

**Mr. Dewar:** The minister mentioned that there were some traces of fecal coliform that were detected. Do you have a figure as to the level of coliform that has been detected?

**Mr. McCrae:** I reported that there were somewhat elevated readings of fecal coliform. With respect to the specific readings, I think that is something we can retrieve. We can gather that up for the honourable member and make further information available to him. We do not have it at our fingertips.

Traces of fecal coliform were elevated approximately 200 micrograms per gram. If the honourable member checks with his specialists, he will probably find that higher readings might be a problem, but at these levels it is not seen to be a matter for alarm at this point.

**Mr. Dewar:** Another concern which could increase those numbers is the possibility of any backup in the Winnipeg sewage system, and there was a concern last week. It was reported in the media that there were a number of homes in the city of Winnipeg that were vulnerable to city backup because of the age and nature of the sewage system. Has the minister detected or is he aware of any backup of those systems, and is he aware of any cases of raw sewage being discharged into the Red at this time?

**Mr. McCrae:** I will give the honourable member an answer which might sound a little technical to him and I, but this is the reporting done by the City of Winnipeg to our department as would be required. It deals with

the operation of waste water treatments in the city of Winnipeg during the flood crisis.

Manitoba Environment has been advised by the City of Winnipeg that the operations of waste water treatment facilities within the city have indeed been impacted due to high water levels in the Red River. The impact of these high water levels is that the hydraulic capacities of outfalls at two of our three water pollution control centres have been diminished to the point that in order for waste water flows to be adequately conveyed to the river, portions of the waste water treatment facilities have been shut down. I can give the honourable member some specifics.

The North End Water Pollution Control Centre is operating in such a way that the waste water receives screening, grit removal and primary treatment only. The South End Water Pollution Control Centre is operating such that the waste water receives screening and grit removal only. The West End Water Pollution Control Centre is fully operational with waste water receiving screening and grit removal, primary and secondary treatment, which is, I believe, the normal operation of such a pollution control centre.

This is expected to continue until such time as the river levels have receded to a point that hydraulic capacity of the outfalls has been returned to a suitable operating range.

Information respecting the instruction of residents on sewer backup has been prepared and has been advertised in detail on the flood channel, Channel 11. Information bulletins have been distributed to city residents and rural municipal offices. The honourable member needs to realize, as I have been advised, that there is some good and some not so good when it comes to high water levels. One of the things about high volumes of water is, there is a dilution factor that is greater than you would see under normal circumstances. You have a greater flow that moves that stuff along, but it also, with the higher volumes of water, dilutes the contamination to such that the levels are like what I have reported to the honourable member.

\* (1500)

In fact, they expected when they were taking those readings that I referred to earlier, they were expecting higher readings than what there were so, in a sense, this is somewhat of a relief. We need to keep a very close eye on the condition of the river water because of the concerns that the honourable member and his constituents and everybody else along the river would have.

**Mr. Dewar:** Of course, as the minister knows, the Red, as it flows north, eventually finds its way into Lake Winnipeg. I am sure he is aware, there are a number of recreational opportunities in that area, both swimming and boating and so on in Grand Beach and Winnipeg Beach and a number of other beaches in that area. It was reported, I believe it was a couple of years ago, in '94 or '95 about the high levels of fecal coliform that was detected in the beaches at that time.

Do you foresee any impact upon the opportunities for people to enjoy those areas this summer? I assume we are going to get a summer. I know that many individuals use those beaches in those areas. I am just wondering if you can reassure them that in fact the water in that area will be safe to swim in and to boat in and so on.

**Mr. McCrae:** Well, I am sure the honourable member will agree with me, at this moment at least, Manitobans are thinking of matters other than recreation but, nonetheless, we are looking forward to better times. There is no doubt about that. In order for us to realistically do that we need to be mindful about the condition of lake and beach waters. We will be doing lake and beach monitoring on a regular basis this summer.

It is just too early for me to say to the honourable member what the forecast might be because testing, I take it, has been concentrated more with a view to ensuring the safety of the drinking water supply at this particular point. On a routine basis, this kind of testing is—lake and beach monitoring is done in any event. I know that in previous years, nonflood years, there have been reasons at various places to be concerned about fecal coliform levels, and it has resulted in warnings. Sometimes no-swim areas have been the result even in nonflood years. We are not sure necessarily to what to attribute those counts, whether it is from the Red River

source or some other source. So all we can do is do the lake and beach monitoring that has been done and perhaps step it up this summer, but today it is just simply too early for me to be able to say to Manitobans at what point swimming might be permitted or safe at any particular beach in Manitoba.

**Mr. Dewar:** When I focused on this department in the past, I used I think a very good source in terms of environmental issues, and that, of course, is the State of the Environment Report for Manitoba. Now, I have the 1995 one, and I believe typically it is released in the spring two years after the other one was released. I was just wondering when we can expect that report and what will be the focus of the new 1997 State of the Environment Report.

**Mr. McCrae:** As we speak, Mr. Chairman, this report work is being done. However, like almost every other department, our personnel are very much preoccupied these days like everybody else seems to be, but I am informed that we expect to see that report available early in the month of June.

**Mr. Dewar:** The 1995 report focused on agriculture and the impact that had on our environment. What will be the focus of the 1997 report?

**Mr. McCrae:** The overall sustainability of the prairie ecosystem would be the focus of the 1997 State of the Environment Report for Manitoba.

**Mr. Dewar:** In the 1995 report, it states that the department is moving toward environmental indicators, it says here, similar to the cost of living or the gross national product to show the significance of an activity and its impact on the surrounding environment. This is from the 1995 State of the Environment Report. Can you tell us today how far have you come along in establishing those environmental indicators?

**Mr. McCrae:** I think it would be fair to say pretty good progress has been made in this area since the department has been working with the International Institute for Sustainable Development on sustainable indicators, and there will be good reference to that in the 1997 report. So I think good progress has been made, and it will be borne out when the report becomes available.

**Mr. Dewar:** I will look forward to reading the report. I find it to be a very useful document. In terms of the distribution of the document, how wide is the circulation for the report?

**Mr. McCrae:** Overall distribution amounts to about 5,000, and that includes all those the department would identify as having particular interest in the contents of the report. But every school library in Manitoba and every other library in Manitoba receives copies.

I will just invite the honourable member, if he knows of some agency or organization that is not on the list and might usefully be on the list, we would certainly consider that. [interjection]

**Mr. Dewar:** The Minister of Agriculture (Mr. Enns) would like us to pass this, yet I was raising concerns about the quality of the Red River. It was not that long ago that he was out there testing the quality of the Red River first-hand. I recall watching him take that dip in the Red, and I am glad that he survived that experience.

We will talk a little bit about the waste management and recycling and so on for a few moments. I read your opening comments and am interested in the issue of recycling and waste management, and, of course, there was a goal established in, I guess, it was 1988 to reduce waste by 50 percent by the year 2000. We are fast approaching the year 2000, and I guess my question is: How far are we along in achieving that goal of 50 percent?

\* (1510)

**Mr. McCrae:** I certainly appreciate the comments about the Minister of Agriculture who has demonstrated for more than 30 years that not only does he have convictions, but he has the courage of those convictions. He has demonstrated to all Manitobans many times his commitment not only to the environment but also to the healthy viability of industry and agriculture working within a sustainable environment. So I am pleased that the honourable member has recognized that about the honourable Minister of Agriculture, as have I for many years. He continues to be an inspiration to myself.

The question the honourable member asks about reduction of pollutants by the year 2000, we think that

we are making reasonable progress. The commitment, the honourable member needs to remember, so does everybody, is that it was a national goal. Manitoba was a strong player in the development of that as a goal, and I do hope that across this country we achieve the goal that we set out to. We are a little over halfway to achieving it in Manitoba. Again, though, I think it needs to be remembered that part of that national consensus included provinces which are greater polluters than the province of Manitoba, so the starting point for Manitoba was probably further along than many other provinces to begin with. So I think that it could probably be said that Manitoba is making very good progress towards its goal, but other provinces have to make a considerable effort in the next two or three years to bring their part of the control of pollutants into line with the kind of commitment that has been made by all of Canada.

**Mr. Dewar:** But what percentage are we at the moment? I just want to know how far we have come so far, and will we meet that goal that was set nationally? Will Manitoba meet that goal that was set nationally by the year 2000 in terms of reducing 50 percent of the waste?

**Mr. McCrae:** I am advised that by the year 1995 we had achieved a reduction of approximately 20 percent of pollutants and that today we would be in the range of 28-29 percent reduced to this point.

**Mr. Dewar:** I do encourage the government to continue with that and hope they do meet that goal.

I am interested in the 2-cent environmental levy on nondeposit beverage containers, and, of course, that is being used to fund environmental programs or recycling programs in this province. I would like to know if the minister can give us an update in terms of that particular fund and if there is a surplus in the fund or whatever and just let us know, enlighten us as to the status of that fund.

**Mr. McCrae:** Mr. Chairman, I will be tabling in the House the report of the Manitoba Product Stewardship board and that will contain the kind of information the honourable member wants to see. I hope it contains information he wants to see, but what it shows is that the expenditures under the program are now matching

the revenues so that we are not developing or accumulating a surplus anymore. The result of that is going a long way towards the achievement of what the honourable member was asking about in his last questions.

Through this levy and the work done as a result of this levy, the reduction of pollutants has decreased very, very significantly. It has been a large part of the decrease in pollution in Manitoba since 1988 where the honourable member's question started. It should be said that a very large leap will also be made when a long-scale composting of organics takes place and this is something that is being promoted by my department. But, certainly, that levy has made a big difference as well as the whole issue of the Stewardship Tire. Stewardship progress has been made there. Recently, we have made steps, significant ones, towards the development of a program for used oil and containers and oil filters.

So we keep moving in the right direction. I am sure that it could be said it could be done quickly. If one wanted to be critical, that could be said, but I think we are making good progress.

**Mr. Dewar:** The issue of the levy and the fact that the levy is taxed is an issue that has been raised before. Does the minister have any comment on that? You pay the 2-cent levy and then on that you have to pay the PST or the GST—I assume mostly it would be the GST that you would pay on that—so in fact the government does receive additional revenue from the levy.

I guess the question is: Is he aware of that? Has he done anything about that?

**Mr. McCrae:** Yes, I am aware of it and, no, I have not done anything about it. The reason I have not done anything about it is that initially I had thought that maybe the honourable member should address this question to the Minister of Finance (Mr. Stefanson), but then I realized that the taxation on the levy also winds up in the revenue stream of the Manitoba Product Stewardship board, which is the right place to have it. The money is being used for something that I think we all support.

So, until or unless there is a change in that thinking, I realize it is a tax on—what some might call a tax; it is

a levy. It is a tax on that, but it goes to the same place. It does not go into general revenue and then stay there. It ends up being used constructively throughout Manitoba by the partners of the Manitoba Product Stewardship board.

**Mr. Dewar:** Last year I attended a conference in Portage regarding recycling. It was sponsored by the government. At that time there was concern that the prices of recyclable goods, certain products, in particular paper, was in a bit of a down cycle at that time, but I have not been made aware of what the situation is recently. Could you enlighten us as to the market for recyclables and how that market has sustained itself or in what position it is in this fiscal year?

**Mr. McCrae:** Mr. Chairman, I am advised that this market, like some other markets, is cyclical in nature. It is subject to highs and lows, and it is at a lower ebb at this moment. That just reflects ordinary market forces and not much else but ordinary market forces.

\* (1520)

**Mr. Dewar:** Also at that conference I had a chance to take in a seminar sponsored by an individual from the ministries of environment and energy from the Province of Ontario. They had an information package there. I sent away and received some more. It was entitled “Business Opportunities for Recyclable Materials” sponsored by the Ministry of Environment and Energy. Has the minister had a chance to look at some of this information that is provided by other jurisdictions in terms of enhancing opportunities for businesses for recycling?

**Mr. McCrae:** There is a wealth of information coming out of other jurisdictions and a wealth being generated here as well. Obviously, officials in my department would be aware of and will have seen the type of information the honourable member is referring to. I simply hope that other jurisdictions are looking to Manitoba on occasion for an example too because in some areas we certainly have been able to set an example for them. So, if there is something specific flowing from that information to which the honourable members refers that leads to some kind of new policy

direction that he might like to urge on us, I am obviously interested in knowing what that is so that my colleagues within the department here can have a look at that. So we kind of await something maybe a little more specific from the honourable member.

One of the mandates of the stewardship corporation is market development for recyclables, and I think they have been doing their work in that area. Certainly, the Pine Falls Paper projects flowing from that operation would be evidence of the work of the corporation, and there are some pretty good success stories.

**Mr. Dewar:** In one of your answers you mentioned, and again it was an item that was raised at that conference last year, and that is working to develop a Used Oil Stewardship program. Can you enlighten us now as to how you plan on funding that program and maybe enlarge a little bit about the program in general?

**Mr. McCrae:** It was only a couple of weeks ago that a regulation was passed by the government allowing for further steps to be taken in the development of a used oil recycling program in Manitoba. We expect to see that program taking shape in a real way come fall of this year. If the honourable member, in the interests of time, would prefer, I can have a written response drawn up for him giving him the whole picture of how we seem to be proceeding, but we have to be careful at this point because not all of the program has been put together. Simply put, Manitoba wants to have one, because there is too much used oil that is being lost on us, and we want to put an end to that.

We expect this program to be funded through the industry. We expect that they will determine the type of levy that is required and, of course, the simple competition will determine how much of that levy or how much of that cost will have to be passed on to the consumer, but the leadership has been shown before I got here. I am fortunate to be the one to preside over the further development of this program. We will certainly benefit. We have already got good co-operation on the use of oil on our roads, so that will make more oil available to the program for recycling. I would be quite happy to lay out for the honourable member a more complete answer in writing if that would be useful to the honourable member.

**Mr. Dewar:** Thank you, I await that. That would be very useful. An issue that was raised, it was raised in the media, and maybe the minister could just deal with it here, and that would be the former site of the Manitoba Hazardous Waste Management facility. I guess it is down in the R.M. of Montcalm, and there was concern that it could be threatened by high water. Could the minister just assure the House today that there is no risk of that facility being overtaken by the Red River?

**Mr. McCrae:** I think with the water receding, Mr. Chairman, we can give the honourable member that assurance and everybody else who would be concerned that water might be washing over this contaminated soil.

Back on March 27—was that not the date that they made their report, their plan?—Miller hazardous products company filed its plan with the department. It has required that certain products on the site be removed or placed at a high level so that it would not be affected by the water. The only remaining issue had to do with the contaminated soil that was there.

It is the driest spot in the area, I am told by colleagues. The honourable member for Interlake (Mr. Clif Evans) and myself had an opportunity to be down in that area, but we did not fly over the site, we flew over another one and maybe thought it was the site, but it was not the site, because we would have noticed that all the implement dealers parked their millions of dollars worth of farm machinery there, Clif. The site we thought was Miller Waste was not. We would have known because it is the driest spot in the area. All the implement dealers have been parking their equipment there to keep it dry, so I can give the honourable member for Selkirk the assurance he is looking for, other than the local water that would be there through rainfall or runoff or whatever, not runoff but melting snow, would be there, but flood waters did not drench the site, which is a great relief no doubt to many.

\* (1530)

**Mr. Dewar:** I thank the minister for that answer. I am interested in discussing an issue that is of concern to myself as the member for Selkirk and representing the area of the R.M. of West St. Paul and that was the

ground water pollution in the area, or the Rockwood area, and as the minister is aware there were concerns that the very real fact that the ground water was contaminated by some solvents and the solvents were used at the Bristol Aerospace propellant plant and if he recalls that, that whole debate and that whole issue. If he could just give us a bit of an update as to the level of contamination in that area, so the constituents in St. Andrews and Rockwood and Rosser and West St. Paul, individuals that live in that area, can be reassured. I understand of course that a number of them that were in the more seriously affected areas have their water piped in, but there are still a number of individuals who live on the periphery of that. Maybe you can just give us an update. Has it been monitoring that contamination? Is the contamination area growing? Is he still monitoring it?

I recall years ago, I guess it was '91-92 when the issue first surfaced, that I asked the minister at that time if he would test the artesian wells that are very prevalent in that Oak Hammock Marsh or the St. Andrews bog as it is commonly called, or locally called, if he had a chance to test those wells, because I know my family live in that general area and other families in the area, they often use those artesian wells as their source of drinking water. I do not know if those wells are ever tested for the contaminants, but maybe you could just comment on that.

**Mr. McCrae:** Here is another case, Mr. Chairman, where I think a more complete answer should follow our discussion, by something by way of in writing from myself to the honourable member. One of the major concerns here with respect to the contamination is that might it be moving? That would be a concern and that is something we will follow up with the honourable member and give him a report on that. It is the subject of some frequent check by the Department of Environment, and I will bring the honourable member up to date on that shortly after these Estimates and in writing.

**Mr. Dewar:** The last session we passed The Contaminated Site Remediation Act. Now would that act have an impact upon the remediation of the site in terms of who is responsible and who will be paying for it, both for the remediation and for the significant cost of providing drinking water to the residents?

**Mr. McCrae:** We will undertake to make a response available to the honourable member as to the effect that the new act would have on this particular site and what requirements the new act might impose.

**Mr. Dewar:** Following on the issue of ground water, I think it is probably one of the more serious environmental issues that we face as Manitobans, the issue of ground water, both the quality and the quantity of ground water. The majority of rural Manitobans rely upon ground water as their source. The city of Winnipeg, of course, relies upon Shoal Lake for their drinking water, but I would suggest even open water would be affected by ground water and the various impacts that civilization has upon ground water.

Has the minister been monitoring ground water? Is he satisfied that there is strong enough legislation in place to preserve safe drinking water and safe ground water for Manitobans?

**Mr. McCrae:** Mr. Chairman, under ordinary circumstances, I think it could be said that we have taken appropriate steps thus far in our history to protect the water supply wherever it happens to be for now and for the future. Sustainability is all wrapped up in that to ensure that we do not do things today that hold future generations hostage to our irresponsibility. It is so much like other areas where care must be taken. It is maybe trite to say it, but too much care can never be taken. We need to be ever vigilant, and that is going to be the key to the success of this generation, the next one and the one after that, the respect we show for our ecosystem, and that includes water.

To be asked if I am satisfied, I am not used to answering that I am ever satisfied. The reason being is there are too many possibilities for human beings to make mistakes in the future and for human beings' legislation to continue to require improvement in the future. So by saying I am satisfied, I rule out improvement, and I am not about to do that. So I think the watchword here is vigilance and always to invite the honourable member and his colleagues, when they become aware of problems or when they become aware of weak links in the chain of environmental protection, to bring those forward. It is a welcome exercise. It is not always politically welcome to find out where your weak links are, but it is always good for everybody to

find out where they are so we can do something about it.

So that is the kind of answer I would give under any circumstances, no matter how good I thought the officials in the department are, or how committed the people in the department are in safeguarding our environment. I will continue to challenge them just as the honourable member would continue to challenge me.

**Mr. Dewar:** Mr. Chairman, is the minister prepared or is he looking at establishing water quality objectives for aquifers or maintaining an inventory of the ground water resources or increasing public education on the importance of ground water? You know, when you consider that 24 percent of Manitobans rely on ground water for their water supply, and we see the very serious impacts that one simple little-well, not simple-but one act of carelessness can have on the ground water supply when you think about what happened in the Rockwood area and how that contaminated that major aquifer in that area and the hardship it caused the residents there and the expense that it is costing all of society and governments to remediate, I just wonder, does he think there is some more that he can do, and if he does have specific plans in place, can he tell the House those today?

\* (1540)

**Mr. McCrae:** The honourable Minister of Natural Resources (Mr. Cummings) steps into this committee from time to time. I know that he and his water services branch are very concerned with the issues raised in a question today by the honourable member. The Department of Environment serves as a department to more or less make sure that compliance takes place with standards set for the human consumption of water. In terms of overall quantity and quality of water, we look to the water services branch of Natural Resources to make sure standards are adhered to.

I am not sure if I am getting right at the honourable member's question in a sense that I will go back to what I said earlier. Any kind of contamination, I think it can safely be said, is too much contamination. Therefore, we want to keep moving towards ensuring that contamination does not begin but, where it has begun,

that all reasonable steps are taken to remediate the situation and to continue under the concepts of sustainable development to ensure that water supplies are not impacted in a way that is contrary to the principles of sustainability.

So it is that kind of an answer. I do not know if the honourable member expected much of a different one, but my department works very closely with the water resources people of Natural Resources and with Agriculture people to ensure water supplies, wherever they may be, are the best that we can make them. And, yes, there are benchmarks obviously for the use of water by human beings.

**Ms. Rosann Wowchuk (Swan River):** Mr. Chairman, I just wanted to ask a couple of questions as well about waste management. As we have the increase in hog production and a movement towards larger operations and larger facilities, there is a concern about whether or not there is a sufficient land base to properly apply the manure. I would ask the minister if he can tell us whether or not this is a concern for his department and whether the minister is looking at how this can be better addressed and what the land-base requirement is? Have steps been taken to ensure that before a facility is built that there is an adequate land base to ensure that there is not too much of a concentration of manure waste on a particular piece of land resulting in future environmental and water problems?

**Mr. McCrae:** Clearly livestock waste is a matter of interest and concern. As my colleague and his partners in agriculture move to expand production in Manitoba, we have to ensure that the proper infrastructure is there so that what my colleague wants to achieve is done in a sustainable way. As part of all of that, there has been a review going on of our livestock waste regulation, lots of discussions, lots of meetings, lots of questionnaires and lots of answers. That is a process that is under review now. It may well be that changes will be made.

Meanwhile, while we are doing all of this, the honourable Minister of Agriculture (Mr. Enns) and others report to me from time to time of new and emerging technologies which render livestock waste issues somewhat less of a concern than they would have been had it not been for advances in technology.



Now, I hope the honourable member is not going to get me going on all of those advances, because I am still learning about them. The handling of hog manure, for example, has been the subject of a lot of work by experts and agriculture people, and, obviously, environmental people have been following that process very carefully.

I am not proceeding as if it were a *fait accompli* and that hog manure, for example, is no longer containing nutrients that we do not want or that there is no harm at all, because I think we have to work with what we have. What we have is the concern raised by the honourable member. That is why the livestock waste regulation is under review and is being reviewed by many.

I think I mentioned to the honourable member previously, or maybe it was on the radio program I was on recently, that I met with the Keystone Agricultural Producers. Their concerns are very much like the honourable member's and like mine; they do not want their members breaching regulations. So where enforcement is required, they want that to happen, and so do I. That will produce better producers if we all take the attitude that KAP has taken with me in my meeting with them. That is the best assurance we have that there will be safe and sustainable hog production in the future.

**Ms. Wowchuk:** I am not going to get the minister to list a whole bunch of different things that they are looking at, but one suggestion that has been made is that, when there are very large hog operations, in particular, where there is a tremendous amount of waste, in some jurisdictions, it is a requirement that that waste be processed before it can be used, applied to land. So I wonder whether the minister's department has looked at this possibility of processing waste: whether it is a viable operation or whether it is too expensive, or whether the minister can share whether they have looked at it, and whether he thinks it is viable to consider such an option as a method for disposing of waste and in that way addressing some of the concerns such as smell and lack of a large enough land base to deal with the waste.

**Mr. McCrae:** Mr. Chairman, I am advised that that indeed is part of the consideration. I think the

honourable member is asking whether all producers of hogs ought to be subject—[interjection] No, not all. I missed that part of the question.

**Ms. Wowchuk:** What I was asking the minister is that it is my understanding in some areas where there are very large operations that produce a tremendous amount of waste and do not have adequate land base to dispose of their waste, in those cases, there is a requirement that they process their waste and then reduce it to a state of fertilizer or compost it where it is more environmentally friendly. I was asking if the department has looked at these as a possible option to address the concerns that are raised and make the whole operation more environmentally friendly.

**Mr. McCrae:** Yes, I thank the honourable member for further clarifying for me the intent of her point here. Yes, that is part of the review that is going on, whether there ought to be that type of requirement for, as the honourable member pointed out, the larger producers coming together on a relatively small land base. That is something that is being looked at.

**Ms. Wowchuk:** It is my understanding as well that in other provinces they are looking at doing an analysis of the province and looking at the different types of soils and base, water tables and then from that, once they have the whole province laid out, decisions are made. It is sort of a blueprint laid out as to where livestock operations can be established, and in that way it is long-term planning and you avoid some of the problems that we run into when we do not do planning, where we end up with large operations in water-sensitive areas.

I wonder whether any work is being done, and I realize that that would probably be work that would have to be done in co-ordination with Agriculture, Natural Resources and Environment, but can the minister indicate whether there are any plans of that sort taking place right now to ensure that we have a long-term plan in place and do not run into the problems that we occasionally see where operations end up being established where there is water sensitivity or where the land base does not have the proper clay base to have waste distributed on it.

\* (1550)

**Mr. McCrae:** Mr. Chairman, these criteria are a part of the work that is underway and, obviously, nitrogen levels in the soil and the intentions of a particular producer as to the crop that might follow spreading, that is all important because some crops require or need or use soil that has higher nitrogen levels or lower nitrogen levels depending on the crop to follow. So that is a criterion that might well be taken into account in consideration of this. Run-off studies have been conducted to assist, not only in our work, but specifically in the review that is underway. The run-off studies have been conducted where manure has been spread and the results have shown that if the present guidelines were followed, the present guidelines, it is the opinion of some that the impacts would be minimal under the present circumstances.

Well, we are going to be doing more soil-type studies and typography studies before we arrive at a final conclusion about what is the best thing to do in the light of a growing industry. On the one hand, that is not a bad thing, but on the other hand, we have an environment to protect and so those are the types of things that will be taken into account.

**Ms. Wowchuk:** Mr. Chairman, I have one more question that I would like to ask the minister and it is on a completely different subject. I want to ask the minister, we spent some time discussing Louisiana-Pacific's licence on the plant. Louisiana-Pacific also has a licence for the forest that the Department of Environment approves, and under that licence they were required to do environmental research on the ecological system. I believe that research was supposed to start on May 24, but it is my understanding there have been many applications, but there has been an extension given to that research.

Can the minister indicate why the extension was given and how long is the extension going to be given? Is this just an extension, or will they not be required to do this research? I think it is very important, and there are lots of proposals that have been put forward that are excellent. As we work to using more of our natural resources and using more of our wood, we have to think about the environmental impact. So I would like to ask the minister why the extension was given and when can we expect that this research will proceed?

What role will the government, the Department of Environment or other branches play in this research?

**Mr. McCrae:** The date to which the honourable member refers is a date for the receipt of recommendations or proposals from the stakeholder group, and there have been some delays in that process. To date, there has been no extension nor has one been asked for, as I understand it, but that is a significant possibility, as I think we can both see that one coming. At that point, the department will review that request, should that happen, and make their recommendations and we will go from there. But there have been delays at the stakeholder level as I understand it, and if the honourable member has other information, that is okay, but my information is that the stakeholders' advisory committee has not yet made its proposals known to Louisiana-Pacific.

**Ms. Wowchuk:** I do not know whether we are talking about the same process then because I do not understand where the stakeholders' advisory committee comes into this. Louisiana-Pacific put out a request calling for applications for people to make proposals, and now these proposals have to be reviewed and a decision has to be made as to which of the proposals is going to be accepted and what kind of research on the ecosystems is going to take place.

It was my understanding that there has been an application for an extension, and what I am asking the minister is what role will his department play? Does the Department of Environment play a role in deciding selection of these proposals? I have talked to Louisiana-Pacific, and they have talked about an advisory committee. The name escapes me right now of who the committee is that is supposed to be screening these applications.

There does seem to be a delay, and I guess I am looking for assurance from the minister that because this request for research was in the environmental licence that it will take place, and if there was a deadline that it should be happening this year in May and June. The participants should be knowing which of their proposals were selected for research, that we go ahead, that this is not an ongoing delay, and we do not get the work done. Because the changes, as I say, in our environment with the increased use of different

wood products in the area does have an impact in the environment, and we should have all the research done that there was a commitment to do.

**Mr. McCrae:** I would like to give the honourable member some comfort on this point. I think that because we are dealing with something that has been the subject of a bit of delay—not the kind of delay that would result in moving into another year and all the rest of it, no, we do not expect that—but I think that I would like to undertake to give the honourable member a full explanation on this particular topic because there has been a delay, not a particularly significant one I do not think, but sometimes one can think that a delay might lead to a greater, longer one or lack of commitment to follow through on licence requirements. That is not there, that is not part of the deal here at all. I think if the honourable member would agree, then I would be happy to write to her with a detailed sort of answer on where we stand on this.

**Ms. Wowchuk:** Perhaps I can provide the minister with the name of the committee—that has escaped my mind now, and the minister can follow up on that. I will call his office, and thank you.

**Mr. McCrae:** I think the honourable member is speaking about the forestry advisory committee? [interjection] No. So if that is not the one, then we will get some more information from her, and then we will get some back to her.

\* (1600)

**Mr. Kevin Lamoureux (Inkster):** Mr. Chairperson, I have a couple of questions for the Minister of Environment. Actually, it is an issue which I brought up last year and was somewhat disappointed in terms of the government's action with respect to the BFI in the Capital Region when it comes to waste disposal. I had articulated at that point in time that there appears to be no plan from this government dealing with the Capital Region and all that waste, and even the CEC through recommendation had suggested that the province play a stronger, more leadership type of a role in the development of waste facilities in the province of Manitoba with special focus on the Capital Region.

I was disappointed in terms of the then minister, and I appreciate the fact we are under a new ministry, but

no doubt that would have been brought to cabinet because of the significant decision that was ultimately made in terms of allowing BFI to build another waste disposal site again in the Capital Region. Having said that, I am interested in hearing from this particular minister how many landfill sites this minister believes the Capital Region of Winnipeg, and in particular that feed off of the city of Winnipeg disposal, is actually necessary or needed for our population.

**Mr. McCrae:** I have already begun the process, Mr. Chairman, of discussing this particular topic with stakeholders in Manitoba and with members of the Department of Environment to get a good handle on where we ought to be going with landfill operations in our province. I do not really want to accept anything critical the honourable member has said about my predecessor because I have heard too many expressions from people right across Canada about the quality of the previous Minister of Environment, so I am not likely to accept—I can always accept some criticism, but in terms of the overall performance of the previous minister, he has to be given very high marks because that is certainly the word I have been getting everywhere I have been since taking on this new responsibility.

The honourable member is right that the Clean Environment Commission did recommend that work be done towards the development of a Capital Region waste management plan, and that work is going forward. However, we do need to get the co-operation of the city and all of the surrounding rural municipalities just like we do in other parts of Manitoba need to get support for the development of, I think we will be calling them regional landfills, in the future, which would obviate the requirement for landfills everywhere in Manitoba. I guess we have about 300 landfills in our province. I can tell the honourable member if he wants a specific answer, I do not think we need 300 landfills in this province. Because of all the recycling we have been doing and expect to do in the future, and because of the will of the people of Manitoba to reduce the number, reduce the capacity for landfill, it is going to be possible and it would be a very happy result of efforts to recycle.

We were answering questions a little while ago from the honourable member for Selkirk (Mr. Dewar) about

the reduction of pollutants and the reduction of waste in our province and, yes, we are part of a national consensus that wanted to see a 50 percent reduction by the year 2000. Well, we are making very significant progress toward that goal and, as we do that, the need for landfill will be diminished.

Now that does not change the situation whereby the Clean Environment Commission granted a licence in a particular case. That happened and that is history, but we want to continue to work toward the reduction of waste which will reduce the requirement for landfill capacity in our province. That is something that I see as a role I can fulfill. I already have some partnership going with some rural municipalities in Manitoba, and, as we show that it can be done, I expect to show other rural municipalities and the Capital Region that by those kinds of examples we can do with less landfill capacity. Nonetheless, the previous decision has been made, but with it came a valuable recommendation. That was that there be a development of a Capital Region waste management plan, and that work is underway.

**Mr. Lamoureux:** Actually, Mr. Chairperson, even prior to a decision being made, the government was aware that it was supposed to be playing a more leading role in ultimately what was going to be happening with landfill waste and failed to live up to that expectation. The Minister of Environment or the prior minister might have been a wonderful minister in many different ways, but in this particular incident the minister actually failed and failed substantially.

We had, I know myself, hundreds of signatures of individuals, postcards that did not want to see this particular site, the BFI site, go ahead. It was an issue during Question Period for a number of days. The minister is quite right when he says that, look, we do not 300 landfill sites scattered throughout the province and that there is some merit for it. I concur with the minister, but I also challenged the department in the last Estimates—I believe it was during the Estimates—to demonstrate why it is that Winnipeg and the Capital Region need to have three landfill sites, because I went and I made presentation to CEC and looked into the issue. A lot of off-the-cuff, off-the-record type of comments from civil servants had indicated, quite frankly, that Winnipeg could suffice with just one landfill site, so whether it was one, two or three, the

line that I had taken was, demonstrate the need for the third one before you give the final approval.

This government never did demonstrate the need. At least it did not make the attempt to explain the need and to the Chamber through the Estimates. What is important is that, yes, the decision has been made and the question then becomes, have we learned something from that particular ordeal? I like to believe that we should have learned something, and that is that we need to be more involved as a Capital Region on a number of different issues. The landfill use or use of landfill sites is one of those critical issues, especially as we become more and more environmentally in tune with what is happening around us.

So, when we talk about waste and waste disposal, the Minister of the Environment, failing the Capital Region in addressing the issue, has to play a critical role in ensuring that there is some sort of an overall master plan that is reflective of what Manitobans as a whole would like to see in environmental waste. So I do not necessarily have to put it in the form of a question, because it is more so something that was just disappointing from my personal perspective. It is something about which I know the constituents that I represented felt fairly strongly, that the government did deal with this in a very poor fashion. It was not one of those issues of, well, not in our backyard. It was one of those issues in which first demonstrate the need, and if the need is there, then let us go on location. If the location can be justified for where it was being proposed, then fine, that is the location.

So it is not one of those “not in my backyard” issues. It was what was in the long-term best interests of landfill sites for the city of Winnipeg and the region surrounding it, and for that I am disappointed. The only thing that I can hope is that the government has recognized finally that the province does have a role to play, especially if the capital region—there is a Capital Region Committee—fails to deal with the issue, then the department and the provincial government have a responsibility to fill in where the capital region policy committee might have failed. I do not know if the minister is wanting to comment on that.

**Mr. McCrae:** Very briefly I will, Mr. Chairman, except for the things the honourable member said about

my predecessor. I think a lot of the things the honourable member says make for instructive advice, instructive and constructive advice. That is the direction—it is obvious that is the direction society wants to move in, and so I can see why the honourable member would be expressing the things that he is expressing. I do not know if it gives him very much comfort, but the BFI site has the highest environmental standards being imposed on it. It is by far the most environmentally secure waste management facility in the region and more rigorous than imposed on the City of Winnipeg itself at the Brady landfill site.

\* (1610)

I think it is encouraging, and hope the honourable member will be encouraged to know that of 28 active waste disposal grounds in the Winnipeg area, we expect 17 of those to be closed within the foreseeable future. That is 60 percent of the landfills to be closed down. If there are to be new landfills, you can bet that they will come under very, very rigorous examination of such proposals. If the technologies that are available were put to use—I know it costs money, but more and more I think I see a willingness on the part of the people of this province, for example, through your environmental levees, that sort of thing. If they know how the dollars are being used in these areas, there is a better sense of partnership. In the past, I think that members of the public have had—note, I say in the past—some trouble perhaps trusting that their dollars are going to go to where they think they are going to go. While I do not as a general rule believe in dedicated accounts for this and accounts for that—the Finance minister looks after that—but while as a general rule I believe that the priorities of the government need to be reflected in their spending wherever the revenue comes from. On the other hand, if you want to get industry to be involved in recycling, you have to make the money available to them, and that is where these levees have a useful purpose.

But, just to wind up, I agree with most of the things, most of the things the honourable member said because he wants to see us move in the same direction that I want to see us move. I hope that one of the things I will be able to do in my role as minister is to see a reduction in the number and square cubic yardage, or whatever you call it, of landfill in our province and see a growing

environmental industry out there which will make better use of recycled materials. So that, you know, a little while ago we said the market is a little slow right at the moment for recycled products or the input, shall we say, into the recycling business. I understand also that there are peaks and valleys in this type of industry, and we are in one of the valleys right at the moment. But I expect to see us back out of there and into a greater use of recyclables, so that we can achieve what the honourable member wants us to achieve because I want that too.

**Mr. Lamoureux:** Mr. Chairperson, I am not too sure of the exact time when it was announced but, when the city came up with the blue box, you would see the blue boxes all over the city. What I have noticed over the last number of months is, the number of those blue boxes out on the curbs has actually gone down. I think it is because primarily the people that are collecting the blue boxes are saying you have to do bundling and so forth, which I think somewhat causes a little bit of disinterest from those that might have been expressing some good will. It appeared, for example, on my own street that everyone was participating by having the blue box put out in the front when it first came out. Then shortly, you know, a couple of months later, it has been cut down quite significantly, unfortunately.

I am wondering if the government, in any way, is looking at that local consumer residential recycling program, in what way it might be able to facilitate more people getting involved in recycling. Does the government see any role or does it have any programs or plans to date to try to get more people involved in recycling? That goes just even beyond the city of Winnipeg, obviously, into rural Manitoba, areas where there is both high and low density.

**Mr. McCrae:** I think I am with the honourable member in the sense that in some way, no matter how small, I would like to see every Manitoban involved in some way in an environmental project, whether that project is looking after your own garbage in a sensible and responsible way or in some other way such as the Ecole Guyot, which, two weeks ago now, I and the Honourable Minister of Urban Affairs had occasion to attend at that school and preside over its being presented with the designation of Earth School.

The Stewardship Corporation is interested in public education too. You know, we could deal everybody out and just have the garbage picked up and recycled at a recycling site or at a place where all the garbage is separated. That is one way to do it, and it costs money, but it could be done that way. What you do when you simply do that and nothing else is, you forget to tell the whole population that they have a role. So with these blue box programs and those types of things there is indeed a public education that is being gained through that kind of a program.

Ecole Guyot is the best hope we have for a longer term future. I do not like to sound like a commercial, but they have got 250 little children there. It is an elementary school engaged in 1,000 environmental projects in the space of three years. I mean, if it was not for Ms. Gauthier, the teacher who has taken on this particular job with the children and the parent council and the staff of that school and got everybody involved, I mean, that is a pretty wonderful thing Ms. Gauthier did. But the point is there are 250 children who learned something at a very formative time in their lives. I have no doubt but that they will pass on some of the things they have learned at Ecole Guyot to their children and to the communities they live in.

Those projects included things like cleaning up the Seine River, like collecting pennies to send to environmental projects of one kind or another, writing letters to politicians, writing letters to corporations that are involved either in environmental depredation or environmental cleanup, but I imagine the former rather than the latter that the letters have been going to.

All of those formed came together to come up to 1,000 projects. So what I am trying to say is, education is really a good thing to do. So I would like to see these blue box and other programs made more effective and, if the Stewardship Corporation is aware of the honourable member's concern, I think we see tonnage up some months and maybe down other months but, as a whole, I would not want to see it get to the point where what the honourable member described is the order of the day. That is the way we are now. We no longer use our blue boxes, because we are tired of it or we have lost interest. Because the garbage just keeps on coming. We do not need that.

I would be happy to pass on this concern to the Stewardship Corporation so that it can look at the dollars that it has available to it and make determinations about what further public education programs should accompany everything else that is going on in our various municipal jurisdictions in the province.

\* (1620)

**Mr. Lamoureux:** I would appreciate the minister doing just that. I know he could ultimately say the member from Inkster can also pick up the telephone and phone, and that is why I do appreciate the minister's effort in terms of making or placing that particular, passing on that piece of information. Now, I do not have the numbers to demonstrate it, primarily because we do not necessarily have the resources from within our caucus to assist me in compiling those numbers. That is my little plea for additional assistance at some point in time, and the hint is well received by the minister.

Our party would be quite negligent in not mentioning, as I am sure the member for Selkirk (Mr. Dewar) has already done, the concerns with respect to the floods. There is no doubt the environment, in many different ways, is going to be significantly affected. As opposed to posing specific questions with respect to it, just to indicate that we are very much aware and believe that the Department of Environment over the next number of weeks has to keep on its toes with respect to the issues that need to be addressed as a direct result of the flood of the century. With those few words, I appreciate the member for Selkirk giving me some time to ask some questions.

**Mr. McCrae:** Indeed, Mr. Chairman, the honourable member for Selkirk (Mr. Dewar) led off this afternoon by asking questions about the challenges the flood of the century presents, not only to everybody else but also to the Department of Environment, and we had some discussion about that, and we certainly will be busy for the next while here in Manitoba doubling efforts in testing water and those types of things to make sure our population is safe. I am worried about contamination to water wells, and water supplies, and all of that and other kinds of contamination, too, so the

honourable member can be assured that we are very mindful of our responsibility in this area.

So very quickly on the whole issue of education, again, the Stewardship Corporation is indeed distributing educational material in our schools and offers financial support to every school for recycling, and I think that is good, but I also think that there is nothing better than physical, human involvement. I appreciate all the efforts of the corporation and of the municipalities, and I do appreciate that because we have come some distance in this particular century and in the latter part of it with respect to our environment. But we do not want to lose what we have gained, or allow to be frittered away, the environmental awareness that we have attained over the last dozen or so years in this province and in this country.

We should take full advantage of that, make sure the people of today pass on to the people of tomorrow what they have learned. It is not only passing on one's knowledge, but passing on one's environment habits that we would like to see happen. So I think we are pretty mindful of the issues raised by the honourable member.

Education is important. It is important that we not only put reading material in front of our young people and everybody else, but find ways to get them involved. There is a value to that that you cannot really measure in dollars or that you cannot really, perhaps today, measure in reduced tonnages, although we expect to see that continuing to reduce and continuing to see progress made. I think I understand what point the honourable member is trying to make, and I will be sure to pass on to the Stewardship Corporation his concerns in this area.

**Mr. Dewar:** Mr. Chairman, I would like to ask the minister some questions. Perhaps he can provide this in a written form, an explanation of the differences of the Class 1, Class 2, Class 3 waste disposal grounds in the province. I note that part of that deals with the size of the population that a particular site serves, but as well, I am sure there is more criteria when it comes to establishing a Class 1, Class 2, Class 3 site than simply the size of the community adjacent or nearby to a particular disposal ground. If he could provide that to me in written form, I would appreciate that.

**Mr. McCrae:** It is agreed.

**Mr. Dewar:** Just one final question, and that relates to the operations of the Clean Environment Commission, if he could just give us a report as to what he foresees the activities of the Clean Environment Commission will have in this upcoming year?

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

**Mr. McCrae:** I expect to see Clean Environment Commission activity in the area of forest management in the year coming from now, and what with all of the healthy indicators we have for economic development in Manitoba, I suppose it could be said that proposed developments will be coming forward which may indeed require the attention of the Clean Environment Commission.

The honourable member maybe ought not to have asked this question. Either that, or maybe wait and ask the Minister for Industry, Trade and Tourism (Mr. Downey) when his Estimates come, because the answers that he gives, some of them will result in activities for the Clean Environment Commission.

I mentioned forest management. I think that is going to be one important piece of work that will be done by the commission. The fiscal year for the commission ends in what, September? It ends March 31, and we expect that there will be a report for '96-97 available in the fall, although depending on the legislative schedule, I am not just sure when I will get tabling that, but it would be probably in the next session.

**Mr. Dewar:** In terms of The Contaminated Sites Remediation Act, the commission will have added responsibilities to deal with hearings. Do you know if the commission has been approached to get involved in an outstanding issue because of the act?

**Mr. McCrae:** We are very happy, and I wish the honourable member for Inkster (Mr. Lamoureux) could hear my voice right now because I would be reminding him of the work of the previous Minister of Environment and the people with whom he worked, obviously, in getting the Sites Remediation legislation in place in Manitoba.

The Clean Environment Commission's role there, we hope, will be largely providing mediator services, but where that fails, of course, that is when they will have to get a little more formal and have hearings. I do not know of any hearings that will be held for sure with respect to that particular legislation, but I guess the coming year will show to what extent their mediation requirements will be.

**The Acting Chairperson (Mr. Dyck):** Shall the item pass? The item is accordingly passed.

Item 31.1.(b) Executive Support (1) Salaries and Employee Benefits \$333,300—pass; (2) Other Expenditures \$76,500—pass.

Item 31.1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$814,600—pass; (2) Other Expenditures \$255,200—pass.

Item 31.2.(a) Environmental Operations (1) Salaries and Employee Benefits \$4,212,600—pass; (2) Other Expenditures \$1,107,600—pass.

Item 31.2.(b) Environmental Management (1) Salaries and Employee Benefits \$2,758,400—pass; (2) Other Expenditures \$2,015,300—pass.

Item 2.(c) Legislation and Intergovernmental Affairs (1) Salaries and Employee Benefits \$163,200—pass; (2) Other Expenditures \$96,100—pass.

Resolution 31.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$10,353,200 for Environment, Environmental Management, for the fiscal year ending the 31st day of March, 1998.

Item 31.3 Clean Environment Commission (a) Salaries and Employee Benefits \$283,000—pass; (b) Other Expenditures \$178,600—pass.

Resolution 31.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$461,600 for Environment, Clean Environment Commission, for the fiscal year ending the 31st day of March, 1998.

Item 31.4. International Institute for Sustainable Development \$916,800—pass.

Resolution 31.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$916,800 for Environment, International Institute for Sustainable Development, for the fiscal year ending the 31st day of March, 1998.

\* (1630)

The last item to be considered for the Estimates of the Department of Environment is item 1.(a) Minister's Salary for the amount of—at this point we request that the minister's staff leave the table for the consideration of this item.

Item 31.1.(a) Minister's Salary \$25,700—pass.

Resolution 31.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,505,300 for Environment, Administration and Finance, for the fiscal year ending the 31st day of March, 1998.

**The Acting Chairperson (Mr. Dyck):** The next set of Estimates that will be considered by the this section of the Committee of Supply are the Estimates of the Department of Finance.

Shall we briefly recess to allow the minister and the critics to have the opportunity to prepare for the commencement of the next set of Estimates? There will be a short recess at this time of five minutes.

*The committee recessed at 4:34 p.m.*

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#### After Recess

*The committee resumed at 4:39 p.m.*

#### FINANCE

**The Acting Chairperson (Mr. Peter Dyck):** Would the Committee of Supply come to order, please.

This section of the Committee of Supply has been dealing with the Estimates of the Department of Finance. Would the minister's staff please enter the Chamber.



We are on Resolution 7.2. Treasury (d) Treasury Services (1) Salaries and Employee Benefits \$441,900.

**Mr. Leonard Evans (Brandon East):** I believe we are on to Treasury Services, the last item, and I believe the minister from previous questions wanted to provide some information first.

\* (1640)

**Hon. Eric Stefanson (Minister of Finance):** When we last met I took some questions from the member for Brandon East as notice at that time, and I will provide the answers here now.

The first question was: Could you give us some idea of how much more Winnipeg pays for borrowing a given amount of money compared to the province? Wood Gundy, the lead manager of our Canadian borrowing syndicate, estimates that the City of Winnipeg would pay a credit spread differential over the province of Manitoba of the following amounts: If it was a two-year issue they would pay seven basis points, that is, seven one-hundredths of a percent; three-year issue, eight basis points; a five-year issue, 10 basis points; seven-year issue, 12 basis points; a 10-year issue, 15 basis points; and a 20-year issue, 18 basis points. So that gives a sense of the spread.

The second question was: How long has the Royal Bank been the preferred bank of the government of Manitoba? We have been able to trace records back to 1946, so I would say 50 years or more with the Royal Bank.

The third question was: Is there not a cost in the government utilizing credit cards for receipts of government revenues? We currently pay 1.75 percent for Visa and 1.85 percent for MasterCard. These rates have been in effect since 1993 and will be renegotiated as volume of usage increases.

The last question was: How many dollars are we talking about or what percentage of borrowing is now being handled in this way through the medium-term note program as compared to the total borrowing program. The amount of borrowing done under the province's medium-term note program can fluctuate significantly from year to year depending on market

conditions. In the 1996-97 fiscal year the province's total borrowing program, including HydroBonds, amounted to just under \$1.6 billion. Out of that, \$697 million was raised from our various medium-term note programs as follows: Canadian medium-term note, \$100 million; Euro medium-term note, \$393 million; U.S. medium-term note, \$204 million. That should be \$697 million.

**Mr. Leonard Evans:** I thank the minister for that information, because I gather we are going to be rather constrained for time, I just might mention. My understanding is, we have to complete the department by six o'clock. So we are going to have to cut out a few—I see some sad faces across there. Because of other priorities we are going to have to wind this up by six o'clock. So we will cut out some of the presumably smaller questions.

But we are just completing (d) Treasury Services. Just one question here. Among other things, I know this section does a lot of work regarding the administration of the public debt and so on but, among other things, it monitors the foreign exchange markets and arranges for purchase and sales of foreign currencies to service the debt. I was wondering if the minister could explain how the section or branch, whatever it is referred, or is it a division, how does it monitor foreign exchange markets? Does it have its own research people or do we simply rely on agencies out there, different financial agencies that maybe have the intelligence for us and supply us with the data and we are content with that, or do we do more than just accept the information given to us by an outside agency?

**Mr. Stefanson:** Mr. Chairman, we are in discussion with various members of our syndicate or the investment dealers literally every day, drawing on their expertise, particularly the firms that represent us in our syndicates. So we have that daily contact with some members of the investment community.

We also have within this division our own expertise. We utilize Telerate and Reuters services which give us up-to-date, current information on issues like exchange rates and so on, and other issues related to doing an issue. We also belong to the Blumberg System, which provides a certain type of information. So we have

systems that we access for internal information. We obviously also work with our investment dealers in terms of the best advice they provide us.

**Mr. Leonard Evans:** Excuse me. I do not think I heard the minister fully when he said he—I am not sure whether these were the words. You belong to the blue bird system, did you say?

**Mr. Stefanson:** As I mentioned, Mr. Chairman, there are three systems that we access: Telerate, Reuters, and Blumberg, like the golf course out in west Winnipeg, but they are just systems that we access that provide us information, timely information on what is happening in the market, exchange rates, financial information and so on that we can then utilize to help us with our decision.

**Mr. Leonard Evans:** I note in your annual report under Treasury Services you have information about the Public Debt (Statutory), so I would gather this is the part of the department that concerns itself with the overall debt program. Of course, we were talking about this previously. I note that over the years the historical data on the Net General Provincial Debt as it relates to the GDP and, in some instances, with the provincial revenue or provincial expenditures seem to be fairly constant. There has been, of course, some change, but if you look at the Net General Provincial Program Debt as a percent of GDP, it has gone up a bit from '92 to '96.

I was looking at your annual report. We also have that information in your budget document. If you look at the historical figures of the debt as a percentage of GDP, I note that back in '87-88 it was 26.2 percent, 24.8 in '88-89, and then it dropped rather significantly to 21.7 in '89-90, but thereafter it climbed a bit, then right up to '94-95 when I guess it peaked at 29.3. Now we are back down to about 25.9, perhaps a little bit lower than that for this year. So there has been a few percentage points' variation. Would the minister care to comment as to why we went from, say, 26, 25, thereabouts, at the beginning of this administration to what looks to be a peak in '94-95, 29.3. That is a net general purpose debt as a percentage of the GDP, and of course, now coming down a couple of points.

I guess it relates to two things, the extent of the debt and the extent of the gross domestic product, but there

seems to, if you want to use the term, a worsening position for some years right through till '94-95 and then a lowering of that ratio since then.

**Mr. Stefanson:** Mr. Chairman, I think the member for Brandon East and I have had this discussion before. The growth in percentage from the late '80s to the early '90s—when I say the percentage, the percentage of net general purpose debt as a percentage of our GDP. That percentage was growing because during that period of time, unfortunately, in Manitoba, deficits were still being run by the government.

\* (1650)

The good news is, if you look at, as the member for Brandon East has pointed out, 1994-95, our net general purpose debt as a percentage of our GDP was 29.4 percent, and now in our budget of '97-98, just three years later, we are projecting it being down to 23.6 percent, a significant improvement in three short years now that we are running surpluses in Manitoba. It shows how quickly you can start to deal with your debt situation by stopping running deficits, starting to run surpluses. Obviously, it has also helped with issues in terms of our financial situation relative to exchange rates and interest rates and so on, but this is just showing the debt as a percentage of our GDP.

Our debt position has improved significantly. Today, our debt ratios are amongst the best in all of Canada. If you look at all of the debt ratios as a percentage of our expenditures servicing the debt, we are consistently either second or third lowest in Canada. If you look at our per capita debt ratios, we are in the lower half of the provinces. If you look at our percentages now against GDP, we stack up very well against other provinces, and so our debt position has improved significantly in relationship to other provinces. That is good news.

We are now not taking on any tax-supported debt in Manitoba. We are now generating surpluses. Our debt-servicing costs are going down significantly over the last two years. They are down by some \$75 million over these last two fiscal years, down to \$520 million this year, and our debt as a percentage of our expenditures is now under 10 percent. So we have made significant improvements with all of the debt

ratios, with our debt-servicing costs. Obviously, there is more work to be done, and it will be accomplished, because we are committed to start actually paying down the debt.

As we all know, this budget includes \$75 million into the debt retirement fund, and as we pay down more of our debt, these percentages will continue to improve, our percentages will get stronger and stronger as each year goes by.

**Mr. Leonard Evans:** Well, you know, that may be, but I noticed that again the net general purpose debt has a percentage of GDP dropped in '89-90 to '88-89. From '88-89, where it was 24.8, it dropped down to 21.7 in '89-90. Then again it was only around 22.6 in '90-91. Yet, those were not necessarily surplus years, so obviously there must have been some improvement on the gross side, the GDP side.

**Mr. Stefanson:** Mr. Chairman, yes, our economy has grown every year. So, in those particular years, the relationship of the size of the deficit to the growth in the economy, obviously, the deficits were not as large. I believe in '88-89, '89-90, if I recall, they were in about the 140-million range, and then they were higher in the later '80s and early '90s. In fact, they peaked one year, in about '93, in excess of \$500 million, a year in which we had a significant reduction in transfers from Ottawa, a midyear reduction of in excess of, if I recall correctly, \$200 million as a result of downward adjustments to transfers from the federal government.

So the member is right. Our GDP, our economy has continued to grow every year, but depending on the size of a deficit in a given year can determine whether or not that percentage is going up or going down. So in '89-90 it did go down and it would be that the growth in the economy exceeded the offset in terms of the size of the deficit that year in terms of the addition to debt.

**Mr. Leonard Evans:** Leaving the economy aside for the moment, if you look just at the dollars per capita of the net general purpose debt, which a lot of people become concerned about as opposed to the overall net debt, because the overall net debt presumably includes investment in utilities and so on. So when you are looking at the net general purpose debt, you are looking

at the more miscellaneous type of debt, the debt that comes from excessive expenditures over revenues.

When I look at that per capita, I note that in '87-88, which is the year prior to this government taking office, it was \$4,691 per person, and over the years it has fluctuated a bit, but the last several years, but for this very last year, I think it has been increasing. In fact, it reached a peak in '94-95 of \$6,520 compared to \$4,752 when the government took office. That is, what is that—a one-third increase or 40 percent? I have not got a calculator here. It did come down from '94-95, where it was \$6,519. I am referring to the budget document that the minister tabled in the House. This year you are projecting for '97-98, \$5,735, but that is still \$1,000 approximately per person, per Manitoban, more than it was when this government took office it seems.

So when you look at it in that respect, after a decade almost, the burden of debt per person has not diminished; it has increased in a decade. I repeat, in 1987-88 it was \$9,372—I am sorry, \$4,691 per person, and as of the projection for '97-98, it is \$5,735, so roughly \$1,000 more per Manitoban after a decade of administration by the present government. So when you look at it in those terms, you wonder, well, what has been happening in a decade? It is not a matter of one or two years, it is a matter of 10 years that we are talking.

I think that is the stark reality that the minister has to face, and I know he is very concerned about the problem. We hear about it quite frequently how important it is to have balances or, even better still, surpluses so that you can run down the debt. I want to make it clear that nobody wants to have a lot of debt, particularly at the provincial level. We do not have a central bank, and surely we do not want to be spending all this money on interest payments to people, particularly abroad or anywhere, when we do not have to, when we would rather use those funds for other purposes. The stark fact is that the net general purpose debt per capita has grown from \$4,752 in—I am sorry, \$4,691 in 1987-88 to \$5,735 in 1997-98, as budgeted by the minister.

I make that as an observation. I do not know whether there is much to be said about it except that the burden of debt per Manitoban has increased in the last decade.

**Mr. Stefanson:** I do not think that anybody has ever denied that. I think there are a few important points to be made. First of all, even at the \$5,700 per person, that is the third lowest per capita debt in all of Canada. Only British Columbia and Alberta are lower than Manitoba in terms of their per capita debt. But I think the most important point to be made is that if the member for Brandon East were to go back to 1981 and look at the per capita debt in 1981, and I do not have that budget with me, but I would suggest that the per capita debt was probably just a little over \$1,000 per person back in 1981. Under a previous administration that ran deficits of \$500 million each and every year that per capita debt quadrupled to over \$4,000 a person and, if we had carried on on the pattern of running deficits of \$500 million per year over these 10 budgets, we would be at per capita debt of about \$10,000 per person today as opposed to the \$5,700.

So while I acknowledge there has been some growth in debt in Manitoba, that record over those 10 years has probably been the best performance in all of Canada in terms of arresting the growth in deficits, the growth in debt, getting it under control, stopping it, now actually starting to pay down the debt. If you look at all of the economic indicators for Manitoba in areas of debt and debt servicing, Manitoba stacks up as amongst one of the top two or three provinces in all of Canada.

So nobody has ever denied there have been some adjustments upward in terms of debt, but, thank God, they came to a screeching halt compared to where they were heading from 1981 to 1988. This performance has been probably the best in all of Canada over these 10 years.

\* (1700)

**Mr. Leonard Evans:** I would just like to point out, Mr. Chairman, that I guess it is a matter of economic philosophy and also of economic circumstances because, as I recall, in the early '80s we did suffer a major depression in Canada, and it was our decision, the government's decision of the time, to fight the depression, to fight the recession, by stimulating the Manitoba economy, and the way you do that is by running deficits. You do not stimulate the economy by running surpluses. That is one point I would make.

The other point, of course, is the rates of interest that were prevalent at that time, which would add to the deficit problem. But I would also point out to the minister, he knows full well that we recognize that in good Keynesian fashion you have to balance off your previous deficits with surpluses in the future, and we did this, we attempted to do this in '87 with some tax changes. In fact, the government was beneficiary of that when it came into office in the first year and, as we pointed out many a time, the government chose to set up the Fiscal Stabilization Fund and take the monies out of revenue so that they would not be showing a surplus in their very first year, instead showed a budgetary deficit of \$141.3 million. They could have had a fair—almost \$60-million surplus. This is going back to fiscal measures that were taken by the previous administration, and the intent then was to provide additional revenues so that we could—and to maintain expenditures at constant levels—so that we could pay back some of the debt. This is in good Keynesian fashion.

At any rate, I would point out as well that even at that time Manitoba's debt burden relative to the rest of the country was not really out of line. I think we were around average someplace. I think we were around the middle. I do not think we were—I have not got the numbers with me—I do not think we were 10 out of 10 or anything like that. We were five out of 10 or whatever, and the only point I would make now is that if the minister is satisfied that he is in the upper group, that the public debt burden, the cost of the public debt relative to the other provinces is not out of line, in fact one of the best. That is good. I do not complain about that.

But I would also say that there is a price that is paid for that, a price in terms of cuts to some very significant programs that people are not benefiting from now, cuts to the property tax credit program, extension of the sales tax. One particular social program that was cut that I was particularly concerned about, and I believe the Minister of Health, Don Orchard, at the time admitted that he did not enjoy making the decision or being part of the decision, but the elimination of the Children's Dental Program in rural and northern Manitoba I think was a real backward step, because there is a great case to be made for that kind of a program. It was very cost efficient, delivered through

schools, and I say that there is a social deficit that is built up because that program was eliminated.

One could look at other examples where really what the government has done is transferred costs. The costs of being in nursing homes has increased substantially in the last few years, so much so that people living on the basic federal Old Age Pension were able to qualify for a provincial welfare supplement, which I found rather strange, but it just indicated the extent to which the nursing home rates were increased.

So what I am saying is that what we have done is improve the provincial balance sheet at the expense of individuals, at the expense of people who are beneficiary of certain basic health and social programs, at the expense of provincial or municipal taxpayers. Municipal taxpayers took a \$75 hit a couple of years back when this cut was made.

I guess there is no magic about it. I think one has to look at the provincial balance sheet, not just the government of Manitoba, but we should look at the provincial economy, the provincial society and ask ourselves, well, what have we done by way of government spending and government taxation that will benefit the standard of living of our people?—and that should be the bottom line. How do we improve the standard of living of Manitobans? Whatever which way, this should be our objective.

Sometimes one has to maintain programs. One should not cut back programs. I know these are difficult decisions to make, but I frankly think that there were some very basic programs that should not have been cut. Absolutely eliminate waste, eliminate frivolous spending as you will, if you can, but you will find I think, Mr. Chairman, that in a lot of the so-called waste in government, it is not there when you see it. You look at it pretty hard, and I think generally speaking the Manitoba government has delivered—and I say this historically—a fairly efficient service to the people of Manitoba.

I recall many years ago, when I was the Minister of Industry way back in the '70s, when times were good in terms of provincial finances and we would attend a federal-provincial conference, I assure you the Province of Alberta would have five or six times the number of

personnel that a Manitoba minister would have on some of these tours. I am just using that as a small example. We were pretty lean in terms of going to these conferences with staff compared to what the province of Alberta was spending.

At any rate, we can go on. It is an interesting subject. I do not intend to drag it out, and I am quite prepared to go on to the next item, Mr. Chairman, the Comptrollers division.

**Mr. Stefanson:** Mr. Chairman, I think the member for Brandon East (Mr. Leonard Evans) and I could debate this for quite some time. I obviously do not agree with a lot of what he said and I think rather than sort of rebut a lot of what he said, I would just encourage him to look at our '97 budget document in the greatest of detail, particularly charts like the one under the Manitoba Advantage section in the back, budget paper D, the Manitoba Advantage.

It shows comparison of annual personal costs in taxes at three different income levels, \$20,000, \$40,000, \$60,000, and it shows Manitoba consistently stacking up amongst the best in all of Canada. When you look at provincial income taxes or other costs which have a relationship back to provincial governments, as he knows, we have gone 10 budgets in Manitoba without increasing any major taxes. We have reduced personal income taxes. We have the lowest provincial sales tax rate in all of Canada today, of provinces that levy provincial sales tax, tied with British Columbia and Saskatchewan. That is after the Quebec increase kicks in which I believe is a little later this year.

So when you look at Manitoba taxes, we have taken our province from one of the highest taxed provinces in all of Canada to amongst the lower taxed provinces. That is good news for all of Manitobans. It leaves more money in their pockets, and I have a lot of confidence in them in terms of their judgment how to utilize those hard-earned dollars.

**The Acting Chairperson (Mr. Dyck):** Item 7.2.(d) Treasury Services (1) Salaries and Employee Benefits \$441,900—pass; (2) Other Expenditures \$48,300—pass.

Resolution 7.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,724,600 for

Finance, Treasury, for the fiscal year ending the 31st day of March, 1998.

Moving on to 7.3. Comptroller (a) Comptroller's Office (1) Salaries and Employee Benefits \$124,400.

**Mr. Leonard Evans:** I believe the minister stated that my question regarding the financing of McKenzie Seeds could be brought up under the Comptroller's Division. I wonder if he had anything to say, or is there some specific section within this area that I should raise this? At any rate, I believe it was supposed to be under Comptroller.

\* (1710)

**Mr. Stefanson:** Mr. Chairman, I would like to introduce Mr. Eric Rosenhek, the Comptroller, who has joined us.

I have some information from the question that the member for Brandon East asked. It is not overly lengthy. I suppose you could say that the Minister of Finance would be involved in either capacity. For instance, if the shares of the corporation are held in the Consolidated Fund, they are held by the Minister of Finance. In this case, the common shares were held in the Consolidated Fund while the preferred shares were held by the Manitoba Development Corporation.

The Minister of Industry, Trade and Tourism (Mr. Downey) is responsible for the Manitoba Development Corporation and is responsible for the administration of the divestiture agreement. I can respond to the question regarding whether the government still holds equity. All the shares, common and preferred, held by the province in A. E. McKenzie have been redeemed. A \$3-million debenture note was received as part of the redemption proceeds, and this note has since been fully redeemed by the purchaser. But the Manitoba Development Corporation presently holds certain shares issued by the purchaser for a purpose other than investment. First of all, there are 102 class M preferred shares of the purchaser that are held to ensure that the required capital expenditures and job creation are achieved, and, secondly, 213,675 class A shares of the purchaser are held in accordance with the asset purchase agreement.

In terms of information regarding the sale, there is quite a lot of disclosure in Volume 4 of the 1995-96 Public Accounts. The audited financial statements for what was formerly A. E. McKenzie Company Limited for the year ending October 31, '95 include extensive information on the sale of net assets and as well the March 31, 1996, audited financial statements for the Manitoba Development Corporation published in this volume also contain information regarding the sale. That is basically in response to the questions the member asked when we last met.

**Mr. Leonard Evans:** Did I hear the minister properly when he said that it was the Minister of Industry, Trade and Tourism (Mr. Downey) who was responsible for McKenzie Seeds?

**Mr. Stefanson:** Yes, what I indicated was that the preferred shares that were issued were by held by the Manitoba Development Corporation, and the Minister of Industry, Trade and Tourism is the minister responsible for the Manitoba Development Corporation. As a result, that is the direct involvement that the Minister of Industry, Trade and Tourism has.

If there are common shares issued, they are usually issued into the Consolidated Fund, and that is the responsibility of the Minister of Finance. So there are occasions when the Minister of Finance holds common shares on behalf of the government of Manitoba.

**Mr. Leonard Evans:** Mr. Chairman, I would like to know why I have been told that I should ask questions of the Minister of Labour (Mr. Gilleshammer) about McKenzie Seeds.

**Mr. Stefanson:** I think, Mr. Chairman, quite simply, because when it was owned by the government, he was the Minister responsible for McKenzie Seeds, was the minister involved at the time of the sales transaction and so on, so certainly he brings background and understanding to the issue, so I think a question of either minister is certainly appropriate. If you are asking which minister should you be asking, it is appropriate to ask either minister, I would think, a question about McKenzie Seeds.

**Mr. Leonard Evans:** I also listened to what the minister is saying about information being in an MDC

report and in the Public Accounts. Did you say? I will have to read Hansard again, I guess, because—I will do that. Perhaps the minister is not aware, but I have been trying to get a copy of the sale agreement between Regal Greetings and Seeds and the government of Manitoba, and I am told it is not available or will not be made available. I, for the life of me, do not see why.

I use as a precedent the sale of the Manitoba Data Services, a Crown corporation to ISM or whatever it is called now, and that was made available by Mr. Manness who was then Minister of Finance. The deal was signed, and it was made available to the Legislature. That was fine. It was quite a big document. This involved a bigger sale than McKenzie's does, certainly far bigger, and I do not know why. I am told that it is third-party confidentiality, but I do not understand that. The deal has been made.

What we are interested in seeing is the arrangement because we want to know just exactly what are the conditions of job guarantees, and we were told there would be so many jobs guaranteed, but we have not seen that in writing. We do not know what the conditions are, what kind of jobs they are. At the moment they have lost their president and two vice-presidents, and there is a transfer of some of the operation from Brandon to Toronto.

These may be very good commercial decisions from the point of view of Regal Greetings, so I am not faulting them for any commercial decisions. Those might be the proper decisions for that private company to make, but at the same time I wanted to know specifically how do these changes stack up against the written agreement between Regal and the government of Manitoba?

**Mr. Stefanson:** I am told that based on the various due diligence procedures performed on this transaction that the new company, the new McKenzie Seeds company, have met or exceeded all of their requirements and are in complete compliance of the asset purchase agreement which was signed.

The member is right. There has been at least one request for the information that he is talking about, the agreement, which was requested under Freedom of Information, and the reasons given for not providing it

were that to give access to any record which discloses financial, commercial, scientific or technical information supplied to a department by a third party on a confidential basis and treated consistently as confidential information by the third party. There is another section that says: Can refuse to give access to any record the disclosure of which could reasonably be expected to prejudice the competitive position of the third party.

So certainly the reasons for not releasing this document are in complete compliance with reasons and rationale provided under Freedom of Information which I would suggest are there for a reason. I mean they are there to protect third parties if they provide any confidential information about their business which could then affect their competitive position or other aspects of doing business. So it is not a desire to withhold information from the member for Brandon East (Mr. Leonard Evans), but I think anytime a government enters agreements with a third party, there will be occasions when we have a legal obligation and a responsibility to protect confidential third-party information.

I can assure him that the information I have is that the new company is in complete compliance and are meeting all of those terms of the original sales agreement.

**Mr. Leonard Evans:** Well, the problem is that we will just say, trust us, they are meeting the terms of the agreement. But we would like to get something more specific. Exactly how many jobs are guaranteed and what kinds of jobs are these? Are these just jobs with a union agreement or are nonunion personnel involved? Did the agreement say that the senior administration must remain in Brandon, or could it be moved to Toronto? My impression is they have lost their president; there is no president in Brandon. The two vice-president positions have gone, and, in the meantime, the sales and marketing office has been moved from Brandon to Toronto. It seems that the senior management decisions are being made out of Toronto.

The impression that was left by the former president of the company, Mr. Ray West, is that it was going to carry on as an ongoing entity, a complete ongoing entity

in Brandon, and I would submit that this is not the case. The manufacturing portion obviously is, but it seems that a portion of the decision-making apparatus has been transferred out of the city of Brandon to Toronto.

Now was that not envisaged in that agreement? We do not know what the agreement says about that. I know the Minister of Labour (Mr. Gilleshammer) has said, do not worry; we are satisfied that the jobs are there. I guess this is the basic thing: Are the jobs there, and just what kind of jobs are we talking about? If there has been an increase in the number of employees, well, how many are there? What is the increase in the number? There is just no—it is dead silence on that matter.

But I can read the MDC report and the Public Accounts and see what information I can get there. There is a great interest in this because it has been long my belief that eventually a commercial company may have other objectives than a provincial government in terms of how to operate that company in order to maximize profits. It seems to me a provincial government's objective is to ensure the company pays its way, but they want to maximize the presence in the province of Manitoba, maximize jobs in the province of Manitoba.

I would submit private enterprise and commercial operation wants to maximize profits, and if that is the objective, that may conflict with employment in the province of Manitoba. I think the fact that some of the senior executive positions have disappeared is an example of that.

\* (1720)

Again, I repeat, I am not faulting Regal. I mean, this may be a sound business decision. The point is that that sound business decision that is good for the commercial interests of Regal Greetings may not be good for the employment interests of the people of Manitoba in this province.

**Mr. Stefanson:** Well, Mr. Chairman, I do not think we should spend much more time on this. The section under the Freedom of Information that I referred to, that is not even discretionary, that is mandatory under the Freedom of Information Act in terms of the releasing of

the information. The member has some specific questions, I think, as he has indicated. I will not read what I have put on the record already about some of the documents that he can get some additional information from which I think might help him. Then there is certainly the opportunity to ask the two ministers, more directly responsible, specific questions about McKenzie Seeds.

**The Acting Chairperson (Mr. Dyck):** Item 7.3.(a) Comptroller's Office (1) Salaries and Employee Benefits \$124,400—pass; (2) Other Expenditures \$13,000—pass.

7.3.(b) Information Technology Services (1) Salaries and Employee Benefits \$714,100.

**Mr. Leonard Evans:** I was going to ask a couple of questions about financial and management systems. I guess it does not really matter. It is under Comptroller generally, so I will just ask a couple of questions because then we will go on from there anyway.

I note that there was some reference to participation in the service-first Better Methods, Phase I Initiative. It used to be referred to as IMIS. I wonder if the minister could explain just what this is and what benefit there is in this participation.

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

**Mr. Stefanson:** Mr. Chairman, first of all, speaking to Better Methods, we expect that significant progress will be made during 1997-98 on the replacement of the province's financial systems through the Better Methods Initiative. This will impact all the systems operated by the Comptroller's Division and will involve every department of the government. They are currently near the end of Phase II of the project, which involved the re-engineering of business processes to ensure that they are consistent with best practices.

You must remember that the systems being replaced are, for the most part, 1960s and 1970s design and still rely on the movement of paper documents from location to location in order to get the work done. The current systems are also not integrated, requiring significant effort to move data between systems.



Redesign efforts are intended to resolve all of these problems. Our objective is to implement fully integrated financial systems, coupled with the elimination of those paper files that are presently duplicated in so many locations.

The new systems will also give us many capabilities that we presently do not have. For example, we will have a central system to record and track our capital assets and maintain information on their depreciated value. As well, our internal reporting capabilities will be tremendously enhanced by the ability to maintain records on a full accrual rather than a cash basis. Phase III, the implementation phase, is expected to commence in a few months, and the new systems and processes are expected to be in place in time to meet compliance requirements imposed by the year 2000, which is a whole other issue.

So we are really bringing our financial reporting system up to what is required to meet the needs today. I think like many organizations, we were very cautious, went through a period of not necessarily spending a great deal of money in that area, but we recognize we require timely, quality information and the adjustments to the systems will provide that for us.

**Mr. Leonard Evans:** I am pleased to hear what the minister said about this.

Just another question in this area. I understand the branch delivers courses in orientation sessions on accounting, payroll systems and so on. Could the minister elaborate on—whom do you give the courses to, to people throughout the government or just certain personnel in the department?

**Mr. Stefanson:** Mr. Chairman, our courses would be on an interdepartmental basis. If somebody who is working on payroll in another department or working in the financial section of another department needs information, the courses would be offered to them to provide the information required.

**Mr. Leonard Evans:** Mr. Chairman, is the minister saying this is strictly within the department? You are not offering these courses or whatever training sessions government-wide?

**Mr. Stefanson:** No, I am saying we are offering them government-wide. Our department is offering them government-wide. If people in the financial section of another department require some information or a course on financial reporting or financial information, it can come from the people in our department.

**Mr. Leonard Evans:** Does this take up a lot of staff? Is this a big effort in this area?

**Mr. Stefanson:** No, it does not. It is basically an ongoing maintenance effort, just keeping departments current, and then sometimes if new employees come on board, it is done at that time.

**Mr. Leonard Evans:** As we have indicated before, we are constrained for time here, so I am just going to jump under Information Technology Services and ask the minister: Is this the area that we deal with the successor to the MDS—I think it is called ISM now, if I am correct, or if this is not the area maybe the minister can tell me. But is this the area that we liaise with this private company that has taken over the MDS function?

**Mr. Stefanson:** This is really just central to our department. If we want to talk about the ISM, MDS, that is more appropriate under Treasury Board.

\* (1730)

**The Acting Chairperson (Mr. McAlpine):** Item 7.3.(b)(1) Salaries and Employee Benefits \$714,100—pass; (2) Other Expenditures \$66,900—pass.

7.3.(c) Disbursements and Accounting (1) Salaries and Employee Benefits \$2,028,700—pass; (2) Other Expenditures \$1,272,700—pass; (3) Less: Recoverable from other appropriations (\$506,600)—pass.

7.3.(d) Legislative Building Information Systems (1) Salaries and Employee Benefits \$488,400—pass; (2) Other Expenditures \$286,300—pass.

7.3.(e) Internal Audit and Consulting Services (1) Salaries and Employee Benefits \$1,723,000—pass; (2) Other Expenditures \$212,100—pass.

Resolution 7.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$6,423,000 for

Finance, Comptroller, for the fiscal year ending the 31st day of March, 1998.

7.4. Taxation (a) Management and Research (1) Salaries and Employee Benefits.

**Mr. Leonard Evans:** Mr. Chairman, just under Taxation, we have a couple of questions. I notice, of course, one of the taxes, one of the acts administered by this branch or section is the Health and Post Secondary Education Tax Levy, which is otherwise referred to as the payroll tax. I know the minister has boasted about raising the exemption levels, and indeed most small enterprises, however you define them I guess, are not paying. If you are under three-quarters of a million dollars gross payroll, I guess you are exempted. At any rate, the fact is that this tax is still with us. It still provides significant revenue. I note in the 1997 budget document of revenues, the revenue from the payroll tax, the levy for health and education, is going to be higher than it was last year. There was \$206.5 million raised in the '96-97 budget; the '97-98 budget shows \$209,400, so an increase of almost \$3 million.

The point is the tax is alive and well, and I would point out that it was always the intention of the former government to make adjustments from time to time to assure that smaller enterprises would not be penalized or would not be required to contribute in this way. At any rate, the point is we still have this tax even though the now Premier (Mr. Filmon), the then minister of the official opposition, indicated very clearly that the position of his party was to eliminate, not to raise the exemption levels, but to totally eliminate this tax. So I guess my question to the minister: Does he believe that this tax will ever be eliminated by his government?

**Mr. Stefanson:** Mr. Chairman, the payroll tax does generate a little over \$200 million. That is split almost equally. About half of it comes from governments, federal government, other government agencies, and half of it comes from the private sector. The member for Brandon East (Mr. Leonard Evans) is right that we have consistently increased the threshold on the payroll tax. I think when we took office it was \$100,000, if I recall correctly; \$100,000 was the threshold, and in this last budget we moved it up to \$1 million as the threshold.

In fact, now with this adjustment in this budget, another 600 firms in Manitoba will not pay the payroll tax. We are down to, I believe, about 1,800 firms paying the payroll tax. Over 90 percent of the businesses have been eliminated from paying the payroll tax. As we continue to move the threshold, we eliminate more and more businesses from paying the payroll tax. That is the objective. We are certainly on course to accomplish that and have made significant strides over the last several budgets to do just that, to eliminate the impact on businesses.

The dollar amount going up is there for a couple of reasons. It is the timing of the change. The change is going into effect on January 1, 1998, but probably most important of all, there are more jobs in Manitoba. If you look at the first three months of this year compared to the first three months of last year, there are 18,000 more jobs in Manitoba. I am sure many of those jobs are in businesses that are still paying the payroll tax. Obviously it generates more revenues for us through the payroll tax, through the income tax, through the provincial sales tax and through all various forms of taxation. Good news for our economy, good news for our Treasury, but by moving the exemption level as aggressively as we have over our several budgets, we have eliminated the impact on the vast majority of businesses, and we will continue to look at that issue in each and every budget that we bring down.

**Mr. Leonard Evans:** Is the minister suggesting to the committee that it is the government's policy to continually raise the exemption level to the point that there will be zero companies paying this tax?

**Mr. Stefanson:** Mr. Chairman, as I said, in literally every budget we bring down, we look at the issue of the payroll tax, as we do all taxes. Over many of those budgets, we have increased the exemptions so that today over 90 percent of Manitoba businesses do not pay the payroll tax, and we will continue to look at adjustments to the exemption level. I think that opportunity is there to continue to move the exemption level so that ultimately all, or the vast majority of businesses, will not pay it. You would still drive the tax from the federal government and some other organizations of that nature.

So by continuing to move the exemption, to give an example, in this budget alone, the 1997-98 budget,

when we entered the budget there were 2,400 firms still paying the payroll tax. By adjusting the exemption to \$1 million, we knocked 25 percent of those off the tax rolls. We went from 2,400 down to 1,800 with this exemption adjustment. So that is the kind of thing we will look at in each and every budget, and we will continue to make adjustments on the payroll tax to remove it for more and more businesses in Manitoba.

**Mr. Leonard Evans:** Yes, well, I have no problem with the minister raising the exemption levels, but I do not hear him telling us that he is going to eliminate it. I would suggest it will not be eliminated, because it provides just too many dollars that are badly needed by this government, by any government. That is the fact of the matter, \$200 million is a lot of money. As the minister himself has pointed out, a lot of this comes from federal government departments and large national corporations that we hope can contribute to the Manitoba economy in this particular way.

Having said that, we are not the only province that levies this type of tax. This type of tax can be found in other provinces, and it is one method of raising revenue. Nobody likes to suggest new taxes. Nobody likes to see taxes having to increase, but on the other hand, governments do have to have revenues to offer services to the people of their jurisdiction. Whether it be health, education or highways, or agricultural services, or whatever, you do need the money. You cannot run a government with no money. This is one that was rather innovative at the time that it was introduced, but I would predict that some many years from now this tax will still be with us. Maybe the exemption level will be higher, but the amount being collected will still be \$200-million-plus, I would suggest, Mr. Chairman.

**Mr. Stefanson:** Mr. Chairman, without belabouring this, I think the key is if we want to get into interpreting the word "eliminate," the key objective is to eliminate the impact on businesses in Manitoba. We have gone a long way to doing that. The member can talk about the adjustments they made on the payroll tax. They brought it in, in 1984, at an exemption level of \$50,000. They made one adjustment and moved it to \$100,000, before they were removed from office in 1988. Since then the exemption has gone—the very next year in 1989, it was increased from \$100,000 to \$300,000.

Then in 1990, it was increased to \$600,000, and in 1994 to \$750,000, now in 1997-98, to \$1 million.

By removing the impact on any businesses, you are eliminating the impact of the payroll tax. That is what businesses ask for. Our objective is that they do not have to pay the tax. But to leave a payroll tax in place that still generates revenue from the federal government, I am not so sure the member for Brandon East or Manitobans would be arguing with that, particularly if you look at the treatment from the federal government over these last couple of budgets, with what they have done to transfer payments to provinces like Manitoba, \$220 million in two budgets have been reduced in those areas.

So the key is to eliminate the impact on businesses. We have gone a tremendous way to doing that with over 90 percent of businesses not paying that payroll tax, and we will look at further adjustments in each and every budget that we bring down.

\* (1740)

**Mr. Leonard Evans:** I think the minister should understand I am not sitting here advocating the total elimination of this tax simply because of our particular financial circumstances. Ideally we would like to eliminate it, but I do not see it possible.

The point I am making is it was stated categorically, unequivocally, by the then Leader of the Opposition and now Premier (Mr. Filmon), that this tax would be eliminated, period. The objective was not simply to raise the exemption levels so smaller companies would not pay. The objective was to totally obliterate it, period. You could read Hansard; many a time you can read that statement in Hansard, but you know there is no need to—we do not have time to discuss this further, I would suggest.

I would like to go on and ask a question briefly about the Tobacco Interdiction under the Taxation item. I know we are not at that, but if we could just cover this item and then we could pass the whole Taxation section here. If the minister could give us an update on Tobacco Interdiction, there is quite a staff involved. There is quite an expense involved in administering this. Then, I guess, we have to ask ourselves whether

the cost involved has been justified by the savings on the other side, in other words, protecting our tax revenue from tobacco products. I wonder if the minister would like to give us some kind of an update on what is happening in this matter.

I guess the problem has been, in previous we have discussed—and I think it has been overcome to some extent, but the whole question of the freedom of movement of people, the freedom of interprovincial trade is a sort of philosophical issue that comes to fore here, but I know the minister has dealt with it in some ways by a legislation.

**Mr. Stefanson:** Mr. Chairman, as the member can see, the cost of the Tobacco Interdiction is \$792,000, but if he asks, is it important and is it being successful, the short answer is yes. Right now the differential in price is that a carton of cigarettes to the east of us is approximately \$26 compared to \$43.25 in Manitoba. So, if you take the tobacco tax and the provincial sales tax on tobacco, we are protecting about \$90 million in revenue. If we were to reduce it to the price in eastern Canada, that would affect about \$90 million in revenue, so the \$792,000 is money very well spent to protect that revenue. It has been very successful. I could certainly provide him numbers on cartons seized, court cases, all of that, at some other time, but if you look at the three years that we have had the program in place, it has safeguarded approximately \$235 million in tobacco tax revenue.

He is also right that we made adjustments to deal with the whole issue of freedom of movement of goods because we are supporters of the internal trade agreement, and with some of the changes, by allowing individuals to bring in five cartons of tobacco so long as they pay the tax, the equivalent tax in Manitoba, which is not uncommon with PST and other taxes right across Canada that you pay in the province of consumption, so it is in keeping with the tax policies of Canada. We made it more convenient to do that. If people have larger quantities, they can also get a permit and do that. So we have protected the integrity of the internal trade agreement, but we have also protected the taxation revenues for Manitoba.

I did not even get into the whole health issue, which is a whole other issue as well, if you want to get into the health issue as well in terms of the important role

that this plays in the whole issue of smoking, particularly amongst young people.

**Mr. Leonard Evans:** Mr. Chairman, I am not being critical of this exercise or this effort or the objectives, but I wanted to get some information.

Just another question or an observation, I would imagine that most of the enforcement involves vehicles, probably on the Trans-Canada Highway. I often wonder, how do you enforce citizens who arrive in Winnipeg by air? I think most citizens are law abiding, and certainly they are, but how do you—I mean, you do not go through customs inspections. How do you prevent somebody coming with a suitcase of cigarettes over and above the reasonable amount?

**Mr. Stefanson:** Mr. Chairman, I think the most important thing we have done is really to inform the public and to inform them of the consequences. So, with international flights arriving, there is appropriate signage outlining the whole issue of our laws in this area. Similarly, as the member himself has indicated, I think Manitobans are quite aware of this, after being in place for three years and some controversy over the original implementation when the changes were put in place in eastern Canada. So I think there is a great deal of awareness about this whole issue of tobacco, how much you can bring in in tobacco taxes, and then there are various forms of dealing with it in terms of how the law enforcement agencies are dealing with it, but I do not think that I should necessarily outline those here in this House.

**Mr. Leonard Evans:** We could pass Taxation. I would like to go on to Federal-Provincial Relations.

**The Acting Chairperson (Mr. McAlpine):** 7.4. Taxation (a) Management and Research (1) Salaries and Employee Benefits \$942,100—pass; (2) Other Expenditures \$109,000—pass.

7.4.(b) Taxation Administration (1) Salaries and Employee Benefits \$2,232,700—pass; (2) Other Expenditures \$3,247,500—pass.

7.4.(c) Audit (1) Salaries and Employee Benefits \$4,882,400—pass; (2) Other Expenditures \$750,200—pass.

7.4.(d) Tobacco Interdiction (1) Salaries and Employee Benefits \$536,400—pass; (2) Other Expenditures \$256,300—pass.

Resolution 7.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$12,956,600 for Finance, Taxation, for the fiscal year ending the 31st day of March, 1998.

7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits.

**Mr. Leonard Evans:** We have only got a few minutes available, but I wonder if the minister could outline what major initiatives he expects to take with the federal government or with other provinces. He goes from time to time to these federal-provincial meetings of ministers of Finance, and I wonder, without undermining his position at all with the negotiations or whatever, if he could elaborate as to what are the priorities for him in dealing with the federal government and the other provinces.

**Mr. Stefanson:** I think for the sake of time, first of all, Mr. Ewald Boschmann has joined us, the Assistant Deputy Minister of Federal-Provincial Relations and Research, but the issues probably are unchanged. The whole issue of transfers continues to be an issue, the Equalization Agreement and formula, and the fact that that was renewed, I believe, for five years back in 1993-94 by the federal government even though it is in the constitution. I think that is an issue that we have to continue to keep at the forefront. It does have the support of all provinces; even the nonrecipient provinces have been supportive of equalization, but it is an issue that we have to continue to keep at the forefront and keep support for.

\* (1750)

The whole issue of the Canada Health and Social Transfer, the significant reductions, I see the Liberal government has made a commitment not to continue to reduce the amounts starting in 1998. They are freezing the reductions at this year's level which, over these last three years, is about \$240 million, so they made some minor adjustments which are beneficial, but against the total reductions over these five years. They are

reducing those funding transfers by about \$1.14 billion and they will add back about \$125 million. So it is still just over a \$1 billion in reductions.

Two other issues, we do play a role in the whole discussion around the National Child Benefit, because of the relationship back to the income tax system, even though that is being led by Family Services ministers. And then the other issue that there are some track two issues on is the Canada Pension Plan. So we will be into discussions on Canada Pension Plan, plus the agreement was to renew the Canada Pension Plan every three years now, so it will be an issue that is before us on an ongoing basis.

So those are four key issues in terms of dealing with the federal government and other governments.

**Mr. Leonard Evans:** Do you anticipate that the changes of the CPP, really you do not know, but do you anticipate that there will be much negative impact on Manitoba's financial position?

**Mr. Stefanson:** I guess the short answer is no, Mr. Chairman.

**Mr. Leonard Evans:** The reasoning of the federal government of cuts to the provinces is that if the federal government has a large annual deficit problem, which indeed it does—I mean, relatively speaking, they are in a far worse position than the Province of Manitoba. I do not know what they are paying per dollar of expenditure. We are paying, what, 10 cents on the dollar or something, give or take a penny? I do not know what they are paying, 35, 36 percent, 36 cents on the dollar, which is substantially worse.

I, as minister, you may recall, have urged in the past, and I want to take this opportunity now to urge the minister in turn to promote the idea of the federal government using the Bank of Canada to purchase some of its debt. I would rather see the commercial banks receive less in interest payments from the federal government than the provinces of Canada receiving less by way of transfer payments.

I just point out to the minister, in 1976 the Bank of Canada held 20.8 percent of the federal debt; now it only holds 5 percent of the debt. This is a difference of

roughly 16 percent. If you take 16 percent of the total federal debt, which is about \$600 billion, you are looking at \$96-billion worth of debt that the Bank of Canada could have been holding for the federal government, virtually, cost free, because debt held by the Bank of Canada is cost free to the federal government, because all the profits of the Bank of Canada are paid back to the government of Canada. So it is a bookkeeping amount. So the debt is virtually cost free in all those years. In other words, we could have been saving about 7 percent; that is the average rate of interest in that period, of \$96 billion or roughly \$7 billion a year. So what I am saying is, could the Minister of Finance not say to his counterpart, look, you are now only holding 5 percent, why do we not go back to where we were in the mid-'70s? In 1976 the bank held 20.8 percent of that. I mean, what is so radical about that? What is so revolutionary about that?

In fact, I believe the American Federal Reserve System holds a higher percentage of the U.S. federal debt than the Bank of Canada holds of the Canadian federal debt. I am making that point because, instead of Mr. Chretien and the federal government taking it out on the provinces, why does he not take it out on the commercial banks? I mean, who is going to suffer? It will be fewer dollars paid to the commercial banks and financial institutions, by and large, or whoever holds the debt, and I really think that this is an item that the minister should be putting forward. It is reasonable. We are saying, look, if we could do it in 1976, why can we not over a period of years increase that percentage from 5 percent; why can we not move up to roughly 20 percent over a period, say, of five years? So what that does is it takes a lot of pressure off the federal government to cut back on the payments to the provinces or whoever else. It does not require more taxation.

As I say, the burden then is really, I guess, in a sense transferred to the commercial banks because they are going to make less profit from this. If you talk about it in terms of taxpayers, that is \$7 billion a year. We have seven million taxpayers in Canada. In effect, those taxpayers paid \$1,000 more per year over that period of time—\$1,000 per year over that period of time—because the federal government decided to reduce the amount of debt held by the Bank of Canada. So I offer that as a suggestion. I offer that in a nonpartisan, friendly and,

I hope, progressive suggestion that is legitimate. I mean, I think it is worth exploring.

**Mr. Stefanson:** Mr. Chairman, just very, very briefly. The member for Brandon East (Mr. Leonard Evans) has pressed this case before, and we have looked at it, this issue of whether or not the Bank of Canada could ease the burden of government debt in Canada by purchasing some of that debt, and our review shows that this proposal does not have much merit. It is not supported by most economists in Canada.

When a central bank purchases government debt, it increases the money supply. Therefore, such purchases are determined by the rate of money supply growth that is appropriate given the banks' targets for interest rates, inflation and the exchange rate. The central bank creates money simply to satisfy whatever level of borrowing the government desires, and the rate of inflation will be very high. Interest rates will be very high. The exchange rate will fall sharply, and the economy will fall into a deep recession.

The member for Brandon East pointed out that the policy is not inflationary, because it was adopted during World War II. This is somewhat misleading because the country had very rigid wage and price controls during the war backed up by rationing of key commodities. So those are the concerns that have been expressed for me, and I know it is an issue that we can certainly carry on further discussion at another time, Mr. Chairman

**Mr. Leonard Evans:** Obviously, we do not have time, but I do not mind an analysis—

**The Acting Chairperson (Mr. McAlpine):** Order, please. The hour approaching 6 p.m., what is the will of the committee?

**Mr. Leonard Evans:** We were going to wind this department up. We agreed to that. The House leaders agreed to that, so we are going to wind it up. We can wind it up, but we have got three minutes.

**The Acting Chairperson (Mr. McAlpine):** I would remind the committee that in order for us to do that, in order for us to pass this we will need a time that is—

**Mr. Leonard Evans:** I do not see the clock. Not to belabour this.

**The Acting Chairperson (Mr. McAlpine):** The honourable member for Brandon East on a very short—

**Mr. Leonard Evans:** Yes, I just want to make the point, I do not accept that analysis. The minister does himself a disservice if he accepts that analysis. I really tell you that. As an economist, I tell you that. If we can do it in 1976—forget about World War II—why can we not do it today? The business of creating money, the commercial banks create the money. Jean Chretien sells \$100-million worth of bonds to the commercial banks. Who creates the money? It is the commercial banks that are creating the money. Somebody creates the money; the commercial banks create it, and they create it out of thin air. They create it by writing in the books, you know, \$100 million.

But we do not have time to discuss this. I am going to table for the minister's edification—and I trust he and his staff will study this matter more, because I think it is a way of helping the Province of Manitoba get a better deal in terms of transfer payments. That is the reason I am making that as a suggestion.

So, having said that, Mr. Chairman, we could pass the items.

**The Acting Chairperson (Mr. McAlpine):** 7.5. Federal-Provincial Relations and Research (a) Economic and Federal-Provincial Research (1) Salaries and Employee Benefits \$1,041,900—pass; (2) Other Expenditures \$303,800—pass.

7.5.(b) Manitoba Tax Assistance Office (1) Salaries and Employee Benefits \$237,600—pass; (2) Other Expenditures \$39,400—pass.

Resolution 7.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,622,700 for Finance, Federal-Provincial Relations and Research, for the fiscal year ending the 31st day of March, 1998.

7.6. Insurance and Risk Management (a) Salaries and Employee Benefits \$218,500.

### Point of Order

**Mr. Leonard Evans (Brandon East):** Point of order. Could you not just pass the Resolution 7.6 without reading all the detail? Resolution 7.6 pass, 7.7 pass? I am just trying to be helpful.

\* \* \*

**The Acting Chairperson (Mr. McAlpine):** With the will of the committee, we will pass Resolution 7.6.

Resolution 7.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$249,800 for Finance, Insurance and Risk Management, for the fiscal year ending the 31st day of March, 1998.

Resolution 7.7, with the will of the committee: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,032,900 for Finance, Treasury Board Secretariat, for the fiscal year ending the 31st day of March, 1998.

Resolution 7.8, with the will of the committee: RESOLVED that there be granted to Her Majesty a sum not exceeding \$182,550,000 for Finance, Net Tax Credit Payments, for the fiscal year ending the 31st day of March, 1998.

7.1. Administration and Finance (a) Minister's Salary. We will ask the minister's staff to please leave the Chamber. Minister's Salary \$25,700—pass.

Resolution 7.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$930,900 for Finance, Administration and Finance, for the fiscal year ending the 31st day of March, 1998.

The hour being after 6 p.m., committee rise. Call in the Speaker.

### IN SESSION

**The Acting Speaker (Mr. McAlpine):** The hour being after 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 5, 1997

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