



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

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**DEBATES  
and  
PROCEEDINGS  
(HANSARD)**

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39 Elizabeth II

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

**Members, Constituencies and Political Affiliation**

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, December 11, 1990

The House met at 8 p.m.

## House Business

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, after a considerable degree of consultation, as between the Government House Leaders representing the various Parties in this House, there appears to be a desire to expedite the business of this Session. Therefore, I request to sit this evening from eight o'clock till sometime late this evening to consider Bills and the debate thereon.

Mr. Speaker, I would ask you to call the Bills in the following order, firstly, second reading, Bill 23, and then debate on second readings Bills 18 and 20, after which time we would propose going into Committee of the Whole to consider those two Bills at the same time. Then coming out of committee, we will continue to debate Bills 22, 25, 12 and 24 in that order.

Mr. Speaker, I forgot as between 18 and Bill 20, Bill 26, that is The Loan Act, I would like to introduce it and have it distributed at this time, 26 after Bill 18.

## SECOND READINGS

### BILL 23—THE EMPLOYMENT STANDARDS AMENDMENT ACT (2)

**Hon. Darren Praznik (Minister of Labour):** Mr. Speaker, it gives me great pleasure to move, seconded by the Honourable Minister of Health (Mr. Orchard), that Bill 23, The Employment Standards Amendment Act (2); Loi no. 2 modifiant la Loi sur les normes d'emploi, be now read a second time and referred to a committee of this House.

#### Motion presented.

**Mr. Praznik:** Mr. Speaker, it gives me great pleasure tonight to introduce for second reading The Employment Standards Amendment Act (2). This particular Act amends The Employment Standards Act of Manitoba to allow Manitobans to avail themselves of the full benefits made available to them with recent changes to the federal Unemployment Insurance Act.

Mr. Speaker, as many Members may or may not be aware in this House, there are, in essence, two

regimes in existence governing maternity and parental leave. The first regime, of course, is the Unemployment Insurance Act which provides paid benefits prior to the amendment of that Act or the coming into force of the amendment to that Act on November 18 of this year, maternity benefits, and now, with the amendment to that Act, parental and maternity benefits.

The second regime is our Employment Standards Act which protects employees the period that they are away from their work and provides for unpaid leave for the period in which they are away from their work and protects their job. So in order for Manitobans to avail themselves of the full benefits that resulted from the changes in the Unemployment Insurance Act, this Legislature and this Government moved to amend The Employment Standards Act to allow Manitobans to be fully protected should they choose to avail themselves of the unemployment insurance benefits.

\* (2005)

Mr. Speaker, to summarize briefly what, in essence, has happened on the UIC benefits and to appreciate the changes that we are introducing in this Bill, firstly, under the previous UIC regime, 15 paid weeks of benefits were available to mothers for maternity leave. The Unemployment Insurance Act now provides, in addition to those 15 weeks, for a further 10 weeks of paid parental leave available to either the mother or the father, or shared. That leave is also available to parents in the case of an adoption.

There is also an additional provision that allows for a further five-week period of benefits in the case of a child who does not enter the home until six months after its birth and who has medical reasons that it requires a medical certificate.

The Unemployment Insurance Act also now allows mothers to take, in the year they avail themselves of the maternity benefits, their 15 weeks of paid sick benefits under the Employment Insurance Act, all of this scheme to a maximum of 30 paid weeks of benefits.

Our Employment Standards Act, at the present time, allows for 17 weeks of unpaid leave for

maternity leave, of course, that being for mothers to avail themselves of the 15 weeks of paid maternity benefits, plus the two-week waiting period that is required to take those benefits. It allows currently for six weeks of paternity leave and for 17 weeks of adoptive leave.

What this Bill is proposing to do, Mr. Speaker, is to have continue in force a 17-week unpaid maternity period under The Employment Standards Act, as well as roll the six weeks of paternity leave and the 17 weeks of adoptive leave into a new category called parental leave of 17 weeks, which is available to the mother, the father or adoptive parents.

So in essence then, available to a new mother is 17 weeks of maternity leave, plus 17 weeks of parental leave. That allows for a total of 34 weeks and allows for the full benefits to be received should a mother maximize the unemployment insurance benefits available to them under the UIC scheme.

In most cases—and I would point this out to all Members of this House—the norm will be a mother choosing the 15 weeks of maternity leave, plus the 10 weeks of parental leave, with the two-week waiting period, for a period of 27 weeks away from the workplace. In order to use the maximum 34 weeks, a parent would have to choose the 15 of maternity, plus two week waiting, work a further 20 weeks in order to qualify to take 10 weeks of parental, plus five sick-child, with a two-week waiting, which would be a total of 34 weeks.

This particular model of the 15, 17, 17 maternity and 17 parental, was the recommendation of the labour caucus in the Labour Management Review Committee. As I indicated to Members of this House when the issue was first raised following the UIC changes, which became effective on the 18 of November, it was the intention of this Government to refer the matter to the Labour Management Review Committee chaired by Professor Wally Fox-Decent. The Labour Management Review Committee consists of representatives of both the labour movement and management who advise the Minister on various aspects of labour legislation.

As Minister of Labour, I charged that committee with the task of reviewing this particular issue to fulfill the Government's commitment to amend The Employment Standards Act, and I charged them with a mandate with a one-week time period. I had the opportunity to meet with that particular

committee. Given the time restraints, they obviously did not file a written report, but availed me of their advice on both sides of the issue. I am pleased to say that we were able to incorporate much of that advice into these particular amendments.

I would also point out to Members of the House that this particular piece of legislation requires that the maternity and parental leave be taken in a continuous period of time, unless there is an agreement between the employer and the employee to do otherwise. That particular recommendation was agreed to by both the labour and the management reps at the Labour Management Review Committee.

This Bill also provides for a retroactivity and transition period so that any parent in Manitoba who has received additional benefits because of the UIC changes will be able to avail themselves of those changes under this Act.

So we think it is a very good package. We have maximized the benefits available to Manitoba families; we have done so with the co-operation of both management and labour. One issue that was raised by Members of the Opposition and by the Federation of Labour was that the qualifying period for benefits under The Employment Standards Act be reduced from the current 12-month period to something less. I would like to inform Members of this House that I am in the process of charging Labour Management Review Committee to consider that particular issue early in the new year.

I would point out that the qualifying period is not germane to allowing Manitobans to avail themselves of the changes in the Unemployment Insurance Act, there has always been a discrepancy between the number of weeks that one had to work to receive UIC benefits and the number of months that a person had to be employed by an employer to have the rights of being away for those periods under the Employment Standards Act, that the ability to amend that legislation was open to previous Governments over the years. It is an issue that has been raised on a number of occasions by the Federation of Labour.

\* (2010)

The management caucus, one of the issues that they raised certainly indicated to me that because it was not germane to the issue they wanted more time to look at the whole issue, and one has to respect that if one is respecting the process. So

Labour Management Review will be charged with the issue of reviewing that particular qualifying period in the new year, and I look forward to their deliberations and their recommendations.

I would also like to add, Mr. Speaker, I know the House has a fair bit of business to proceed or conclude with tonight, but I would like to add that from the readings of Opposition Members, as Minister of Labour I have had the opportunity to brief my critics in both Parties on the particular issues involved and why we chose the route we did to amend The Employment Standards Act. I certainly welcome their comments in the course of this debate. We have tried to in a very short period of time allow for as much input as possible into these particular amendments. I think that they maximize benefits.

I would also point out to Members of the Opposition that the Department of Labour, being fully aware of the changes to the Unemployment Insurance Act, did a great deal of preparatory work prior to the 18th of November. That work by the way was done, the instruction, my predecessor, the Honourable Gerrie Hammond, and we were waiting for those amendments to become law on the 18th of November to then begin our process.

So I would like to publicly thank all of the Members of the Labour Management Review Committee, who worked so very hard in a very short period of time to advise this Minister on these particular amendments. I trust that they will earn the support of all sides of the House, all Opposition Parties, so that we can see a speedy passage and truly legally allow all Manitoba families to avail themselves of the full benefits now available to them under the Unemployment Insurance Act.

So I thank you, Mr. Speaker, for the opportunity to speak on this Bill, and I look forward to the support of the House for these amendments.

**Mr. Steve Ashton (Thompson):** We are pleased to see this Bill being brought before the House. We raised the need for such a Bill the day the changes to the Unemployment Insurance Act were implemented by the federal Government. In fact -(interjection)- the Premier says they were working on it. They had close to two years from the original announcement of the changes, the cutbacks to Unemployment Insurance that resulted in the changes that were brought in a couple of weeks ago.

For those Members who are not aware, there was a wholesale series of changes, 99 percent of which result in a worsening situation for working people. It results in less money coming to this province. It results in workers in effect being in a position, Mr. Speaker, of having to wait longer for UIC, of having to have fewer weeks of coverage. Some workers will not be eligible for UIC whatsoever. So let not any discussion on this Bill lead to any impression that the federal Government is in any way truly reforming Unemployment Insurance. They are essentially dismantling Unemployment Insurance as we know it.

What they did do was bring in some improved benefits that we are now dealing with in terms of their implications for provincial legislation. In terms of maternity and parental leave, certainly those changes are welcome. In fact I am pleased actually to see that this trend is catching on across Canada, this greater recognition of the role that many of us have as parents and the importance of making sure that the workplace reflects that fact, reflects the fact both in terms of maternal leave and parental leave, because there is a growing demand for both types of leave.

\* (2015)

This Bill does essentially allow for the type of provisions that have now been adopted in terms of Unemployment Insurance to happen here, and let us not fail to recognize what would have happened without this. Without this, people would have been technically able to take advantage of the leave provisions of the Unemployment Insurance Act but would have been unable to ensure that their employment was protected by provincial legislation.

That is why we raised the concern the day the changes were announced. We indicated at that time we would pass this Bill through the day it was introduced in the Legislature, and I am pleased to say that we will be doing that tonight. We will pass this through to second reading in one sitting of the House, certainly an unprecedented step, an unusual step at least. There have been other cases of it, but it is because we believe so fundamentally in the need to protect the rights of working people in this particular situation that we are prepared to do this.

I want to put one cautionary note on that, and I know the Minister is aware of our feelings on this particular Bill, and I know our Status of Women Critic

will be raising these in her comments in just a few moments, but it is in regard to the question as to when individual workers qualify for these particular benefits, whether they require employment of a year as the current Bill will require, or whether they will be able to qualify at an earlier period.

Our view is that this type of right should not be limited by the length of employment. Let us not forget, Mr. Speaker, there is not a direct cost to employers. This is not paid leave that we are talking about. This is leave to allow for the individual worker to take access of the UIC benefits available to them. There is no particular cost to the employers.

We recognize there is an inconvenience, most definitely, Mr. Speaker, but there is no more of an inconvenience in the case of a worker who has worked more than a year than there is for a worker who has worked less than a year. In both cases the employer has to make other provisions to have staff available to perform those duties during the provision of the leave. There really is no fundamental difference. We believe that the effect of this is to limit access to the UIC provisions to the people who have worked less than a year.

Let us not forget what is going to happen. Someone who has worked less than a year is still legally entitled to those Unemployment Insurance provisions if they qualify for those provisions, but the way this legislation is now going to be in place, they risk the loss of their job if they undertake to use the leave provisions available to them under federal law, under the Unemployment Insurance Act.

I feel that it is a most unfortunate situation. I hope, Mr. Speaker, there will not be employers who will fire individuals because they will wish to use their access to Unemployment Insurance, but who have not qualified for employment for more than a year. I hope that will not happen, but there is no guarantee of that. We will be seeking changes to the legislation that will ensure that every Manitoba worker has access to these provisions under the legislation that is before us.

The bottom line is, and I want to make this very clear again, we oppose the changes that are brought into the Unemployment Insurance Act that cut back benefits to workers. We continue to oppose that. It is going to have a major impact on Manitoba. We will, in this particular case, co-operate in terms of bringing in this type of legislation to assure that one positive benefit is reached, although I must say

once again, we are puzzled that this Government that had so much advance notice in regard to the fact that this Bill was going to be passed, so much advance notice since it was passed by the House of Commons, so much advance notice from the time it was passed through the Senate, that it did not have contingency plans.

I will indicate there was a great deal of uncertainty out there. I received many calls. I know other Members of our caucus received calls from individual Manitoba workers. The bottom line is that we are saying, why did the Government not anticipate this? Everybody knew about the changes. Why was the Government not ready?

\* (2020)

The Minister says he was ready. Where was the Bill? Where was the Bill, Mr. Speaker, on the day that those changes were announced? I believe the date was November 19. Where was the Bill? The Minister had all the time in the world to consult on final offer selection. The Minister had all the time in the world to discuss the provisions of the Bill -(interjection)- and to the Premier, who is trying to make excuses once again for the incompetence of the Government that he leads, the sheer incompetence of his Government that, with two years notice, cannot draft up a Bill in consultation with whomever it wants. If they cannot do that on a basic Bill involving the rights of workers in terms of maternal and parental leave, Mr. Speaker, I do not know what they can do correctly.

I believe there is a certain contagious aspect to this inability of the Government to consult properly and draft legislation. I will not go any further than that, but it seems to be an emerging pattern with the Government.

I do want to indicate my major disappointment with them, because here we are on December 11 today. It is nearly a month later and they are finally dealing with second reading on this particular Bill. I do not blame the Minister. He is newly appointed. I suspect he has fallen into the ways of his more experienced Cabinet colleagues and has adopted the same modes of operation that they have adopted. Certainly he is not alone in that Cabinet in not drafting Bills in the proper way.

I say the unfortunate thing is he could have gone through this process which I consider to be a positive process in terms of this, Mr. Speaker, a positive process in terms of putting forward this

particular Bill and having it ready on the 19th. Here, nearly three or four weeks later, after a great deal of uncertainty for the workers of Manitoba, we are here assisting the Government because of the fact they could not get it right in the first place.

Mr. Speaker, once again the New Democratic Party indeed will assist the Government. We will pass this through in the interest, not of the Government, not even of the legislative process, but of the workers of this province who need the protection in law in regard to unemployment insurance. That is why we will also, as our critic will point out, be looking at amendments to this Bill in committee to ensure that all Manitoba workers, and not just those who have worked for a particular employer for 12 months, all Manitoba workers will be entitled to the same rights under Manitoba law.

With those few brief comments, Mr. Speaker, we pass this Bill through following the comments of our critic, but we do hope next time the Government will take advantage of two years notice and get something ready the day that the changes are implemented, not retroactively some three weeks afterwards—not retroactively, three to four weeks after the fact.

The bottom line is this Government is falling into a bad habit in terms of legislation, and they should not expect on every case that the Opposition is going to bail them out of their incompetence.

**Mr. Gulzar Cheema (The Maples):** Mr. Speaker, I will be very brief. I just want to put forward the views from our caucus that we really appreciate the Minister of Labour's (Mr. Praznik) efforts, and as the Member for Thompson (Mr. Ashton) has criticized, it has been only three weeks. I think with such major amendments, I think we have to study the whole impact. Certainly the Minister has taken a positive and responsible attitude.

At the same time the Minister has said that it is the second province which is going to take a positive stand in terms of making sure that the workers of Manitoba are protected. Certainly we will offer our support, and we will have further comments at the committee stage. Thank you.

**Ms. Becky Barrett (Wellington):** I will not reiterate comments made by the Member for Thompson (Mr. Ashton) on the delay, short though it may have been, in introducing this legislation. I am on record in the Question Period as having made those comments.

\* (2025)

I would like to speak directly to the general Bill, the changes that have been made, and then in particular to one part of it. I will commend the Government, both the federal Government and this Government—I would like Members opposite to be aware of this historic moment, it is not likely to ever happen again, at least on the part of this Member—for the one change in the Unemployment Insurance Act, in the federal Act, which does recognize the newly evolving reality of what families are like in this country and what the work force is like in this country and what the needs are of working families in this country.

I would also like to state that the rest of the federal Bill is a disaster for those same working families, but with this federal Government we need to take whatever crumbs of comfort we are allowed. I appreciate the provincial Government having brought forward this amending legislation.

I do want to state that I think it is very important that we as a society recognize the role of families in our society, the fact that there are two parents and sometimes three and four parents for every child. There is the biological mother and the biological father and in a great many cases adopted parents as well.

For the first time this reality is recognized, and as both a biological and adoptive parent, I can state that I appreciate—too late for me it is—the recognition in law of the reality that is facing families in our society today.

I would like to state that this is an issue that has been a long time in coming. For many years it has been difficult for women to gain the acceptance by the workplace and by legislation that they have the same rights as men to a job and to the protection of that job, and that purely because of the biological fact that women are the ones who bear children, fairness and equity in the workplace has not been allowed before these kinds of changes in legislation have taken place. It has been a long time coming and there is certainly much more work to be done, but it is a first step, and I would like to state that I appreciate that.

I do have one concern shared by the rest of our caucus and discussed in more detail than I will go into now by the Member for Thompson (Mr. Ashton), about the 12-month qualifying time.

The Manitoba Federation of Labour members, the labour members on the Labour Management Review Committee were strongly in favour of absolutely no qualifying time. I will be putting forth an amendment when this Bill goes to committee to ask that the qualifying time for the being able to access the changes in this Bill be reduced to zero months.

My understanding is that New Brunswick and British Columbia currently do have that zero qualifying time, that Quebec is proposing it. Ontario is currently at three months and they are looking to making a change in a little while to go to nothing.

I would suggest that for the Government to truly be in favour and truly be seen as being in favour of fairness, equity, gender balance and equality, they must follow the principle of equal access and vote with us. I am hoping they will do that on this amendment that will be proposed.

I will be speaking more when the amendment comes forward to committee and thank the House for listening to my comments with a great amount of decorum. Thank you.

**Mr. Speaker:** Is the House ready for the question? The question before the House is the second reading of Bill 23, The Employment Standards Amendment Act (2); Loi no 2 modifiant la Loi sur les normes d'emploi. Is it the pleasure of the House to adopt the motion? Agreed?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Agreed and so ordered.

## DEBATE ON SECOND READINGS

### BILL 18—THE STATUTE LAW AMENDMENT (RE-ENACTED STATUTES) ACT

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill 18, The Statute Law Amendment (Re-enacted Statutes) Act; Loi de 1990 modifiant diverses dispositions législatives (Lois réadoptées), standing in the name of the Honourable Member for Point Douglas (Mr. Hickes).

**Mr. George Hickes (Point Douglas):** I adjourned it for the Member for Dauphin (Mr. Plohman).

**Mr. John Plohman (Dauphin):** Mr. Speaker, Bill 18 normally would not be a Bill that would receive a great deal of debate as being a statute of

re-enactment dealing with translation, French and English. However, in this case, there is a reason to put some comments on the record, because this Act now and its passage this week hopefully will bring to an end nine months of confusion that has resulted from the repeal of a very active Act of the Legislature last March during the translation process.

\* (2030)

Instead of having this Act translated and re-enacted, what happened was it was repealed as being a spent Act that no longer had effect, and that was not the case. It ends a comedy of errors. I think the Minister of Rural Development (Mr. Penner) can probably accept some responsibility, along with his staff in his department. Although they had many Acts that they had to deal with to bring forward to legislative counsel for translation and others to be repealed and they had to determine the status of those Acts, they did in fact make a serious error. The reasons for it have not yet been determined.

The fact is that The Dauphin Memorial Community Centre Act was passed in 1950 originally, the validation of an agreement that existed in 1950. The parties to that agreement, being the Agricultural Society, the Rural Municipality of Dauphin and the Town of Dauphin, worked under that agreement for some 40 years. However, when the re-enactment process took place, the translation of Acts took place, mysteriously this Act was not translated even though it was in active force, and there was a letter to the effect by the Agricultural Society that they wanted it translated to continue in effect.

As a matter of fact, subsequently, the—and that was in April of 1988 just after the election. The Minister of Rural Development (Mr. Penner) is shaking his head no, but I have a copy of that letter, and I know in fact that there is that Act in place. In addition to that, the rural municipality also sent a resolution in asking for re-enactment of this statute.

Now what happened was, in Bill 101, which was first tabled in this House on March 7, 1990, and passed on March 14, some seven days later from the time that it was tabled in this House, just seven days, in the dying days of the previous Session, it included 859 Acts that had to be re-enacted or repealed, 859. Buried in the middle, was No. 152 which referred to the Town of Dauphin and the Rural Municipality of Dauphin.



It did not talk about the Dauphin Memorial Community Centre, and there is no way that could have been identified to myself in the House. The Premier (Mr. Filmon) did not even know about it, and neither did the Minister of Justice (Mr. McCrae), the Minister of Rural Development (Mr. Penner). None of them knew what was in this Act.

There were 859 for re-enactment and they had no clue what Acts were included in that Act.

I would have thought that the Premier (Mr. Filmon) would have made it his business to be very much aware of what was required for this Act because he made six trips, seven times, during the election. He did not go enough before the election so that he could make a determination. What the Premier should have done is laid the groundwork for the election a little earlier, starting last March, and consulted with the people of Dauphin so that he would have known that this was an active statute that indeed should have been translated. It was a colossal error.

I am not blaming legislative counsel or the Minister of Justice (Mr. McCrae). Who I am blaming for this is the Department of Rural Development for the fact that they allowed this particular Act to be repealed rather than -(interjection)-

**Hon. Gary Filmon (Premier):** I talked to Wilf Hudson about it when I was in Dauphin. I mentioned it to him.

**Mr. Plohan:** The Premier mentions Wilf Hudson. He did raise Wilf Hudson during the election, that he had been called in to work on my campaign. He should be aware that Wilf Hudson now resides in Dauphin. He was working in the constituency of his home town. The Premier maybe should be aware of that.

Getting back, very shortly, I just want to indicate—and I will not be harassed or hurried by my colleagues, because this is such an important issue. Now that we have a process for reenacting and fixing, so to speak, what mistakenly resulted in a colossal period of confusion by all the Parties because at the time that this took place, they no longer knew if the board existed. They could not deal with financial matters, insurance matters, and operation of the Memorial Community Centre. There was no Act in place.

Finally, in August, during the election, they came to an interim agreement so that they could continue to operate in the absence of this legislation. Now

what is happening is this Act will be reenacted retroactive to March 14. There will be a special amendment as a result of the discussions that I had with the legislative counsel and the Minister of Justice (Mr. McCrae) to ensure that all of the activities of the interim board during that period are validated as well, so there will not be any confusion as to whether in fact they had legal right to act during that period of time.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

I think what this points out to the Premier (Mr. Filmon) is that he has to be a little more thorough in ensuring that his Ministers review all legislation, particularly when they are dealing with re-enactment. We have gone through a drinking and driving Bill. The Minister of Justice (Mr. McCrae) will remember that Bill required more amendments than the Act itself in terms of the number of pages for amendments that came forward during the Session once he brought it forward. There were many Bills by this Government that were not properly reviewed and scrutinized prior to getting to the House.

This Premier has to take the complete blame for this—and I am sure when he comes to Dauphin and speaks with the new mayor after this Thursday, because there is a by-election going on right now. The fact is, when he introduces himself to the new mayor and congratulates her, that he will indeed apologize for the mess that he created in Dauphin during that period in time.

I will indicate to the Minister that his candidate in the provincial election is also running for his old job. Only this time he is asking for a raise. We will see what happens on Thursday. It is an extremely interesting development, but he created a by-election, and now he is running for it. That is a little aside to the issue at hand here.

I know the people of Dauphin were very concerned about this issue, and I hope that the Premier (Mr. Filmon) will indeed apologize to the Rural Municipality of Dauphin, the Agricultural Society and the Town of Dauphin, all who were affected considerably by this error that the Premier made, made by his Government.

So I am pleased that the Minister of Justice (Mr. McCrae) has used a reasonable approach in ensuring that this Bill is re-enacted now, and before December 31, it will be back in place, probably much earlier than that. Indeed, the people of the Dauphin

community and surrounding area will be able to continue with their discussions on a funding arrangement between the three Parties to govern the Dauphin Memorial Community Centre. So I thank the Minister for his co-operation in that regard in overcoming what was a colossal error last March. Thank you.

**Madam Deputy Speaker:** The Honourable Member for St. Johns (Ms. Wasylycia-Leis).

**Mr. Kevin Lamoureux (Inkster):** For Inkster.

**Madam Deputy Speaker:** Inkster.

**Mr. Lamoureux:** The Leader of the Opposition (Mr. Doer) has said the Member for St. Johns was going to contest me, and now it is made official, I guess, today.

\* (2040)

Madam Deputy Speaker, there is not too much that I want to say on this particular piece of legislation. The Member for Dauphin (Mr. Plohman) has made reference to why we have this legislation before us today. A valid argument could be made, had we not had to rush through the original re-enactment that in fact we would not have Bill 18 before us. It is in fact because of the need. These are two viable organizations, The Dauphin Memorial Community Centre Board Act and The Beautiful Plains County Buildings Act, that in fact it does need to be passed. We recognize that fact, and we support it, of course.

For those reasons, Madam Deputy Speaker, we are more than happy to see it go to committee. By the end of the week, we will have it receiving Royal Assent, no doubt.

**Madam Deputy Speaker:** Is the House ready for the question? The question before the House is the second reading of Bill 18. Is it the pleasure of the House to adopt the motion? Agreed?

**Some Honourable Members:** Agreed.

**Madam Deputy Speaker:** Agreed and so ordered.

## BILL 20—THE STATUTE LAW AMENDMENT (TAXATION) ACT, 1990

**Madam Deputy Speaker:** On the proposed motion of the Honourable Mr. Manness, Bill 20, The Statute Law Amendment (Taxation) Act, 1990; Loi de 1990 modifiant diverses dispositions législatives en matière de fiscalité, standing in the name of the Honourable Member for Broadway.

**Mr. Conrad Santos (Broadway)** Madam Deputy Speaker, I am willing to adjourn this debate in favour of the Member for Flin Flon (Mr. Storie) who wants to speak on it.

**Mr. Jerry Storie (Flin Flon):** Madam Deputy Speaker, there are only a couple of points, I think, that need to be made on this Bill before we pass it to committee. They are nonetheless important points. The first one that I would like to make is that the Members on this side, certainly my northern colleagues, have repeated time and again that this Government seems more than willing to take resources and wealth out of the North, yet has been reluctant to spend any of that money back in northern Manitoba where there are many, many serious needs both at the community level and at the individual level.

Madam Deputy Speaker, I have raised on many occasions the continuing problems that the people in Lynn Lake are experiencing, a mining town that has experienced the ups and downs of mining communities throughout history. This is one of the low periods.

The Government, in its wisdom, has decided to continue to charge a surtax, 1.5 percent, on the income of mining companies. I do not deny that some companies, certainly Inco, can afford to contribute to the province as it uses up our resources. I want to put on the record, again, that there are needs in northern Manitoba that are going unmet, needs that have been on the table for two years and more, almost three years.

**An Honourable Member:** How about 20 years?

**Mr. Storie:** Madam Deputy Speaker, the First Minister (Mr. Filmon) wants to chirp from his seat about 20 years. Well, I will put on the record any comparison he wants about the spending of the NDP Government in northern Manitoba with the Conservative Government. I want to also put on the record that this Government and this Finance Minister have received more in the last two years from mining taxes by twentyfold than the NDP received in its six years because of the depressed metal prices at the time.

Madam Deputy Speaker, the Minister of Finance (Mr. Manness) and this First Minister continue to tax northern Manitoba while they ignore the real needs of the people in northern Manitoba. So we leave that on the record.

I think the mining companies, of course, can defend their own interests in this. As I have said, I recognize that some of the mining companies can afford to pay this additional tax for an additional year, but I would like to see some of the benefits accrue to the people who live in northern Manitoba, who work to make these mining taxes available to the Minister of Finance and the Government of Manitoba to continue to provide other services to other Manitobans.

(Mr. Speaker in the Chair)

Mr. Speaker, the second point that I want to raise, and I would hope that the Minister of Finance would be paying close attention to this, because it is one of the serious issues that has been raised about the proposed amendments to The Retail Sales Tax Act. The amendments to part four of The Retail Sales Tax Act as proposed in this statute law amendment look relatively minor. They refer quite innocently enough to the right of an individual to refuse to pay the retail sales tax. Like most consumption taxes, when the retail sales tax was imposed in 1967, because of its unpopularity and because of the wishes of business, there was a provision which allowed merchants to ignore or not collect the retail sales tax if someone refused to pay it.

So the Government in its wisdom at the time decided, because the conflict which occurred between a merchant and a customer was not of the merchant's making, that if someone was going to kick up a fuss they would say, well, fine you do not have to pay the retail sales tax. You simply sign the form saying, I am the consumer in this instance, here is my name and address. This amendment eliminates that provision.

Well, what that has done, of course, is put in jeopardy the business that many small businesses in northern Manitoba, in particular, and even more particular northern small businesses that exist on a border with another province, are going to be faced with the loss of considerable revenue.

Mr. Speaker, I have already forwarded to the Minister of Finance (Mr. Manness) a letter from a small business in my constituency, as well as raised with the Minister of Finance concerns that come from the Chamber of Commerce and the core business association in Flin Flon about the impact of these regulatory changes.

Mr. Speaker, the small, seemingly innocuous change The Retail Sales Tax Act is going to have

serious repercussions on the well-being of those businesses. I believe that reasonable alternatives to this amendment have been proposed, and they include, No. 1, changing The Retail Sales Act further to make it very clear that in border communities businesses are not required to deliver into the adjoining province, or the adjoining jurisdiction, to allow for an exemption of sales tax.

Mr. Speaker, I am not sure if the Minister of Finance heard those remarks. I do not know whether the Minister of Finance has in fact received my letter, but this is a serious issue—

**An Honourable Member:** Did you send it through Canada Post?

**Mr. Storle:** No, I sent it with one of the Premier's lackeys. This is a serious issue. The Minister of Finance is going to have to respond to the small business community in northern Manitoba, those businesses that do a significant portion of their business with reserves, as well as those communities that are on the border. I am anxious to know whether the Minister of Finance is prepared to contemplate any changes to this amendment before we see it through committee. It is important.

The business community in Flin Flon are suggesting that in some instances as much as 20 to 30 percent of their business may in fact disappear if this amendment goes ahead.

Mr. Speaker, I referenced earlier the problem that the requirement for delivery of goods into another jurisdiction before sales tax can be waived is one problem. That problem exists particularly in Flin Flon because of the border. If Saskatchewan residents come to the Manitoba side to shop, and for whatever reason the small business cannot deliver, they have to charge that Saskatchewan resident sales tax. There is no provision for the waiving or the refusal to pay.

\* (2050)

On top of that, because of the uncertainty that exists in the minds of many small businesses about the requirement for status Indians to pay retail sales tax, and in fact the increasing insistence on the part of Native people that as a statutory right they should not be required to pay sales tax. The loss of this refusal at the merchant's level could be dramatic, could have dramatic repercussions for those small businesses that do a significant portion of their business with status Indians, those close to reserves, those who do not have a delivery capacity.

What it does is force non-residents and status Indians to shop in other areas where people are prepared to either flout the law by writing on the bill, delivered to the reserve or delivered to another jurisdiction.

**Mr. Speaker,** what is perhaps most disconcerting is that officials in the ministry of Finance have suggested surreptitiously to businesses in the Flin Flon area to just ignore it and write on the bill, delivered to Saskatchewan, whether it was delivered to Saskatchewan or not.

Frankly, **Mr. Speaker,** I find that suggestion, that implicit suggestion that they flout the law, that they circumvent the law, to be completely unacceptable. I think the Minister of Finance has to address the problem in a more straightforward fashion.

**Mr. Speaker,** I want to put the Minister of Finance on notice that I will be bringing forward amendments to this. I await his response to my letter and to business concerns raised in Flin Flon and perhaps in other parts of the province as well, **Mr. Speaker.**

I am prepared to let this move to committee if there are no other speakers, **Mr. Speaker.**

**Mr. Speaker:** Is the House ready for the question?

**Some Honourable Members:** Question.

**Mr. Speaker:** The question before the House is second reading of Bill 20, The Statute Law Amendment (Taxation) Act, 1990; Loi de 1990 modifiant diverses dispositions législatives en matière de fiscalité.

Is it the pleasure of the House to adopt the motion?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** Agreed and so ordered.

\* \* \*

**Hon. Clayton Manness (Government House Leader):** **Mr. Speaker,** I had indicated in my earlier instructions that we might go into Committee of the Whole to deal with 18 or 20.

I would ask the Members opposite whether they would consider calling Bill 22. If by chance second reading is given to it, we then will take the three Bills to Committee of the Whole.

**Some Honourable Members:** Agreed.

## BILL 22—THE STATUTE LAW AMENDMENT ACT, 1990-91

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Justice (**Mr. McCrae**), Bill 22, The Statute Law Amendment Act, 1990-91; Loi de 1990-1991 modifiant diverses dispositions législatives, standing in the name of the Honourable Member for Flin Flon (**Mr. Storie**).

**Mr. Jerry Storie (Flin Flon):** **Mr. Speaker,** there were only a couple of issues of concern in this small statute law amendment. One of them dealt with the Communities Economic Development Fund. I want to thank the Minister of Northern Affairs (**Mr. Downey**)—

**An Honourable Member:** Oh, do not thank him.

**Mr. Storie:** I am sorry—for his consultation on this issue, **Mr. Speaker.** I think the Minister of Northern Affairs is probably extremely glad he did consult, because he was about to make a colossal error.

The amendment that is proposed results from a Government reaction to a court case, a case which—I do not know whether the Minister of Northern Affairs has decided to appeal—but I believe should be appealed on the grounds of common sense if nothing else, **Mr. Speaker.** This amendment may save some additional problems that may have resulted had that appeal not gone forward or had that appeal not been won. It is a recognition of a problem that does exist.

**Mr. Speaker:** Is the House ready for the question? The question before the House is second reading of Bill 22, The Statute Law Amendment Act, 1990-91; Loi de 1990-1991 modifiant diverses dispositions législatives. Is it the pleasure of the House to adopt the motion? Agreed and so ordered.

**Hon. Clayton Manness (Government House Leader):** I move, seconded by the Minister of Justice (**Mr. McCrae**) that **Mr. Speaker** do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of Bills referred, and specifically, **Mr. Speaker,** Bills 18, 20 and 22.

\* (2100)

**Motion agreed to,** and the House resolved itself into a Committee of the Whole to consider and report of Bills referred, and specifically Bills 18, 20 and 22, with the Honourable Member for Seine River (**Mrs. Dacquay**) in the Chair.

**COMMITTEE OF THE WHOLE**  
**BILL 18—THE STATUTE LAW**  
**AMENDMENT**  
**(RE-ENACTED STATUTES) ACT**

**Madam Chairman (Louise Dacquay):** Order, please. The Committee of the Whole will come to order to consider Bill 18, The Statute Law Amendment (Re-Enacted Statutes) Act. Does the Honourable Minister of Justice have an opening statement?

**Hon. James McCrae (Minister of Justice and Attorney General):** Madam Chairman, rather than having an opening statement, I have some very brief comments to make once we get to Clause 10 by way of amendment to explain the amendment for the Honourable Member for Dauphin (Mr. Plohman).

**Madam Chairman:** Do any of the Members from the Opposition Parties have opening comments? We shall proceed to consider Bill 18 clause by clause.

Subclause (1) of Clause 1—(pass); Subclause (2) of Clause 1—(pass).

Subclause (1) of Clause 2—(pass); Subclause (2) of Clause 2—(pass); Subclause (3) of Clause 2—(pass); Subclause (4) of Clause 2—(pass).

**Mr. McCrae:** I wonder if I could suggest a slightly more expeditious method of getting us to Clause 10 because I think that there is probably an agreement that all the clauses to that point could pass.

**Madam Chairman:** Clauses 2 to 9—(pass).

Shall Clause 10 be passed?

**Mr. McCrae:** Madam Chairperson, I move

THAT section 10 be amended by adding the following after subsection (7):

Validation respecting Dauphin Memorial Community Centre Board

10(8) No decision made or action taken, in the period from August 14, 1990 to the day this section comes into force, by The Dauphin Memorial Community Centre Board appointed under the terms of an agreement dated August 14, 1990 between the Town of Dauphin, the Rural Municipality of Dauphin and The Dauphin Agricultural Society, is invalid or unenforceable by reason only that The Dauphin Memorial Community Centre Board Act is enacted retroactively to March 15, 1990 by this Act.

**(French version)**

Il est proposé que l'article 10 soit amendé par adjonction, après le paragraphe (7), de ce qui suit:

Validation relative au Conseil Du Centre commémoratif de Dauphin

10(8) Sont valides et exécutoires les décisions ou les actions prises, du 14 août 1990 à la date d'entrée en vigueur du présent article, par le Conseil du Centre commémoratif de Dauphin créé aux termes d'une convention conclue le 14 août 1990 entre la ville de Dauphin, la municipalité rurale de Dauphin et l'Association agricole de Dauphin, même si la Loi sur le Conseil du Centre commémoratif de Dauphin est édictée en vertu de la présente loi à compter du 15 mars 1990.

I move this amendment in both the French and English languages.

The re-enactment project was designed to re-enact all laws of the province that were in force and whose purpose was not spent. In the case of some old municipal Acts, authority now exists under The Municipal Act for the arrangements contemplated by the old Acts; therefore, Rural Development, in consultation with the local people in many cases, determined that the Acts did not require re-enactment.

In the case of The Dauphin Memorial Community Centre Board Act, the understanding of Rural Development was that since the arrangement could be accommodated under The Municipal Act, The Dauphin Memorial Community Centre Board Act was no longer required; therefore, the Act was repealed in the re-enactment process.

In the intervening period I have received correspondence from the Honourable Member for Dauphin (Mr. Plohman), from the Dauphin Agricultural Society, and from the R.M. of Dauphin indicating that the Act does in their mind require re-enactment. Accordingly, the Act is being re-enacted by this Bill. The committee amendment simply makes clear that there is no intention to disturb decision making that took place during the period in which the Act was repealed.

In short, the intention here is to re-enact the Act in such a way that the status that existed before March 15, 1990, is reinstated. The parties are free to pursue any alternatives to the extent that they were in the past. How the parties proceed from this point forward is entirely a local matter.

**Madam Chairman:** It has been moved by the Honourable Minister of Justice (Mr. McCrae),

seconded by the Honourable Minister of Finance (Mr. Manness),

THAT section 10 be amended by adding the following after subsection (7):

Validation respecting Dauphin Memorial Community Centre Board

10(8) No decision made or action taken, in the period from August 14, 1990 to the day this section comes into force, by The Dauphin Memorial Community Centre Board appointed under the terms of an agreement dated August 14, 1990 between the Town of Dauphin, the Rural Municipality of Dauphin and The Dauphin Agricultural Society, is invalid or unenforceable by reason only that The Dauphin Memorial Community Centre Board Act is enacted retroactively to March 15, 1990 by this Act.

**(French version)**

Il est proposé que l'article 10 soit amendé par adjonction, après le paragraphe (7), de ce qui suit:

Validation relative au Conseil Du Centre commémoratif de Dauphin

10(8) Sont valides et exécutoires les décisions ou les actions prises, du 14 août 1990 à la date d'entrée en vigueur du présent article, par le Conseil du Centre commémoratif de Dauphin créé aux termes d'une convention conclue le 14 août 1990 entre la ville de Dauphin, la municipalité rurale de Dauphin et l'Association agricole de Dauphin, même si la Loi sur le Conseil du Centre commémoratif de Dauphin est édictée en vertu de la présente loi à compter du 15 mars 1990.

**Mr. John Plohman (Dauphin):** I just want to briefly indicate my support for this amendment, Madam Chairperson, and clearly in answer to the Premier's (Mr. Filmon) comment from his seat that we were going to ask legislative counsel for more changes, the fact is that it is not legislative counsel that made the errors in this issue. It was quite a different party in Rural Development that in fact did not communicate the proper information at the time.

I want that on the record, and I am very pleased that legislative counsel has in fact been able to take the steps to correct this issue so that the people in Dauphin and the surrounding area who are affected by this Act will once again be able to return to some degree of normal relationship with the Dauphin Memorial Community Centre.

There are outstanding issues, and the Minister referred to them in his comments about having local issues determined at a local level dealing with the funding formulas. This does not deal with that. This does not deal with the funding issues. That is something that has to be dealt with at the local level between the three parties, and clearly I support the fact that the provincial Government should not be involved in that in any way, shape or form.

I support this amendment, and I hope this will ensure that there will not be any confusion following the re-enactment of this Act and the board being put in place once again, no confusion for that intervening period which was created by the repeal.

**Madam Chairman:** This motion is moved in respect of both the English and French text of the Bill.

Is the committee ready for the question on the amendment? Shall the amendment be passed—(pass); shall the clause as amended be passed—(pass); Clause 11 through Clause 13—(pass); Schedule A—(pass); Schedule B—(pass); Schedule C—(pass); Preamble—(pass); Title—(pass).

**Mr. McCrae:** Madam Chairperson, I move

THAT the French version of the title to Bill 18 be amended by striking out "de 1990".

**French version**

Il est proposé que le titre du projet de loi 18 soit amendé par suppression de "de 1990".

This motion is moved in both languages, Madam Chairperson. This corrects an error in the French text.

**Madam Chairman:** It has been moved by the Honourable Minister of Justice, seconded by the Honourable Minister of Finance (Mr. Manness), that the French version of the title to Bill 18 be amended by striking out "de 1990". Shall the amendment be passed?

**Some Honourable Members:** Agreed.

**Madam Chairman:** Shall the title as amended be passed?

**Some Honourable Members:** Agreed.

**Madam Chairman:** Is it the will of the committee that I report the Bill as amended?

**Some Honourable Members:** Agreed.

**BILL 20—THE STATUTE LAW  
AMENDMENT (TAXATION) ACT, 1990**

**Madam Chairwoman:** Order, please. The Committee of the Whole will come to order to consider Bill 20, The Statute Law Amendment Taxation Act, 1990. Does the Honourable Minister of Finance have an opening statement?

\* (2110)

**Mr. Leonard Evans (Brandon East):** Madam Chair, I thought there was some understanding that this would be held over until tomorrow, because there was an amendment possible on this side, one or two amendments.

**Hon. Clayton Manness (Government House Leader):** Madam Chairman, I would prefer to deal with this Bill today. There are important matters that I think should be presented, particularly one matter that I have been wanting to deal with. So I would hope that we could deal with it today.

**Mr. Steve Ashton (Opposition House Leader):** I understand the Minister has a particular amendment he wishes to give notice of. I believe there might be agreement from our side to deal with that particular matter, at least to give the Minister the opportunity to give notice, so long as the Bill was not passed through this stage at this point in time. I believe we would be amenable to that.

**Mr. Manness:** Madam Chair, we will come back into Committee of the Whole another day and deal with this Bill. There is another reason why I should move an addendum to the Lieutenant-Governor's, seeing as there is a taxation issue involved. I am wondering, though, whether or not I can have leave at this time to make the introduction of the matter at hand, and then after that we will move on to the next Bill?

**Some Honourable Members:** Agreed.

**Mr. Manness:** Madam Chair, I will be introducing several amendments to Bill 20 another day. Both bear on the effect of the goods and services tax in our province.

Manitoba remains concerned with the complexity for businesses as a result of the application of the federal goods and services tax and the provincial sales tax at the retail level. We are committed to alleviating needless complexity wherever possible and practical.

In the area of liquor taxation, the province currently applies sales tax at a 12 percent rate on

spirits and wine and the general 7 percent sales tax rate on beer. Many Manitoba vendors lack the sophisticated point-of-sale equipment, in other words cash registers, necessary to continue collection of two distinct provincial tax rates on liquor and also accommodate the goods and services tax. In addition to the Liquor Control Commission itself this problem arises for many liquor vendors and numerous licensed restaurants and bars.

To alleviate these problems Manitoba, will lower the 12 percent retail sales tax rate on wine and spirits with the general 7 percent retail sales tax rate when the GST comes into effect. Adjustments to liquor markups will be made to offset provincial revenue losses associated with the sales tax rate reduction.

The effect of these changes on the prices of spirits and wine at the retail level will be negligible. A typical bottle of spirits may decline by five cents where the typical bottle of wine will remain unchanged. Provincial revenues in overall terms will be about \$800,000 lower in the current fiscal year as a result of these changes.

In summary, the changes afford a significant measure of simplicity for Manitoba's hospitality industry. They also help facilitate full visibility of the goods and services tax and provincial sales tax on purchases of liquor through Liquor Commission outlets.

When the changes come into effect, shelf prices in the Liquor Commission will show the price to the consumer before application of the goods and services tax and the provincial retail sales tax. These two taxes will be added at the checkout counter.

Madam Chairman, I thank the Members for letting me introduce this measure at this time. We will deal with the other amendments surrounding Bill 20 at the time again that we move into Committee of the Whole.

**Madam Chairwoman:** I understand the committee wishes to defer further consideration of Bill 20 until another day.

**BILL 22—THE STATUTE LAW  
AMENDMENT ACT, 1990-91**

**Madam Chairwoman:** Shall we proceed to consider Bill 22, The Statute Law Amendment Act, 1990-91?

**Some Honourable Members:** Agreed.

**Madam Chairman:** Agreed. The Committee of the Whole will come to order to consider Bill 22, The Statute Law Amendment Act, 1990-91.

Does the Honourable Minister of Justice (Mr. McCrae) have an opening statement?

**Hon. James McCrae (Minister of Justice and Attorney General):** Madam Chairperson, I would simply refer Honourable Members to my comments at second reading of the Bill and in the interests of time say nothing further at this point.

**Madam Chairman:** Do either of the—

**Mr. Dave Chomiak (Kildonan):** Madam Chairperson, I have a couple of questions on this matter for the Minister of Justice with respect to Section 12(1). Should I submit the questions now or when we get to those sections?

**Madam Chairman:** We shall proceed to consider Bill 22, clause by clause. Agreed? (Agreed)

Shall Subclause (1) of Clause 1 be passed—(pass).

**Mr. McCrae:** Madam Chairperson, if there would be agreement amongst Honourable Members, it may be possible to move more expeditiously up to, but not including, Clause 12.

**Madam Chairman:** Is that the will of the committee? (Agreed)

Shall Clause 1 through Clause 11 be passed—(pass).

**Mr. Chomiak:** The Minister indicated to me that these particular revisions were put into the Act to deal with an administrative measure that had been taken by the department previously with relation to court reporters.

I wonder if the Minister could outline for me the administrative changes that were put into effect that required these specific amendments to The Law Fees Act?

**Mr. McCrae:** Madam Chairperson, for a number of years the court reporters in Manitoba operated under, in addition to the master Manitoba Government Employees' Association agreement, a Memorandum of Understanding as well, which allowed court reporters to charge fees for their transcripts.

As a result of negotiations between representatives of the court reporters and the Department of Justice, that arrangement came to an end on October 5. In fact, what we are doing with

Section 12 is making our laws in Manitoba comply with the facts as they have existed since October 5, 1990, at which time the Government is now in the position to charge the transcript fees rather than the individual court reporters.

**Mr. Chomiak:** As I understand it, the Government therefore assumes ownership of the transcripts rather than the court reporters? Is that correct?

**Mr. McCrae:** Yes, Madam Chairperson.

**Mr. Chomiak:** Can the Minister indicate whether there was any study or preparatory documents to this particular change of procedure that led up to this Memorandum of Understanding?

**Mr. McCrae:** The change occurred relatively swiftly, Madam Chairperson, and the Government has had to take steps to ensure service to the public is not interrupted to an extent that is not acceptable. There has been considerable work done by the department to prepare for this eventuality, but that work had to be, of necessity, done quickly.

**Mr. Chomiak:** Madam Chair, have any groups or individuals made representations to this Minister or his staff with respect to difficulties being encountered by individuals in obtaining transcripts as a result of this change in procedure?

**Mr. McCrae:** Initially I did receive a letter from the Manitoba Bar Association before the change actually took place expressing concern about service to the public. I have received one, perhaps two, expressions of complaint or concern about delay. Those matters have been, as I understand it, satisfactorily dealt with. We have had to apply considerable attention to the matter to ensure that public service has not been disrupted unduly, and we feel that we are doing a good job in serving the public as a result of these changes.

\* (2120)

In point of fact, from my own experience as a court reporter I would say to you, Madam Chairperson, that the number of complaints has been extremely small.

**Mr. Chomiak:** Madam Chairperson, I have not had personal encounters with the system or had an opportunity to experience whether or not the system is working more effectively.

Can the Minister indicate whether or not he is satisfied that the system is working more effectively and there have been no delays as a result of this?



**Mr. McCrae:** I think it would be more appropriate to say any delays there have been of which we have become apprised have been addressed and dealt with in what I think has been a satisfactory manner.

**Madam Chairman:** Shall Clause 12 be passed—(pass); Clauses 13 through 21—(pass); the Preamble—(pass); the Title—(pass).

Is it the will of the committee that I report the Bill? Agreed?

**Some Honourable Members:** Agreed.

**Madam Chairman:** Committee rise. Call in the Speaker.

### IN SESSION COMMITTEE REPORT

**Mrs. Louise Dacquay (Chairman of Committees):** Mr. Speaker, the Committee of the Whole has considered Bill 18, The Statute Law Amendment (Re-Enacted Statutes) Act, and Bill 22, The Statute Law Amendment Act, 1990-91, and has directed me to report the same with certain amendments.

**Motion agreed to.**

### MESSAGES

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, I have a message from His Honour the Lieutenant-Governor.

**Mr. Speaker:** Order, please. All rise.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba revised Estimates of sums required for the services of the Province for Capital Expenditures and recommends these revised Estimates to the Legislative Assembly, dated December 10, 1990, in the City of Winnipeg.

The Manitoba Hydro-Electric Board	\$278,700,000
The Manitoba Agricultural Credit Corporation	66,000,000
The Manitoba Housing and Renewal Corporation	60,000,000
The Manitoba Telephone System	38,825,000
The Manitoba Farm Mediation Board (Guarantees)	9,800,000
Hudson Bay Mining and Smelting Co. Limited, modernization project	6,000,000

The Manitoba Water Services Board	5,999,900
Business Support	3,147,000
Industrial Opportunities Program	\$3,147,000
Manitoba Hazardous Waste Management Corporation	<u>1,211,000</u>
	\$469,682,900

**Mr. Manness:** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that the said message, together with the Estimates accompanying the same, be referred to the Committee of Supply.

**Motion agreed to.**

**Mr. Manness:** Mr. Speaker, I move, seconded by the Minister of the Environment (Mr. Cummings), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

**Motion agreed to,** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Seine River (Mrs. Dacquay) in the Chair.

### SUPPLY—CAPITAL SUPPLY COMMITTEE OF WAYS AND MEANS

**Madam Chairman (Louise Dacquay):** Order, please. The Committee of Supply, please come to order to consider the following resolution, Capital Supply.

RESOLVED that there be granted to Her Majesty a sum not exceeding \$469,682,900 for Capital Supply, for the fiscal year ending March 31, 1991.

**Hon. Clayton Manness (Minister of Finance):** Madam Chairman, I have no opening remarks to make other than we will be prepared to discuss The Loan Act in detail. The Ministers are prepared to answer any questions that may be emanating from the other benches.

**Mr. Jerry Storie (Flin Flon):** Yes, I would just like to ask the Member for Lakeside (Mr. Enns) if now would be appropriate?

**An Honourable Member:** He never gave me an opening line like that.

**Mr. Storie:** No, he did not. You are right. To be fair to the Member for Inkster (Mr. Lamoureux), he did not get an opening line like that.

\* (2130)

My question is to the Minister of Energy and Mines (Mr. Neufeld). I note that there is some \$6 million set aside for the Hudson's Bay Mining and Smelting Company modernization. I am wondering if the Minister of Energy and Mines can indicate how much of that money, that \$6 million, he anticipates would flow in the 1989-90 year and how much additional loan authority the Government of Manitoba might require in subsequent years?

**Mr. Manness:** Madam Chair, we would be so delighted to engage ourselves in that debate. I think though that this really is not the traditional time in which these questions have been asked or indeed answered. We tend to do this after the second reading of the Bill, at which time the detailed questions are put to the Ministers. Certainly that question is very much in order; there is no disputing that. I am just wondering whether or not the Member for Flin Flon wants to engage in that debate tonight, or whether he wants to wait until another time. Certainly the Government has set aside certain monies in the event that there is an arrangement entered into with HBM & S.

**Mr. Storie:** Well, I think the horse is out of the barn, as they say. We are in committee, and questions will be entertained in committee. If the Minister would prefer to discuss the details of this tomorrow, that may be fine. We can all read what is available this year, I think. There are some other questions that need to be asked about the nature of this deal and how it is going to be financed. Perhaps we can deal with that in tomorrow's review of this if we get to second reading through tonight.

**Mr. Leonard Evans (Brandon East):** Madam Chairperson, I understand from the Minister's remarks that he would hope we will be asking, rather than tonight, questions of detail tomorrow. I presume this is on item 16 Committee of the Whole he is talking about. I do not know whether I have the ear of the Minister or not, but I suspect that is what he is talking about. At any rate, it is quite appropriate to ask questions now under this item 7 Committee of Supply.

So I wonder if we could get some explanation of some of these items? There is a lot of money. We are talking about nearly \$470 million, but particularly, I wondered if the Minister of Housing (Mr. Ducharme) could explain what does he want \$60 million for? Is that a new social housing program? How much is seniors? How much is family

if that is the case, or is some of it used for maintenance and renovation?

**Mr. Manness:** Madam Chairman, I have a problem here because the Ministers are not prepared with that level of detail. I have convinced them that we were going to go to second reading. Then once we go back to Committee of the Whole, naturally all the Ministers will have their information with them and be fully prepared to answer these questions. We are several steps away from that. I have some of that information with me, but I think those questions are more properly put to the Ministers in charge. Certainly they are not prepared to answer those questions tonight.

So I say to the Members, if they insist, I have some information in front of me and I can engage myself in that debate, but I think it would be proper if they indeed directed the questions specifically to the Ministers who will have that information and the detail behind the request for the loan amounts with them tomorrow.

**Mr. Leonard Evans:** I guess I did not have the ear of the Minister when I was asking that when I first got on my feet. Does he consider that these questions are more appropriate, from the Government's point of view, to be asked under item 16 Committee of the Whole, which is after second reading of Capital Supply, and so tomorrow, if it is tomorrow, that the Opposition would be prepared to ask detailed questions of the Government under item 16?

**Madam Chairperson:** Shall the resolution pass?

**Mr. James Carr (Crescentwood):** I just have one question which will set up some questions for tomorrow. How much of The Loan Act authority dealing with Manitoba Hydro is for the purposes of the Conawapa project and how much is for the purpose of Limestone?

**Hon. Harold Neufeld (Minister of Energy and Mines):** I am trying to determine that number right now, if any. As I see the information, there is very, very little for the Conawapa project, but they do mention in here that there will be some money spent on Conawapa. Now, I do not know whether this is before they reduce their budget or after they reduce their budget. I will have to find out the details of that from Manitoba Hydro, and I will have that information for him tomorrow.

**Mr. Manness:** On that same point, I might indicate to the Member that next year, The Loan Act, we will

break out as a separate item, Manitoba Hydro/Conawapa, so that indeed it has its own loan authority. Traditionally, I am led to believe this is done at the year of construction. We will do it somewhat beforehand, because it is only fair that indeed it be separated from the other capital plans of Manitoba Hydro.

**Mr. Carr:** You will have the answer tomorrow?

**Mr. Manness:** Yes, there is a number. I will not even speculate, but it seems to me that it is somewhere between \$40 million and \$60 million.

**Madam Chairman:** Shall the resolution pass—pass. Committee rise.

Call in the Speaker.

### IN SESSION

#### COMMITTEE REPORT

**Mrs. Louise Dacquay (Chairman of Committees):** Mr. Speaker, the Committee of Supply has adopted a certain resolution, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Assiniboia (Mrs. McIntosh), that the report of the committee be received.

**Motion agreed to.**

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Ways and Means for raising of the Supply to be granted to Her Majesty.

**Motion agreed to,** and the House resolved itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty with the Honourable Member for Seine River (Mrs. Dacquay) in the Chair.

\* (2140)

### SUPPLY—CAPITAL SUPPLY

#### COMMITTEE OF WAYS AND MEANS

**Madam Chairman (Louise Dacquay):** Order, please. The Committee of Ways and Means will come to order to consider the resolution.

RESOLVED towards making good certain sums of money for Capital purposes, the sum of

\$469,682,900 be granted out of the Consolidated Fund. Shall the resolution pass?

**Some Honourable Members:** Pass.

**Madam Chairman:** The resolution is accordingly passed.

Committee rise. Call in the Speaker.

### IN SESSION

#### COMMITTEE REPORT

**Mrs. Louise Dacquay (Chairman of Committees):** The Committee of Ways and Means has considered a certain resolution, directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Assiniboia (Mrs. McIntosh), that the report of the committee be received.

**Motion agreed to.**

### INTRODUCTION OF BILLS

#### BILL 26—THE LOAN ACT, 1990

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that leave be given to introduce Bill 26, The Loan Act, 1990; Loi d'emprunt de 1990, and that the same be now received, read a first time and be ordered for second reading immediately.

**Motion agreed to.**

### SECOND READINGS

#### BILL 26—THE LOAN ACT, 1990

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), by leave, that Bill 26, The Loan Act, 1990, be now read a second time and be referred to a committee of this House.

**Motion presented.**

**Mr. Leonard Evans (Brandon East):** Is the Minister going to make some remarks on the Bill?

**Mr. Manness:** Mr. Speaker, this Bill is intended to provide borrowing and expenditure authority as well as guaranteed authority in some cases which is required for non-budgetary capital programs for the fiscal year which began on April 1, 1990.

These expenditure requirements are included in the Capital Estimates for Non-Budgetary Capital

Programs which were tabled earlier in the Session and \$6 million for the Hudson Bay Mining and Smelting Company Limited modernization project at Flin Flon which is reflected in the Revised Capital Estimates which I have tabled.

The Loan Act for 1990 is similar to The Loan Act, 1989, and provides the Legislature with a comprehensive review of the total amount of both borrowing and expenditure authority required for the delivery of non-budgetary capital programs.

It includes both the incremental and existing expenditure authority requirements for each of the non-budgetary capital expenditure programs, including amounts required to cover existing commitments for expenditures to be made in subsequent fiscal years.

The Loan Act, 1990, also provides for the lapsing of previously voted expenditure authority for non-budgetary capital programs which has surplus to current requirements or is no longer required for the purpose for which it was voted. Therefore, The Loan Act, 1990, represents the entire amount of non-budgetary capital expenditure authority available to the Government.

The amount of borrowing authority being requested is the amount required to fund the estimated expenditures on non-budgetary capital programs during the fiscal year, plus an amount to provide sufficient authority to take advantage of favourable market conditions to prefund future expenditure requirements.

This borrowing authority will be supplemented in each annual loan Act to reflect the incremental authority required to cover the actual capital expenditures made and the estimate of expenditures to be made in the new fiscal year.

When the Bill reaches the committee stage, I and my colleagues can provide any necessary explanations for the information of the Members.

**Mr. Evans:** Mr. Speaker, I move, seconded by the Member for Flin Flon (Mr. Storie), that debate be adjourned.

**Motion agreed to.**

## DEBATE ON SECOND READINGS

### BILL 25—THE OMBUDSMAN AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Urban Affairs (Mr.

Ducharme), Bill 25, The Ombudsman Amendment Act; Loi modifiant la Loi sur l'Ombudsman, standing in the name of the Honourable Member for Wolseley (Ms. Friesen). Stand?

Is there leave that this matter remain standing? Leave. Agreed.

### BILL 12—THE LABOUR RELATIONS AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Labour (Mr. Praznik), Bill 12, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, standing in the name of the Honourable Member for Point Douglas (Mr. Hickes). Stand.

Is there leave that this matter remain standing? Leave—and also in the name of the Honourable Member for Swan River (Ms. Wowchuk) who has 37 minutes remaining.

**Ms. Rosann Wowchuk (Swan River):** Mr. Speaker, as I said in my opening remarks, our Party is opposed to this Bill because as I have said, if it isn't broke, don't fix it.

\* (2150)

The final offer selection Bill, which was brought in by the New Democrats, has proven to be good legislation, and there is no reason to change it.

When FOS was introduced in Manitoba, it was new and innovative. It proved an alternative to settling disputes through strikes without taking away the all important right to strike. It was introduced for a five-year period. If it worked it could be reintroduced. If it did not work it would simply be allowed to lapse. This was important. Although supported by many, others expressed the concern over its impact.

Mr. Speaker, final offer selection has done much to promote labour peace in Manitoba. All we have to do is look at the statistics that Government has provided in its own budget document.

I find myself asking the question, Mr. Speaker, since final offer selection obviously is working so well, why would this Government now be trying to do away with it? The only answer I can come up with is that this Government will do whatever the business community tells it to do without any regard for the consequences, without any regard for the impact of their actions.

Final offer selection benefits workers in Manitoba, but there is ample evidence to prove that it works in the interest of business as well. Strikes are costly, and it is in everyone's best interest to avoid them. There is overwhelming evidence to show that final offer selection in Manitoba is working now, that it has worked in Manitoba in the past and that it will continue to work in the future. In many cases, items of dispute can be resolved before an impasse has been reached. Final offer selection is simply another tool for negotiation to be used to avert an impasse and to reach the best settlement for all parties.

Mr. Speaker, final offer selection fosters a win-win situation. In fact, when final offer selection is put in place, the negotiations continue because no one wants to be the loser in a collective agreement concept and neither party really wants the other party to lose. By promoting continued negotiations, and by promoting a win-win attitude through negotiations, final offer selection encourages good faith in bargaining, and that is why it is working in Manitoba.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

Mr. Acting Speaker, the Conservatives and Liberals are opposed to final offer selection since it obviously was not popular with their big business supporters. Now that they are in office, the Tories, as part of their overall right-wing, anti-labour agenda, are moving to dismantle final offer selection. When the Tories announced the introduction of Bill 12 to dismantle final offer selection, it was clear that they had not bothered to look at the experiences of FOS. If they had, they would have found that FOS has been working where it has been tried.

The initial reaction to FOS by those who have used it has been positive. Many agree that final offer selection helps resolve disputes that would not have been settled otherwise. It is interesting to note that FOS has been used by a variety of different unions including the UFCW, the MFCW, labourers, operating engineers and teamsters.

As of November 19, 1990, 99 applications have been received for final offer selection. Of the 99 applications, 74 have reached an agreement before the selector had to make a decision. In other words, both sides continued to negotiate, and the mediator did not have to make a decision. Of the remaining 25, 12 are pending for the selector to make a

decision. Of the remaining seven, four were settled in favour of the union and three were settled in favour of the employer.

It is very obvious that this final offer selection does not always work in favour of the union. Both sides benefit from this legislation. —(interjection)— The other 90? All of them were settled before they had to go to a selector. It works. The process works. When there is a need, it works.

Mr. Acting Speaker, if we look at some statistics we see that the number of person days lost to work stoppage in Manitoba is very low in comparison to other provinces. In fact, Manitoba is the second lowest with only Prince Edward Island having a lower loss of person work days. If you compare Manitoba to other western provinces, Manitoba had lost 570 person days to work stoppages, while Saskatchewan had 16,000, Alberta had over 26,000, and British Columbia had over 66,000 days of work loss due to stoppages.

When you look at the other statistics—that is comparing Manitoba to other provinces—when we look at Manitoba's record comparing back over the years, we find that since 1987 the number of person days lost is dropping continually. In 1987, Mr. Acting Speaker, Manitoba had a loss of over 76,000 work days due to work stoppages. In 1988, it dropped to 54,000. In 1989, we only lost 2,156 person days due to work stoppages.

Again, why would we be wanting to remove legislation that is obviously working? We can see the number of less days. Work stoppages hurt everyone, not only those people who are caught in negotiations. In particular, we see a real impact on one, industry towns. If an industry is shut down because of a labour dispute, the whole community suffers. The businesses suffer, the schools suffer, there are real impacts.

We also see an impact of labour or work stoppages on the farm community. Now, we have many people try to set us up that unionized workers and farmers do not work together and are not on the common ground. All of us are workers. When the people are locked out of work or are in a labour dispute, the farming community suffers as well.

As farmers, we suffer when there are stoppages in the transportation industry. We suffer when there are work stoppages in the industrial industry. Many times there are impacts on the farming community. In particular, we suffer when there are problems with

the grain-handling industry. If workers are locked out of their place of work and cannot deliver their grain, that impacts farmers. This kind of legislation benefits all of us.

\* (2200)

With final offer selection, there is a better chance that strikes will not take place and this benefits all of us. Why is this Government so anxious to destroy the current fair system of labour relations in this province? What kind of pressure is being placed on them by the Chamber of Commerce? Why will they not stand apart from their right-wing platform long enough to realize that this is good legislation and it should not be revoked? There is no reason to revoke it. We know that if it is not working, there is a sunset clause that will—the legislation will just disappear. There is no reason to take it off the books now.

Along with the fundamental ideology behind the Conservative position on the repeal of this legislation, it would be most interesting to see if the Liberals can actually get together and decide on their position at this time. Now that there are fewer of them, it should be easier for them to take a position on the Bill and then stick to it. The fundamental issue, Mr. Acting Speaker, is who do the Liberals represent. They have a history in the Party of trying to stand on one side of an issue, but in this case, I hope that they will think carefully through their comments and strategies so that they will be doing what is best for the people and the economy of Manitoba.

Mr. Acting Speaker, New Democrats will do everything in their power to stop the repeal of final offer selection. That is because we are committed to working people in Manitoba. We are committed to providing leadership in the area of labour legislation. We are committed to listening to the many parties who have used final offer selection, who say that it works. We are committed to ensuring that Manitoba's economy and the labour relations climate in Manitoba remain strong.

If the legislation is working up till now, why the fear on the part of the Conservative Government that, if it is not immediately repealed, our record will suddenly change? The position taken by this Government does not make sense. It is not rational. How can they at one time take credit for the few days lost to strikes in Manitoba and then turn around and repeal legislation which has been crucial in developing that record? The most irresponsible

action that this Government could take in regard to final offer selection is to repeal it based on an agenda dictated by the right-wing business community. This would be a decision based on ignorance and would be indeed an unfortunate decision.

Mr. Acting Speaker, thank you for letting me make my comments on this—putting my comments on the record.

**Mr. Cliff Evans (Interlake):** Mr. Acting Speaker, I am pleased to stand today to speak on this very important piece of legislation. Legislation, Mr. Acting Speaker, to repeal the FOS introduced by the NDP Government and proclaimed into force in January of '88. A Bill that I feel was introduced in Manitoba to provide yet another alternative to settling disputes through strikes, and yet not taking away the very important right to strike. At the time it was introduced, many supported FOS, many showed concern over its impact, but initial reaction by those who used FOS agreed that FOS helped resolve disputes that otherwise would not have been settled.

It is interesting to note that FOS has been used by a variety of unions, as my colleague has mentioned. However, Mr. Acting Speaker, this Government decided to dismantle FOS because they did not bother to fully look at the experience with FOS, and the good that it really does do for the labour and the management in this province

I believe that FOS, introduced in 1988, and through my own experience with unions, with working in OCW for 12 years, I look at FOS as something that I wish had been introduced many years before, something that would have prevented tough negotiations, hard negotiations, between management, companies and labour people who were, at a time when the collective agreement was done, would sit across the table negotiating hard-line negotiations that got both parties absolutely nowhere.

I believe that FOS, given proper opportunity, gives both sides a chance to work together to introduce their side to sit down, give their final selections, so that we can do away with the fact of having to look at a chance of strikes, look at a chance of this hard-line negotiation that again would eventually lead to a strike, strikes, as my other colleagues have mentioned, and having been through them, strikes that perhaps last for months,

create hard feelings, cause dissension and, when finally we do as labour people get back to work after the strike has been settled, longlasting unharmony between companies and the labour people.

Having dealt with, again as I mentioned, unions and collective bargaining, if I may just go over a few things on collective bargaining environment, the collective bargaining works as a means of labour-management disputes, but only if both parties negotiate in good faith, Mr. Acting Speaker. In some instances the threat of a strike forces the employer to bargain seriously, and I feel that this threat of a strike should never have to come before the parties when they do negotiate. In the vast majority of cases, the parties eventually get down to good-faith bargaining and a settlement is reached.

There are all too many examples, however, of employers who are determined from the onset to hold the line at all costs, turn back the clock or even break the union as we see now is happening in this province in many cases. There is no shortage of strikes that have been lost, bargaining units that have been destroyed and working people who have lost their jobs all because the employer waged a war of attrition to drive the union out of the workplace. Present labour legislation previous to FOS allowed the employer to do just that. It is not unknown for employers to take advantage of the situation and return collective bargaining to the law of the jungle.

\* (2210)

FOS has been an alternative which may be used by either of the negotiating parties. Both parties can, Mr. Acting Speaker, present their cases to the selector and be prepared after they have made their offer to the selector to stand by that and have an idea when they do make their final offer as to the consequences to the benefits and to the non-benefits that either one may incur because of their final offer selection. There are many individual workers who could benefit from the protection of union representation but who are afraid of the prospect of being forced onto strike. They would welcome the news that in the final analysis a strike is not the only option. There are methods of settling disputes without resorting to extreme measures. In this regard, FOS is also consistent with the present Labour Relations Act which encourages collective bargaining and the unionization of employees as a basic human right.

I too, Mr. Acting Speaker, have to echo the words that my colleague previous who has spoken on the impact that strikes create in small towns, the families, for businesses, people who are forced out on strike, people who are not given the opportunity to negotiate properly, negotiate in good faith with their employers are too often shunned and forced to go out on strike, be without finances for many, many months and eventually lose their positions or their jobs.

Too often collective bargaining energies are wasted in fighting each other, Mr. Acting Speaker, rather than seeking the common ground on which parties will eventually settle. I believe FOS improves the prospect for productive negotiations for both parties at the negotiating table. However, we must point out that final offer selection, while valuable in its own right, is by no means a solution to the inequities of the collective bargaining system. The tremendous powers, the legal rights of management must be counterbalanced by an equivalent strength on the part of the union if meaningful negotiations are ever to take place.

The final analysis, the only source of bargaining power available to the union is the ability to withdraw their labour and bring the operation to a halt; a useless and senseless position that if the management would sit with the unions, the unions would not be forced to bring forth. If management enjoys the right to give away the jobs of striking workers to scabs, that balance of bargaining power is lost. When working people witness the theft of their jobs lost by scabs, they are inclined to protect those jobs vigorously and perhaps violently.

I too, Mr. Acting Speaker, went through a process at the time of negotiating and having to go out. I too at the time saw my job being taken by someone not in the union—on a personal note, eventually left that job and sought employment elsewhere; elsewhere where I felt that the management, the employer, would at least sit down and bargain in good faith with the labour people. That is when I did join the Refineries and Oil and Chemical Workers Union in '73.

Hence we continue to take the position that the anti-scab legislation is not dispensable. Final offer selection is but a valuable alternative and a useful option in the collective bargaining arena.

The reason, Mr. Acting Speaker, I support FOS over conventional arbitration is precisely because it

creates pressures on both parties to negotiate in good faith, unlike the conventional arbitration which creates incentives for the parties to drive their demands further apart. FOS creates an incentive to come closer together.

Again, Mr. Acting Speaker, I relate to personal times that I wish at certain times FOS was in place where we could have prevented negotiations to draw further apart and to come closer together and in time result in days not lost with strike or slow-downs.

As such, it complements the collective bargaining process and can contribute to productive negotiations which may make it unnecessary to invoke FOS procedures. In fact, the success of final offer selection may be measured by the infrequency of its use.

I ask, Mr. Acting Speaker, that we do look at some of the reports and the statistics that my Honourable Member for Swan River (Ms. Wowchuk) had pointed out, figures that show the sensible, good negotiations that through FOS have been dealt with properly—

**An Honourable Member:** Common sense.

**Mr. Cliff Evans:** Common sense, Mr. Acting Speaker.

We believe that the NDP Government of Manitoba in '88 made a wise choice of the introduction of FOS. It improves the balance of forces at the bargaining table while at the same time expanding and not restricting the options made available to the negotiation process.

When negotiations break down we need a more civilized alternative to achieve fair settlements without unnecessary confrontation. I believe, Mr. Acting Speaker, that FOS provides a fair mechanism to settle negotiations and disputes.

That, Mr. Acting Speaker, is why I support final offer selection and oppose to the repeal of this very fair piece of legislation.

Thank you very much.

**Mr. Gregory Dewar (Selkirk):** Mr. Acting Speaker, I am pleased to stand tonight with my colleagues to speak on this very important piece of legislation. It is important, of course, because it underscores the fundamental differences in the way we co-operate and how business and labour interact in the employment field.

When the Bill was introduced, there was opposition to it from all sides. However, after seeing the Bill in operation, the groups who opposed now believe that the Bill does work in the best interests of working people in the province.

Mr. Acting Speaker, all we have to do to find the success of the Bill is to look at the Government's own budget. It has done much to promote industrial peace in Manitoba.

I ask the question that has been asked by my colleagues many times before, why change something that works so well? Is the Government buckling under pressure from the business community? Strikes are costly, and it is in everyone's best interest to avoid them.

The primary purpose of this legislation was not to shorten work stoppages it was to prevent work stoppages; it was to promote collective bargaining; it was to promote negotiations at the table.

In many cases disputes can be restored before an impasse is even reached. Final offer selection is simply another tool to try to reach the best settlement for all parties. It eliminates negative posturings that were so common in collective bargaining situations.

Both sides now have something to gain by using FOS, Mr. Acting Speaker. To date 99 applications received with the following status: there were seven who had to make decisions, four for the union, three for the employer; 77 parties reached agreement prior to selection appointment or withdrawal.

I have some examples here. On January 20, 1988, the Rural Municipality of Springfield, International Union of Operating Engineers, the selector filed for decision and this time he sided with the union proposal.

There is another one here. Blackwoods Beverages—both parties reached an agreement prior to the selector making a decision.

There is another example here. Dominion stores, the Manitoba Food and Commercial Workers—this time the selector filed the decision for the employer. It is a pretty fair representation. The parties are forced to focus on the real issues; that is, to avoid a costly and lengthy strike. Final offer selection highlights the fact that when parties put their final offer on the table, they know that there is a potential for loss.



Unions could lose membership and dollars if their final offer is not selected. Employers also lose. Final offer selection is an incentive to seek a deal. Both sides can save face and dollars. Final offer selection encourages good faith bargaining, and that is why it has worked in Manitoba.

Under traditional arbitration, the incentive is to offer extreme final positions in the hope that the arbitrator will choose a settlement somewhere in the middle. Final offer selection encourages a more reasonable solution. Both sides do not have to put forth an extreme offer but rather a reasonable one.

Both sides move toward a decision that they feel the selector will likely accept. Obligation is placed upon the parties to be reasonable in their attempts to continue negotiating in good faith. The Chamber of Commerce has said that FOS would cause a dark cloud to settle over Manitoba. It has not happened. I do not see that dark cloud.

\* (2220)

The fact is that many who were initially opposed to FOS now realize that it promotes harmony between labour and management. It is a useful tool in restoring disputes before they turn into strikes. If it is working to prevent strikes, it is for the benefit of working people of the Province of Manitoba. No one wins by a strike. We all agree on that.

Why is the Government so anxious to destroy the current fair system of labour legislation in this province? Manitoba had the second lowest person days lost to work stoppage, only behind Prince Edward Island. They had the second best person days lost to work stoppage of January and April of this year, 570 days lost, a low of 1.3 days lost per 1,000 paid workers. The Canadian average was 60 days lost per 1,000. Why does the Government not want to stay in this lofty position? The position taken by this Government does not make sense. How can they at one time take credit for the few days lost due to strikes in this province, and then turn around and repeal legislation that was crucial in developing that record? I do not know.

\* (2220)

The New Democratic Party is committed to the working people of Manitoba. We are committed to providing leadership in the area of labour legislation. We are committed to ensuring that the Manitoba economy and the labour relations climate remains strong in Manitoba. We are committed to final offer

selection, and we are opposed to the repeal of it. Thank you, Mr. Acting Speaker.

**Mr. George Hlckes (Point Douglas):** Mr. Acting Speaker, the Bill stood in my name, and I would like to have leave to speak to this Bill now.

It gives me pleasure to speak on final offer selection because it is a Bill where it is a win-win situation for both parties. If you look back in history, and if you had binding arbitration, or arbitration in any form, what you had was two individuals who would put extreme offers on the table. They would inflate their requests from either side. What would happen is they would say, well, I hope they will take this out, take this away and put this in, and come in at the middle of the road.

(Mr. Speaker in the Chair)

With final offer selection, both parties have to come in with something that is reasonable and acceptable to whomever they are representing, otherwise, whoever the selector is, they would not choose their offer.

Let us not forget that both sides of the table have something to gain by using final offer selection. Both parties, the employer's side and the employee's side, when they come in with an offer they will come in with an offer that they figure they have sold to their membership, and that they figure will be accepted by the selector.

I think that is an extremely positive benefit to all concerned on both sides of the negotiations. When we go back in the history or in the records of final offer selection, when it was first introduced in Manitoba, it was new, it was an innovative idea. Nobody really understood how it would work. We know through experience and trial that there has been, to my knowledge, seven that have gone to final offer selection, the management side won three, and the labour side won four. That is very close to a win-win situation for both sides.

I support final offer selection in that. Also, the fact is that negotiations continue, because either side does not want to be a loser in the collective bargaining context. Neither party really wants the other to lose. If you, as an employee, win hard bargaining and high negotiations with your employer, they have ways of getting back in one form or another. Either side wants to try and be fair to the other. Final offer selection brings that.

We heard some comments about, what about the other 90 agreements? I am sure, without final offer

selection as a window, those 90 agreements could have taken forever to settle. They could have been long strikes, and families would have suffered. Even the businesses would have suffered. When you try to replace members of a union with non-members, so-called "scabs," you always create a hardship amongst the people. You have people who are walking on strike. There are a lot of people who will not break a picket line. So the employer would also lose their customers, and maybe lose some of their good relationships that they have with even potential permanent customers.

With the window of final offer selection, that removes hard bargaining and removes also the chance of long, drawn-out negotiations where really nobody ever wins. If you go on strike for days and months, then you end up getting an increase of 30 cents or 40 cents, look at all of the amount of money that you have lost on the strike. What you are really doing is you are fighting for your brothers, and your children, and your sisters, otherwise, you will never recoup that loss by, say, a six-month strike.

It is not because people want to be unfair or be unreasonable. It is union members that are standing up for their rights and for their members—

**An Honourable Member:** When you get to the snowshoes, let me know.

**Mr. Hickes:** Snowshoes, she just mentioned about snowshoes but, Mr. Speaker, when we get to negotiating stages and you have the window like I mentioned earlier with the final offer selection, that is probably why we do not hear too much about the 90 others who were on strike, because they sat down and they brought forth good agreements on both sides.

They were fair to themselves and before going to final offer, they sat across the table and said, you know, this is your final, this is your offer, this is our offer, and they were able to work them out, but without the window of final offer selection, they could have been on strike for God knows how long. So that way it is impossible to have bad negotiations time after time and still have a productive working relationship between the employer and the employees.

Under traditional arbitration, like I mentioned earlier, the incentive is to offer extreme final positions in the hopes that the arbitrator will choose his settlement somewhere in the middle. With this, we do not need that. They will come in with a

reasonable offer and that will be an advantage to both.

I think that is what we have seen when we have seven come forward and four go to the union, three go to management, and I cannot see where you could get that much fairer bargaining tool or agreement than that. It has not been one-sided either way, and I feel that, like the selectors have a reasonable choice so they make it, and they make it to be fair to people. So I think it is an obligation that is placed upon us and also to every Manitoban to make sure that people are treated fairly.

I would like to just read something where we say, well, where do the experts stand on this? I would say the experts agree with final offer selection. I will read you a little part here. It says, what do those who have studied final offer selection say? Professor Bellan, who writes in the Osgoode Hall Law Journal, talks about the significance of final offer selection as a means of concluding negotiations. He said, what does this process lead to? He said that there are four significant and he called them "significant" processes involved in final offer selection which lead to an agreement.

First of all, he said, and this is directly from that article, there were significant convergent pressures to appear reasonable in the eyes of the selection officer. Number 2, he said both sides felt strongly motivated to settle the agreement themselves for personal satisfaction and to avoid the risk of complete loss at arbitration.

\* (2230)

Yet both felt final offer selection gave the parties a larger measure of control than did conventional arbitration. Both felt that the time frames set in advance prevents a stalemate from developing that keeps talks progressing even though they may be making slow progress. Number 4, both parties felt compelled to justify their position during negotiations by reference to concrete financial data.

In other words, parties involved in negotiations where final offer selection is a part of the process have to be reasonable and they have to be rational, and they have to reflect reality. That is coming from an expert on final offer selection.

So how could I argue with that? He has the expertise, and if you look at both sides, there is no way either side can lose because they give both a fair offer on the table. A selector selects one or the other and once it gets to that stage there are no

negotiations to try and negotiate down. It is just one offer versus the other and most of the time—well, they have to be very reasonable offers or they would not be accepted.

So I strongly support final offer selection as a means of ending long, drawn-out strikes and also to be fair to the employer and the employees, like the Member for Selkirk (Mr. Dewar) said, to prevent strikes. I believe it does prevent strikes because otherwise you would have strikes going on forever. Sometimes you get people who are very stubborn. They will not negotiate, and they will not deal, and it is the people who suffer from that.

I would just like to put it on record that I do support it, and I thank you very much.

**Mr. Steve Ashton (Thompson):** Mr. Speaker, I move, seconded by the Member for Concordia (Mr. Doer), that debate be adjourned.

**Motion agreed to.**

#### **BILL 24—THE ENVIRONMENT AMENDMENT ACT**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Environment (Mr. Cummings), Bill 24, The Environment Amendment Act, (Loi modifiant la Loi sur l'environnement), is the House ready for the question? The question before the House is second reading of Bill 24—the Member for Wellington (Ms. Barrett).

**Ms. Becky Barrett (Wellington):** I move, seconded by the Honourable Member for St. Johns (Ms. Wasylcia-Leis), that the debate be adjourned.

**Motion agreed to.**

**Hon. Clayton Manness (Government House Leader):** Mr. Speaker, it appears we have come to the end of the Bills for tonight.

I would ask, though, that you petition the House to determine whether or not there be unanimous consent that the House not rise, but instead recess until nine o'clock tomorrow morning at which time the House will break itself into—and I will pass the Supply Motion by the way. I will ask for the House to pass the Supply Motion at the very end of this, but that we again come together tomorrow morning at nine o'clock and reconvene into Committees of Supply to consider, in the Committee Room, Housing, followed by the Status of Women; and in the Chamber, Decentralization, followed by Civil

Service, followed by Health, if required. Those Committees of Supply will sit until 12 noon.

Mr. Speaker, I would also like to indicate at this time that the Standing Committee on Industrial Relations will sit tomorrow night, Wednesday, December 12, 8 p.m. and consider Bills to be referred.

Similarly, the Standing Committee on Law Amendments will sit Thursday, 10 a.m. and also Thursday at 8 p.m. to consider Bill 13.

Mr. Speaker, you will ask for unanimous consent before I move the Supply Motion.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader (Mr. Manness) for that information. Is there unanimous consent of the House to recess at this time until 9 a.m. tomorrow morning? That is agreed?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** That is agreed. Is there unanimous consent to do Housing in Committee Room No. 255, followed by Status of Women and in the Chamber, Decentralization, the Civil Service followed by Health in the Chamber, and they would sit till noon? Is that agreed?

**Some Honourable Members:** Agreed.

**Mr. Speaker:** That is agreed.

**Mr. Manness:** Mr. Speaker, before we recess then, by leave, I move, seconded by the Minister of Environment (Mr. Cummings), that the House resolve itself into a Committee of the Whole to consider the Supply to be granted to Her Majesty.

**Mr. Speaker:** It has been moved by the Honourable Government House Leader (Mr. Manness), by leave, that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. That is agreed? Agreed.

This House is now recessed until 9 a.m., tomorrow (Wednesday).

\* \* \*

The House took recess at 10:37 p.m.

#### **After Recess**

The House resumed at 9 a.m. (Wednesday).

\* (0900)

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY—HOUSING

**Mr. Deputy Chairman (Marcel Laurendeau):** Order. Will the Committee of Supply please come to order. Today this section of the Committee of Supply will be considering the Estimates of the Department of Housing. Does the Honourable Minister have any opening statements?

**Hon. Gerald Ducharme (Minister of Housing):** Do you want to wait for the critic?

**Mr. Gary Doer (Leader of the Opposition):** You can start; you have a copy of your statement, have you not?

**Mr. Ducharme:** No, I have not. I have written notes on mine. I can get a copy of it.

**Mr. Doer:** If we can get a copy of your statement, then you can read it into the record.

**Mr. Ducharme:** You can get one. Ask the staff when they come in.

Mr. Deputy Chairman, I welcome the opportunity to be here to talk about the priorities and achievements of Manitoba Housing. The budget we are presenting reflects my department's commitment in maintaining levels of activity achieved in previous years within a more difficult fiscal environment.

As part of our commitment to ensuring the best possible quality housing is built for Manitobans, I have just tabled in the House The Residential Tenancies Act, Bill 13. I believe this is a most significant and important piece of legislation, one which will have a beneficial impact on the quality of life of tenants in our province.

This Bill represents a major overhauling of existing landlord and tenant legislation, a Bill produced in conjunction and co-operation with groups representing both landlords and tenants. It is especially significant because it is a first overhaul of this legislation undertaken in some 20 years. It affects some 125,000 residential tenancies in the province, or approximately 250,000 people.

Mr. Deputy Chairman, I believe Bill 13 to be the most progressive legislation of its kind in the country, offering assurance to tenants that their suites will be maintained in a suitable manner while dealing as clearly and expeditiously as possible with a small minority of landlords who do not, or will not, maintain their properties.

Two particulars of the Bill are especially significant to me. One is the establishment of the tripart Residential Tenancies Commission, and the other is the creation of the advisory committee to the Minister. The significance of these provisions is that administration of the legislation will largely rest with those who are affected by regulations as provided in the Bill. By participating equally and mutually, I believe both landlords and tenants will develop an understanding of one another's goals and concerns. Communication will become the preferred alternative to confrontation.

While most landlords, as I have previously stated, both understand and respect their rights and responsibilities, the Bill will ensure that administrators are vested with the powers that they need to enforce provisions of the Bill. What will be accomplished is that properties which are not maintained, which are allowed to deteriorate to below acceptable standards, will be brought up to standard at no expense to the taxpayer, but at the expense of the offending landlord. That is where it belongs.

In effect, Bill 13 provides a simple yet effective solution to problems that have existed for far too long. For those of our citizens who simply cannot afford accommodation in the private rental marketplace, we will continue to fund both publicly and privately owned non-profit housing throughout the province in co-operation with Canada Mortgage and Housing Corporation.

I would like to note at this time that while we strive to maintain delivery levels established in recent years, levels which were approximately 800 units per year, we are faced with significant cuts in units allocated to our province by the federal Government. The federal Government advised Manitoba that it would cost share only about 632 units in 1990, a reduction of approximately 24 percent, or roughly \$10 million.

In order to compensate for this reduction, without passing on the burden to those on low incomes, we have had to try new and innovative approaches to the provision of affordable housing. We have done this in part by working more closely with the private rental market, levels of quality, affordable housing will be maintained through the rent supplement programs. Programs which will help landlords in times when high vacancy rates are causing financial problems, yet offer needed accommodation to low-income tenants.

I believe that through this type of approach we will continue to meet the housing requirements of Manitobans in the greatest need. I am happy to be able to tell you at this time that we will be increasing the payouts under our two shelter allowance programs. That means that low-income families and seniors who depend on shelter allowances receive an increase, and they receive that increase of approximately 4 percent in their benefits starting January 1, 1990.

We hear almost daily that the housing industry in our country is in a serious downturn. While this is true, we must look at it in its perspective to see how Manitoba performs in these difficult times. According to the statistics released recently by Canada Mortgage and Housing Corporation, Manitoba housing prices remain among the most affordable in Canada, as measured by the ability of the average renter to buy a home.

In the face of federal policy of maintaining high interest rates, in terms of both purchasing and renting a residence, Manitoba remains one of the most affordable places to be in the country.

In discussions that I have had especially in the home building industry in the last couple of months, most builders realize that there is usually a cycle in the trend of home building. Most of your better builders are prepared for that cycle.

Most of your better builders have prepared for that cycle in the market, and the problem that they have stressed to me in the reports in the type of responses they have had, and surveys that they have done, is that you have probably eaten into most of the first-time buyers. Right now most people who are buying homes unfortunately are those who are upgrading, and the home builder is depending on conditional sales.

So it is not just the mortgage availability of new homes, it is the general mortgage availability across the market, because most of the people who are moving into the new homes have to sell their other ones first.

A major priority of my department has been, and continues to be, the provision of safe shelters for women and their children who are at risk at their home environment. Over the past two years, we have provided spaces for 115 people in those tragic circumstances, by building shelters in Winnipeg, Brandon and Thompson.

I anticipate this activity to continue in '90-91 with projects on line in Dauphin and Portage la Prairie. Those are in addition to projects which already existed in Selkirk, Winkler, Steinbach, The Pas and Flin Flon.

In recognition that housing needs of Natives are urgent and must be addressed on a priority basis, I am pleased to be able to tell you about a number of innovative projects we have committed under the Urban Native Program. On November 19, I attended sod-turning ceremonies for a project called Kekinan, the first ever exclusive seniors' housing project for Natives. This project should be completed and ready for occupancy by the summer of 1990.

We are also committed to the Native Women's Transition shelter which provides temporary accommodation for Native women and their children moving into Winnipeg while they become familiar with the urban lifestyle of our city, frequently a drastic change from the quiet rural life they have left.

Finally, Mr. Deputy Chairman, there is a 39-unit allocation to the Native Clan Organization to provide temporary hostel living accommodation to Native convicts who are on parole while they learn to adapt to society. Each of these projects demonstrates, I believe, our commitment not only to the bricks and mortar of providing housing, but to the real human needs this accommodation must fulfill.

In measuring the state of our economy, one of the most important statistics used is the housing figures. In spite of a recession in the Canadian economy, and in spite of the economic policies instituted by the federal Government, the housing outlook in Manitoba still looks good compared to most other jurisdictions. However, recent figures show that those expectations, even by CMHC, will probably not be lived up to in '91 again. I am confident that we can maintain this envied position by continuing to deliver affordable, quality accommodation to Manitobans in need in a responsible and efficient manner. I look forward to the participation of the two Opposition Critics and the Members of the Legislature.

**Mr. Deputy Chairman:** We thank the Honourable Minister of Housing for those opening comments. Does the critic for the Official Opposition Party, the Honourable Member for Burrows, have any opening comments?

\* (0910)

**Mr. Doug Martindale (Burrows):** Yes, Mr. Deputy Chairperson. I am going to try and keep my remarks shorter than what I might have ordinarily in that as everyone knows we are in a kind of speed-up. Although last week the Member for Osborne (Mr. Alcock) and I had talked about taking maybe 10 hours each in Estimates, we will probably both restrain ourselves and try and be finished this morning. We do not have any agreement, of course, so it is up to the Member for Osborne whether that actually happens or not. However, that would be my intention to try and be finished this morning.

My philosophy of housing in the briefest of terms would be that housing is a right and that everyone has a right to decent, affordable housing. Now some might argue that people have a right to shelter rather than a right to housing, and on that basis one could justify temporary shelter as adequate and affordable, such as Main Street Project, a temporary shelter in the city of Winnipeg, or other temporary shelters such as the Salvation Army shelters. But the problem with this view is that it condemns people to homelessness. It calls into question our view of human nature.

If we believe that homeless people are hopeless, that they are not capable of change, then we condemn them for the rest of their lives to temporary shelters and homelessness. However, if we believe that people can change, that people do change, that people can help themselves, then we will work as a society and as Government to provide housing for everyone including the homeless.

At the current time, Main Street Project is housing 75 to 80 people per night, however, it is estimated that there are approximately 2,000 homeless people in Winnipeg. These are people who sleep in shelters; they sleep under loading docks; they sleep on riverbanks in the summer; they climb into a hole near the CPR tracks and sleep there; they sleep in a crawl space under a hydro building. Many live with relatives until relatives ask them to leave. Four blocks from where I live in the north end, homeless people talk their way into an apartment block which has a security system and sleep in the stairwells.

Why are people homeless in our society? One problem is that if you have no source of income, you cannot get a place to live, and if you have no address you cannot get welfare. So these people are caught in a Catch-22 situation.

What can be done to house homeless people? I believe it is a time for innovative thinking. What we need to do is to build permanent housing for homeless people which is being done in Toronto and Vancouver and elsewhere. It may require funding support of housing societies or resource groups to support and encourage residents and enable them to take control of their lives. However, I believe it can be done. It may be no more expensive, and may even be less expensive than housing or warehousing these same people in temporary shelters, hospitals and psychiatric and detox facilities. What is needed is a policy. We need a plan, and we need money to solve the problem of homelessness. However, I am convinced it is a problem that can be solved.

I would like to do a brief overview of various housing sectors, not all of them, but some of them, and consider what I believe to be some of the problems facing the various housing sectors. I would like to look briefly at the rental housing market, co-op housing and home ownership housing. The rental market—we know that many people want to be in the rental market. They do not want to be homeowners; many people prefer to be renters.

Some people, due to the rent regulation rules, are living in high rent accommodation which is exempt from Government regulation, and the rest of the market is regulated. Much of this market is managed by professional property managers. Most of these people pride themselves on being professionals and they usually do a good job, although not always.

In 1987 or '88 a management company in Winnipeg had an unwritten policy whereby staff were told not to rent to Native people in certain of their blocks. Now this is not primarily a problem for the Department of Housing, but it is a problem for the Attorney General's department in that it is a violation of The Human Rights Act. This kind of behaviour on the part of management companies is not only illegal, but it is unacceptable and should be stamped out.

It is normal, in that part of the housing market that usually has a large number of units and therefore hire professional property managers, to use condition reports. This is something I would like extended to the entire rental housing market, and so you will be hearing more about this in amendments to Bill 13, The Residential Tenancies Act.

According to representatives of The Professional Property Managers Association their members already keep security deposits in trust accounts. That is why they protested, and protested quite vehemently, against representatives of tenants on the Landlord and Tenant Review Committee that all security deposits be held in trust by Government. There are many tenants for whom this would be an improvement, and this will be addressed in the committee hearings on the new Residential Tenancies Act, as well.

These two problems are serious problems for that part of the housing market usually run by smaller landlords, people who do not use professional property managers. So the most frequent problems that tenant activists and others encounter, the tenants themselves especially, are problems with security deposits and the lack of condition reports.

What kind of problems do landlords and owners in the rental sector have? I would say the main problem in the last two years would be the high vacancy rate and the high turnover of tenants.

What would the main problem of tenants be? Well, the problem of regulations to The Rent Regulation Act which allow fairly fast cost recovery of capital cost improvements. The result of the way the regulations are written now is the landlords recover their costs and the rent stays at a new and higher plateau which becomes the basis for new rent increases in future years. I have come across startling examples of how this has affected tenants. One group of tenants who appealed their rent increase sent me detailed information of the landlord's revenue and expenses which showed that the landlord's income was \$639,600 in one year, and the expenses were \$391,000 approximately, and that the net income or profit was approximately \$240,000.00.

I am not opposed to profit, but I am opposed to excessive profits and to rent gouging, and I will be moving an amendment to Bill 13 to change the way costs are passed on to tenants. I have helped individual tenants in the past years who have had excessive rent increases, but entirely legal rent increases, of 20 percent, 30 percent, 40 percent and these were entirely justified and justifiable rent increases because the landlord had done expensive capital improvements to their property. These capital costs were passed on through rent increases. However, these kinds of rent increases cause considerable hardship on tenants. In the case

of the tenants I was trying to help in West Kildonan, many of the tenants were forced to move out because of 30 percent and 35 percent rent increases, legal rent increases under the regulations, but a hardship on individuals and something that should be changed.

I would like to look at the non-profit housing sector, or at least part of the public non-profit sector, especially family non-profit housing. Some non-profit organizations have experienced problems of high vacancy rates. Some have experienced excessive repair and renovation costs due to tenant damage and high turnover of tenants. There are problems, especially in the large scale public housing projects. For example—most of it, I have to say, would be relevant to the Winnipeg Housing Authority—one of the problems tenants experience is the noise and violence of some of their neighbours which either causes them great distress, or causes them to move out.

There is a problem, I believe, in the fact that rent is geared to income and that therefore 25 percent of a tenant's income is paid to rent. This is, on the surface of it, a good policy in that the housing is provided for people who cannot afford good quality or better quality housing in other parts of the housing sector. Most of these people are on social assistance or unemployment insurance. I would guess that the vast majority are on social assistance. The 25 percent rule becomes a problem when people get a job, or when they get a raise, because their rent goes up to keep within the 25 percent of income rule. When the rent goes up to the point where their rent is higher than that in the private rental market, people move out and this causes further problems. It means a turnover in the tenant population which results in a lack of stability and a lack of community and a lack of people of various ages. People do not stay until they are 55 or 65. They tend to move out.

\* (0920)

Also, high turnovers are costly to management and, ultimately, to taxpayers since it is when people move out that the suites are painted and repaired. There is also a lack of tenant control or, might I say, responsibility on the part of tenants to manage their own affairs and to take responsibility for the place in which they live. I think the reason for this problem lies with management who will not recognize legitimate tenants' organizations. In fact, there have been allegations of management harassing and

threatening, and even issuing eviction orders for tenants who do organize other tenants or who join the tenants' organization. This is something that can be changed. It is something that, if the management had a more enlightened attitude, would change.

I know that not all housing managers have the same attitudes. In fact, I remember talking to the general manager of Winnipeg Regional Housing a couple of years ago. His philosophy was that when there was a good tenants' organization, he recognized it, rather than requiring them to meet all the rules of organizing for a tenants' organization. So it seems to me there are at least some managers who want to co-operate with tenants' organizations and who encourage tenants' organizations, and I believe that is to their advantage.

There are other housing managers—I believe the manager of Winnipeg Housing Authority is an example—who do not want to co-operate with tenants' organizations and who are not prepared to co-operate with tenants' organizations. I believe this is to the detriment, not only of the tenants' organizations and the tenants themselves, but to the whole housing project.

I believe when tenants are involved, tenants have responsibility and tenants take control over their organization and their lives, that there are benefits for the entire project. When people feel responsible for themselves, their living conditions and where they live then it cuts down on vandalism and other problems. When people are happy they stay where they are living and that cuts down on costs, as well.

I would like to briefly talk about the co-op housing sector. As far as I know this housing sector is healthy and doing well, although I think there are problems in the future in terms of cutbacks in the number of units being allocated and the amount of money available from the federal Government. I have some concerns I will raise later about the Co-op HomeStart Program. I would like more information on the evaluation that is being done and why it is being done, my concern being that I think the program might be in jeopardy, but we can get into that later.

In the home ownership market, the final segment that I would like to look at now, this is a good time to be a buyer. It is not a good time to be a seller. The worst people in this sector are those people who are involved in construction and, as everyone knows, construction of new housing is down. When I get a

chance I will read the Minister's opening remarks because I heard him addressing this problem. I think this is another area that requires innovative thinking. I know that in the early 1980s when construction was down, the Government of the Day offered a grant to first-time home buyers in order to stimulate construction and create employment. Perhaps it is time to do that again. I see the Minister shaking his head so we will get into that later.

I would like to conclude my opening remarks and anything else, other concerns I have, I will raise in the Estimates themselves. Thank you.

**Mr. Deputy Chairman:** I thank the Honourable Member for Burrows for those comments. Does the critic for the Second Opposition Party, the Honourable Member for Osborne, have any opening comments?

**Mr. Reg Alcock (Osborne):** I might have a few things I would wish to place on the record. It is a pleasure to see you back in this committee, Mr. Deputy Chairperson, and I trust this department will not take quite as long as the one we last reviewed, but it is an extremely important department and I expect will take close to as long.

I would like to start by just congratulating the Minister who operates this department. I found this department particularly accessible and easy to work with, and I have had an ability to get issues resolved as they arise in certain sectors of it through the good offices of the Minister. I think that establishes a very good working relationship and one that we want to foster into the future. It means an awful lot of small problems can be resolved without having to be brought to the floor of the Legislature, or to this committee.

I do want to echo one of the remarks of the Member for Burrows (Mr. Martindale), and that is the sense of housing as a right. It is something that is oft debated. It is certainly something that we in this country, perhaps, are not as sensitive to because of the extremes of climate here where people have to have shelter at a minimum. One only needs to spend some time in the southern United States in Florida, Texas, Atlanta, et cetera, to get a sense of what people who do not have the same pressure from the weather are forced to live in.

I want to carry that a little further because there are some general policy issues. The housing division is one we have talked about at times being amalgamated with one of the social services



divisions, Income Security, Family Services now, in part because an awful lot of the work it does is directed at providing support for people who are not otherwise able to access adequate or affordable housing.

I think, as a result, some broader policy issues get missed when we have that particular focus. One of the issues that is arising in social policy debates right now is this whole question of how do you allow people to participate in the mainstream of our economy when they are so severely disadvantaged. One of the thrusts that is coming out very strongly is this ownership of capital.

The major piece of capital a person will own, every person will own in their lifetime, is their principal residence, although there is an awful lot of work going on in a number of European countries and even now emerging in the United States about employee ownership of their place of work and their corporations and the like. It is done in a social policy framework that says if you want people to participate, to feel equal, to feel strong, to build an independent base with themselves, you have to give them something to build that base upon.

So when we talk about the kind of issues we talked about in the Legislature the other evening on allowing new and innovative ways for tenants in Government-owned housing to come together and to play a role in the ownership or to assume the ownership of those units, we are talking about a process that does allow people to become stable and fixed and proud of the place in which they live. That extends to issues such as creative ways to distribute the funds that we currently tend to place in large congregate centres. Expansion of infill housing programs and other ways to look at converting and re-using existing units, I think, is something we will want to explore in great detail as we go through these Estimates.

As we walk through this, I want to just alert the Minister to a few things. One of the things that alarmed me—and the Deputy Chairperson will recall this as we started the debates on Family Services—these departments all are equipped with rather significant executive support and planning and information and research kinds of capacities. In this particular case, we have nearly \$2 million spent on planning.

Now, if we are doing that, what I am going to want to know in some considerable detail is what kind of

planning they are doing, what kind of forward-looking work is being done by this research department. What we found in Family Services is that they were doing extremely little other than working hard to define ways to defend the Minister, as opposed to looking for ways in which to forward the aims and goals of the particular department.

I mean, there were issues raised then about the impact of the goods and services tax on people. The department could not answer it, because they had not looked at that despite the fact it was coming. I trust this planning department will be able to respond to us in a little more detail on that particular issue.

We talked about the issue of homelessness, another issue that is of interest to people in the Housing Department. We wanted some indications on how many and what sort of planning was being done to support them. Well, I trust that this division will have a little more information on that particular issue. I trust that if we are spending \$2 million on a planning unit that it will be forward looking and well equipped to inform the Minister and the community at large of issues that are emerging in this area.

\* (0930)

There is another issue that has arisen as we look at this ownership of principal—and, you know, it becomes a universal issue when we look at people who, as we graduate up the various groups of people from those, are on full support through to the working poor and on up. There have been discussions about providing some tax relief for mortgage payments on a principal residence. It is a policy issue that I think is worthy of discussion. We know the position of the New Democrats on that, but it is one that I would like to hear the position of this particular Government and how they feel on an important issue such as that.

We are going to spend a considerable amount of time on the Landlord and Tenant Affairs branch. Not on the details of it, because we are going to deal with that in Bill 13. The Member for Burrows (Mr. Martindale) has mentioned some estimates that he has discussed. There are a range of them that I think are worth looking at to highlight some of the problems that tenants face in dealing with that particular division.

I have been through a number of appeals now, and I frankly must say, particularly with one of them, that I was absolutely astounded at the decision that

was rendered. I think the department and that particular division is completely biased in favour of landlords. I think that they have structured this legislation in a way that does not provide any relief for tenants. So I am going to want to look at the operations and policy that governs that branch as well as the legislation that governs it, because what is happening right now, in my opinion, is completely inadequate.

Now, on the Operations side we look at two things. I mean, the operations renovation of existing sites is something that we are going to want to talk about, particularly when we look at buildings that were built some 15 to 20 years ago in accordance with a policy that created an awful lot of bachelor type accommodation, which is no longer in demand.

We see in the various buildings that exist—and I have a tremendous number of them in my riding, 601 Osborne, 285 Pembina Highway, 64 Nassau, 768—well, 768 is Regional Housing, 400 Stradbrook, Villa Cabrini. We have a new one that the Minister and I were attending the opening of last night. There are older ones though; we have high vacancy rates in part because seniors are more mobile today. They have better financial support and they are choosing not to live in them. That does raise a very serious question about how we get maximum benefit for the community out of those particular assets. There are some renovations that I think are worthy of discussion.

The method of allocating funds under the Manitoba MHRC program is something that we are going to want to talk about and tie that into some of the discussions with the planning group about how decisions are made, on what basis, what sort of process is undergone to determine the greatest need.

I am going to want to talk at great length about the final item, the Expenditures Related to Capital item on this particular budget. It is a relatively small item, a mere \$500,000 out of a \$51 million budget that is dedicated to the Emergency Home Repair Program. This is one that I think bears a great deal of discussion. I have mentioned this in my speeches in the House on the throne and the budget speech, and I have talked to the Minister about it.

There are a large number of seniors one encounters, particularly when one—I have, I think, the highest proportion of seniors in the province living in my particular riding. You encounter people

living in their own homes who are self-sufficient, who have lived in those homes for a great many years, if not decades, who want to live out their lives in those homes but are finding, while their pension cheques and such might allow them to live, might allow them to support themselves in those homes—there are a great many people, ex-railway workers who are living on non-COLA'd pensions who see their basic amount of support shrinking every day. They find they simply cannot keep up with home repairs. That item, the need to shore up a basement or to repair—in the one case I had a woman just recently who got hit for a \$1,500 sewer repair which had to happen, and she just did not have the money to do it.

There may be more eloquent ways to deliver some support to these people so they can stay in their own homes and not be forced into other forms of subsidized housing. We know they are healthier; we know they are happier and we know they do better in their own facilities. There are some examples I have certainly seen through the innovations program, examples of new approaches that allow some recovery of that support after the fact. I would be interested in knowing what the planning department has done on that particular issue.

I am looking forward to these Estimates. I have spent a fair bit of time trying to understand how this department functions, and I have a fair number of questions. I am sure we will have an enjoyable time over the next few days as we get a chance to look at what is happening in this particular division.

**Mr. Deputy Chairman:** We thank the Honourable Member for those opening comments.

Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line.

At this time we invite the Minister's staff to join us at the table, and we ask that the Minister introduce his staff members present.

**Mr. Ducharme:** I thank you, Mr. Deputy Chairman. Saul Schubert, Deputy Minister; Gary Julius, Executive Director of Support Services; Ken Cassin who is Director of Planning; Henry Bos, Director of Financial Services and Heather Glowa is the Manager of Budget and Mortgage Administration.

**Mr. Deputy Chairman:** Item 1.(b) Executive Support: (1) Salaries \$286,800—pass; (2) Other Expenditures \$57,000—pass.

Item 1.(c) Planning and Information Systems: (1) Salaries \$813,000.00. Shall the item pass?

**Mr. Martindale:** We are on item 1.(c)?

**Mr. Deputy Chairman:** That is correct. 1.(c) Planning and Information Services: (1) Salaries.

**Mr. Martindale:** I see that we are down here a couple of staff years, first of all, if that is correct.

**An Honourable Member:** Could you repeat that, please?

**Mr. Martindale:** The budget amount is down and I assume that we are down a couple of staff years. Is that correct?

**Mr. Ducharme:** Yes, that is correct.

**Mr. Martindale:** I presume that the name of the department will change to the Residential Tenancies Commission from Landlord and Tenant Affairs, or is that another section?

**Mr. Ducharme:** That is another section.

**Mr. Martindale:** That is it on that line then.

**Mr. Alcock:** There are a number of questions here as I referenced in my opening statement. This is, as I understand the function, and the Minister can correct me if I am wrong, the planning research evaluation forward-looking component of this particular department. It is the one that is responsible, presumably, for providing as it says in the Supplementary Estimates book, strategic planning to co-ordinate the department's strategic planning activities, intergovernmental, interdepartmental negotiations, program development co-ordination delivery, et cetera.

I would like to know a little bit about the work that this division does, and I would like to get some sense of what information it can provide us with as to issues that will impact on this department. In particular I would like to start off with the one that has had so much of the discussion in Estimates this year, and that is the goods and services tax. I am aware of the provisions relative to the GST on housing in general, where acquisition of new housing is not taxed at a full rate, but there is going to be an impact and certainly the various landlord and tenant groups have made an issue of the fact that even though rents may not be taxable, the costs of operating shelter-type residences, apartment rental accommodation, is still going to be impacted

by the goods and services tax. This will have an inevitable incremental impact on rents. I would like to know what planning and study has been done by this division that anticipates that. Give us some sense of the size of the impact.

\* (0940)

**Mr. Ducharme:** I can give the Member the latest information on it. Of course the GST as we all know is scheduled to replace, we have to remember, the federal sales tax as of January 1, '91. The FST currently stands at 13.5 and in general 9 percent specifically on building materials.

We have had many discussions especially with the home builders who met with us a couple of times at Ministers' conferences in the last couple of years. As you know, they even tried a campaign to say buy your home now. Fortunately even that did not work. People were not convinced that buying your home now was going to save them a lot of money. I guess what you are concerned about is the capital construction cost and the ongoing operating costs because it has to fit into both. I guess evaluation of Winnipeg's single detached ownership market has concluded that the GST will add a net increase of about 1.1 percent.

The figures we have of homeowner housing costs, the new ownership-cost 2.5 GST rebate is not deemed to be sufficient to compensate fully for the introduction of the GST. As far as capital cost to our non-profit housing, the federal Government again has indicated its intentions to consider provincial housing corporations such as MHRC and the same GST basis as municipal non-profits, which are eligible for approximately 57 percent GST rebate. However, our finance department working with Housing, has asked to see if you can have MHRC defined as a provincial to try to have exemption status. That is where we have been working, to try to make it very short.

**Mr. Alcock:** I appreciate that response from the Minister. Certainly that was a more adequate response than I got from the entire Department of Family Services on that particular issue. It is nice to see you are looking at that issue and trying to assess the impact. If I understood the Minister right it was 1.1 percent of home builders. We will leave that, and you are seeking not non-profit status or much status for the others, although the finance department is still seeking full provincial status so they would be zero rated?

**Mr. Ducharme:** That is the latest information I have in my information dated November 29.

**Mr. Alcock:** What, then, is the impact on people living in, like those I am thinking of, facilities that are free standing such as 400 Stradbrook or the 285 Pembina Highway? Will there be an impact on the operational costs of those buildings?

**Mr. Ducharme:** Are you asking for the independent or ours, the operating on ours, because we have both?

**Mr. Alcock:** I would like both.

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

**Mr. Ducharme:** To clarify—this is just our estimation, of course, because as everybody else we are trying to work on it—.1 percent of 15,000, if MHRC is fully GST exempt as Government, 2.1 percent or 514,000 if MHRC, given Government status, by only that 57 percent rebate on MHRC units, and 2.5 or 611,000 if MHRC is deemed to be non-Government with MHRC units eligible for the 50 percent non-profit GST rebate.

**Mr. Alcock:** They stand alone, the freestanding units?

**Mr. Ducharme:** 2.5 percent.

**Mr. Alcock:** I do not want to wax too eloquent. No, it is just fine. I am just pleased to see that this department actually can give me figures and translate them into dollar costs. That is wonderful.

**Mr. Ducharme:** That is part of the \$820,000 planning that is producing those types of figures.

**Mr. Alcock:** Yes, a similar amount for planning in other departments cannot produce a single figure. Anyway, I shall not belabour that.

This \$611,000 then, that is the estimated cost to all the units of the freestanding and the governmental, or just to the freestanding?

**Mr. Ducharme:** MHRC portfolio only.

**Mr. Alcock:** Is it the policy of the department then, coming out of these studies, to see that once this intergovernmental discussion is resolved, that whatever level of impact will be imposed upon these facilities, is it the Government's policy to then compensate them?

**Mr. Ducharme:** It is a little premature to determine those facts. However, remember that if you are geared to income it will not affect our tenants in our buildings because as you know they are geared to

their income. So the tenants themselves will not be affected.

**Mr. Alcock:** That is an excellent point, but in the case of a facility such as 285 Pembina Highway. It is the Kiwanis Centre. They are now called the Deaf Centre of Manitoba. They do receive operating support from the department. I realize I do not want to ask the Minister a question that sort of anticipates next year's budget, although one quarter of this year's budget will be dedicated to the impact or will be impacted by this particular change federally should the senators continue to have heart attacks.

Can the Minister give us a sense as to whether or not the department will see that these facilities are not further hurt by this particular policy change?

**Mr. Ducharme:** Just to make it clear, you are saying if that particular facility's operating costs go up, we have to bear those costs because of MHRC, and then we split those costs with the federal Government on our 75-25 share, or whatever the sharing basis is.

**Mr. Alcock:** Wonderful, Mr. Acting Chairperson, I appreciate that information from the Minister.

There are a number of policy issues that this department has to wrestle with, the question of co-operative ownership of units and the transitioning of people who are currently renters within buildings into part of the management and ownership of them. There are questions that have been raised in the past and policy discussions that have taken place relative to infill housing. There is this whole question of taxation on residences.

I am wondering if the department, in its general planning and policy work, has done studies on a range of these issues. I am wondering if the Minister—not necessarily at this moment, because he was not anticipating this question—could undertake to table for both the critics copies of studies that the division has done on housing issues. I understand that certain studies may be current and part of Cabinet documentation and would, therefore, not be shareable under Freedom of Information, but studies and research that have been done that the Minister deems to be shareable. I am wondering if he will be prepared to make that available to the two critics, as was done in the Family Services Department.

**Mr. Ducharme:** First of all, to the Member, as you can probably appreciate a lot of our information is very historical. A lot of it has been on the go for a

long time with CMHC on studies that they have done, and we have cost shared and we can—if you can be more specific on it. If you are wondering say about a bachelor suite study that was done by Winnipeg Housing and Renewal, we can supply you with that. We can supply you with that type of information, no problem.

**Mr. Alcock:** As a new, neophyte critic, I would certainly like to get well versed in the work that this department has done. I expect a division that is as efficient as this one may have huge stacks of these things going back in time, and I certainly do not want to—I am not a historian.

What I would like is more current work that reflects the current sort of issues that the division is facing. Rather than put you through the trouble of sort of photocopying dusty tomes, what we might do is at a later date perhaps I could meet with the Research Branch. If the Minister agrees to have that material shareable, then I could just meet with the Research Branch and we could go through what is available. That might be an easier way to facilitate that.

\* (0950)

**Mr. Ducharme:** To be fair to the Member, rightly so that I did not provide him with the usual briefing that we give the critic, I would certainly have Planning sit down with him and review that information. I have no problem with that.

As you have to appreciate, however, the only one I cannot share with—CMHC has done a recent study and said, do not release it yet. I cannot share that, but most of their information is very, very—can be released.

**Mr. Alcock:** Yes, as one of the drafters of Freedom of Information legislation, I understand the problems you have there. I would not ask for anything that is not appropriately shareable under that information.

I would like just to ask though, has there been recent looks at the impact of infill housing, a cost comparison for with other kinds of housing done?

**Mr. Ducharme:** What do you mean by a study? We have looked at it as far as our program is concerned, comparable to regular housing. We just did a status report, and we find that—giving an example, in-lots were acquired in the Weston area, the Weston development, for up to 13 units, however, tenders came in that would incur write-offs up to \$40,000 per infill house, which was beyond our budget allocation.

In the interim, however, options are being reviewed, approval has been given to tender for demolition of these buildings, and we will continue to look and see if we can come up, this department will continue to come up, with a means of acquiring these lots at probably a much reduced level.

You have to remember that when the infill program was first introduced quite a few years ago, there was an influx and there was quite a pick-up on them, I think it was 150 or 200 units. However, you were getting units in the city of Winnipeg for instance for \$1, and you were able to benefit the purchaser.

We do not have a long list of infill purchasers. However, we do have a stream in there when we are trying to work, like in the Weston area, and try to get the area going, because I agree with the Member that infill is the answer, not absentee landlords. That is not the answer. We will continue to work with that program and I am hoping that we can come up with a better, more economical way to provide those infill lots.

**Mr. Alcock:** I will move on shortly from this division. I just have one final question that is relative to this question of ownership through either co-operatives or some other ownership structure that would allow people who are currently tenants within facilities to become participant owners of the facility.

I know in fact—and the Minister will recall the discussion we had almost two years ago about the Deaf Centre of Manitoba and the department position. The Deputy Minister was very helpful at that time in allowing us to get into discussions about that particular facility. I am just wondering if there has been research work done, and whether there is a policy paper that outlines some of the issues that the department must face when you look at that question of individual ownership?

**Mr. Ducharme:** To the Member, the department has in the past supported—they supported through MAPS, Weston and the Logan group. However, I do not like to keep going back to it. If there are lands available that we can negotiate with, or that we can obtain that makes it profitable, not profitable but within our budget per location, feasible, then we will continue to look at those options.

**Mr. Alcock:** Yes, I am sorry. I was referencing, though, and I realize the Minister was diverted on the infill housing question, but the question of co-operative ownership of these large centres. Again, 601 Osborne as an example, 285 Pembina,

I was saying that the Deputy Minister was quite helpful when we began these discussions some time ago and is well regarded by the groups involved to see if there is a way we can—in fact, in that particular case, it is more an issue now of the group than it is of the department. I am just wondering whether the department has done studies of ways in which to advance that policy, the feasibility of that particular policy.

**Mr. Ducharme:** There has been some research going on. We did have a student last year doing what was mentioned on the tenant participation. We have not done a policy paper on that.

**Mr. Alcock:** The Minister did—I promise this is my last question on this one—mention the bachelor suite study. Does this address that question that I raised in my opening remarks about the relatively low uptake of those particular units? In part, I believe, in everything I am hearing from the seniors' groups, it is because they simply are in a position financially where they do not want to live in that kind of accommodation anymore. They want one bedrooms, or a little more space. At one point the vacancy rate at 285 Smith I believe was close to 20 percent. At 400 Stradbrook, it was around 12 or 14 percent. At 601 it was comparable numbers, certainly in the teens at one point.

I am not looking for those numbers. Do not worry about providing those vacancy numbers. I am just wondering if that does not begin to raise the question about a change of use of that space, either through renovation to create more one bedrooms and fewer bachelors where renovation is feasible—it is not always feasible given the construction of the building—or conversion of certain floors to forms of personal care. I am just wondering if there has been a study done that looks at some of those issues and would provide us with some guidance?

**Mr. Ducharme:** First of all, as you can probably appreciate when you are going through and you are asking your colleagues at Cabinet to support you in housing programs and capital costs, when vacancy rates keep cropping up, then it is up to me to answer to that. Just to fit in with what the Member is saying, as you can probably perceive the difficulty, when I see a vacancy rate it tells me, I know in our mind, from our research that they are mostly bachelor suites. Quite a few are bachelor suites. Winnipeg Regional has done a study because as you can probably appreciate, of all the units, they are the

largest manager of all our units in the city of Winnipeg. They have had difficulty. They have done a study—even gone so far as try to make them more marketable. They put in new carpeting, and maybe put in new cupboards to try to make them more attractive to these tenants.

We do have a subcommittee of the board now to take the study of Winnipeg Regional, and then do our own. We are hoping for that report to come back. Unless I have some answers to eliminating some of these vacancy rates, I cannot keep asking the federal Government, I cannot keep asking the Treasury, to approve more units.

**Mr. Alcock:** I will let the Member for Burrows (Mr. Martindale) ask a few questions on this particular line now. I know he is anxious to get on to the area about tenant affairs, as am I.

I would like to close just by thanking the Minister and thanking the department. I think that is a rather remarkable display in a short period of time. We could spend the entire morning on it, but I suspect that -(interjection)-

Trust me, you could—a vote of confidence from the Member for Wellington (Ms. Barrett) on that particular issue. I will let the Member for Burrows ask a few questions on it.

\* (1000)

**Mr. Martindale:** I would like to follow up on the same line of questioning as the Member for Osborne (Mr. Alcock). As the Minister knows, the Member for Osborne had a private Members' resolution on converting public housing to co-op housing, which was debated the other day. He spoke to it. The Member for Inkster (Mr. Lamoureux) and myself spoke to it, and on behalf of the Government, the Minister responsible for co-operative development responded. The attitude of co-op development is—and the Minister, since I spoke to him privately about this as well—if any group approaches us, we are there to help them to incorporate as a co-op.

If tenants in a public housing project were getting help from co-op development to form a co-op, would the Minister of Housing (Mr. Ducharme) look favourably on this idea of converting public housing to co-op housing? Secondly, would there be a preference that the tenants who are there continue to live there so that 100 percent of the people could, and would, qualify for rent subsidy, which was the amendment that I had proposed? It would not be like a normal co-op with a mix of incomes. It would

continue to be 100 percent of people under rent subsidy.

**Mr. Ducharme:** First of all, if the Member for Burrows (Mr. Martindale) is asking me whether we agree with the indication of the resolution put forward from the Member for Osborne (Mr. Alcock), we agree that probably if we were on an ongoing basis, probably on an individual basis of units, trying to derive some way that tenants are more involved in these particular units, we are doing it on an individual basis. If a group comes to us, tenants, and they have a system that they want to put in place, we would be glad to look at them on an individual basis.

**Mr. Martindale:** For clarification, we are still on line 1.(c), and there is more detailed information on page 20. Is that correct—under Planning and Information Systems of the Supplementary?

**An Honourable Member:** Yes, there is.

**Mr. Martindale:** I have some questions then about Activity Identification and Expected Results. First of all, under Community Planning, what is contained in the three-year social housing plan? A couple of related questions, is it a public document, and if so, can I obtain one?

**Mr. Ducharme:** This is an analysis between ourselves and the feds on all these social planning issues. I can provide the Member, so he knows in general what we cover, with last year's. As you can probably appreciate, we are negotiating with the feds for the next year's allocation. He will know in general what our planning refers to in that document. Really, I guess, the only thing different would be probably numbers and everything this year, but I can provide him with last year's.

**Mr. Martindale:** I would be interested in receiving last year's. Under Expected Results, what does designation of units by area mean? Does this mean geographical area?

**Mr. Ducharme:** We support generally in regional areas. Client need in these particular areas is a basis of how we set them. There are four planning regions that we go to when we are doing that.

**Mr. Martindale:** What would the regions be? Is Winnipeg one region?

**Mr. Ducharme:** Winnipeg is a region in itself, and there are three others. However, what I can also provide the Member with is a map showing the regions; we have it broken up.

**Mr. Martindale:** Part of the analysis is of vacancy rates. What does the Minister consider an ideal vacancy rate?

**Mr. Ducharme:** Are you saying in ours? In ours, it would be nil. In the private sector, it is always good to have some type of vacancy rate. About 3 percent, I think, is what CMHC has always used as a guideline, balanced.

**Mr. Martindale:** I see that the department has computerized information systems. Is the Rent Regulation Bureau completely computerized?

**Mr. Ducharme:** Yes, the Rent Regulation part, but not the Rentalsman office.

**Mr. Martindale:** That might answer my next question. Are the rents for all regulated rental units on computer?

**Mr. Ducharme:** All registered ones are.

**Mr. Martindale:** Then would it be possible for Family Services staff, such as financial workers, to be able to phone, or via computer, quickly get information on a potential rental unit for a client? If so, what kind of rental information? The reason I am asking is that my understanding is there is quite a good relationship at the city level between social workers and the staff of CARUMP. City workers are phoning CARUMP and asking their staff if there are outstanding work orders against a particular unit an individual or family want to live in.

It seems to me that it would be helpful if provincial Government staff, for example in Family Services, specifically financial workers, could inquire and find out first of all whether or not a particular suite was regulated; and, secondly, what the last approved rent was so that their clients were not paying an illegal rent increase, for example. I would also be interested in knowing if any kind of repair order, or health Act order information was available as well?

**Mr. Ducharme:** First of all, remember that a lot of the single units are not registered, so we only have the ones registered. If an employee of Family Services does contact the department, we will give them that information. We will give them the last rent that is known. That information is usually given out quite handily to the employees.

**Mr. Martindale:** Would there be any other kind of information available, such as outstanding repair orders?

**Mr. Ducharme:** Not at the present.

**Mr. Martindale:** Maybe I will have to give the rationale and then ask the next question. One of the concerns I have is that very large sums of money are being paid on behalf of tenants, especially in the inner city. Much of it is going to substandard housing, which does not seem to be a good use of taxpayers' money. If there was some way social workers, financial counsellors especially, could place their tenants into housing that did not have repair orders against them, it would provide people with a better accommodation rather than putting them into places that are substandard.

If this information is not available now, is there some way this information could be made available, either from the city or from another part of Housing?

\* (1010)

**Mr. Ducharme:** First of all, there will be an improvement under Bill 13, simply because the provisions for the work orders will now be put in place. You did not have the power before to act on them, so there will be definite improvement under Bill 13. Of course, again, if it is registered.

**Mr. Martindale:** I actually like that answer. I have great hopes for Bill 13 as well. We will give it five years and see if it works, two if it does not. -(interjection)- It took about six years to get it, in my opinion. I think that is all that I have on line 1.(c).

**The Acting Chairman (Mr. McAlpine):** On line 1.(c) Planning and Information Systems: (1) Salaries \$813,000, shall the item pass?

**Mr. Alcock:** Can I just ask one final question on this? The Member for Burrows (Mr. Martindale) asked a question about the fact that two SYs have disappeared from this particular division -(interjection)- Yes, I would just like to ask, why? What happened to those two staff? Why were those two positions eliminated?

(Mr. Deputy Chairman in the Chair)

**Mr. Ducharme:** The two positions were vacant, and they just were not filled. It was just an opportunity we felt that we could operate without those two additional SYs.

**Mr. Alcock:** Have they been vacant throughout the year?

**Mr. Ducharme:** Vacant since '89.

**Mr. Alcock:** Then this does not in fact impair the operation of this division. It is continuing to do the work that it has been doing in the past because it has not had those resources for a couple of years?

**Mr. Ducharme:** What it is, we combined the Planning and automated systems into one. We have actually—to give a further light on it, a Planning portion of the 23 is 10 and the automated is 13 of that total.

**Mr. Alcock:** I see, so then this division is in fact somewhat smaller than the Planning divisions in other departments as the department I guess is somewhat smaller than this line would indicate. That is actually an important clarification. I thank the Minister for that.

Does this division then maintain the relationship with the new Treasury Board committee that deals with Information Support Systems, ISSB, when they have split that the way they have now?

**Mr. Ducharme:** Yes, that is correct.

**Mr. Alcock:** Does this department access the free mainframe time available through what was MDS, is now STM? I mean, there was an allocation of free data processing time made available there. I am not sure whether this department uses mainframe time or whether it is all micro based. Perhaps the Minister could answer that first.

**Mr. Ducharme:** Yes, we are using the mainframe in the time that is allotted to us.

**Mr. Alcock:** Perhaps the Minister, rather than answering the question then, could simply make some information available as to the kinds and number of systems you have operating in this department, what sort of data processing requirements you have. If you have that on a list some place, you could just table the list as opposed to getting into a lengthy discussion on it.

**Mr. Ducharme:** I will supply you with that. What I believe is we are using eight mainframe programs right now along with our little mini ones.

**Mr. Alcock:** That is fine.

**Mr. Ducharme:** I will supply you with the ones.

**Mr. Deputy Chairman:** Item 1.(c) Planning and Information Systems: (1) Salaries \$813,000—pass; (2) Other Expenditures \$1,127,200—pass.

Item 1.(d) Communications: (1) Salaries \$148,600—pass; (2) Other Expenditures \$163,500—pass.

Item 1.(e) Support Services: (1) Salaries \$1,753,200.00.

**Mr. Martindale:** Mr. Deputy Chairperson, we are on 1.(e). Is that correct?



**Mr. Deputy Chairman:** Item 1.(e) Support Services: (1) Salaries \$1,753,200.00.

**Mr. Martindale:** Okay. What is included in Other Expenditures? I see it has gone down from \$602,000 to \$526,000, if I am on the right line.

**Mr. Deputy Chairman:** That is the line just below. That is fine.

**Mr. Ducharme:** Remember there was a five-year program that was an affordable home program. That ended with that mortgage arrangement with the banks, and so that is where the difference is. That program is finished. We are not paying service fees to those banks now.

**Mr. Martindale:** How many infill houses have been built to date in the current financial year?

**Mr. Ducharme:** None.

**Mr. Martindale:** Where is an appropriate place to ask about the infill? I will defer that.

Does Manitoba Housing own boarded-up houses? Well, that is an infill. I will save that for infill.

**Mr. Ducharme:** You are talking about the infill ones?

**Mr. Martindale:** Yes.

**Mr. Alcock:** Mr. Deputy Chairperson, I just have one question following up on the Member for Burrows (Mr. Martindale). I believe the Minister under Support Services here indicated that the reduction in total under Other Expenditures from \$602,000 to \$526,000, which is reflected in reductions in Other Operating and Supplies and Services. Those seem to be the major reductions. I was not certain that I understood his response. He said it is because a mortgage support program has come to an end. Is that reflected in a decreased requirement to support that program? Surely, this is not the cost of the program?

**Mr. Ducharme:** That is the reduction of the service fees, the administrative service fees for that particular program.

**Mr. Alcock:** This is a department administrative support function with a programmatic cost related to an interprovincial program?

**Mr. Ducharme:** That is correct.

**Mr. Alcock:** Okay, no further questions.

**Mr. Deputy Chairman:** Item 1.(e) Support Services: (1) Salaries \$1,753,200—pass; (2) Other Expenditures \$526,400—pass.

Item 2. Landlord and Tenant Affairs (a) Salaries \$2,168,500.00.

**Mr. Martindale:** Maybe I could get the right page number here.

**Mr. Deputy Chairman:** Page 108, item 2. Landlord and Tenant Affairs (a) Salaries—

**An Honourable Member:** Pages 26 and 27.

\* (1020)

**Mr. Deputy Chairman:** (a) Salaries \$2,168,500.00.

**Mr. Martindale:** I am wondering if there is an anticipation of more phone calls, more inquiries, more appeals to the Residential Tenancies Commission than there are currently under Landlord and Tenant Affairs, or whether you anticipate the level of service will be the same, or because you are resolving disputes so quickly it will go down. If so, are any of those plans reflected in the budget here? I see there is a very modest increase in Landlord and Tenant Affairs overall.

**Mr. Ducharme:** First of all, just to enlighten the individual, we would hope that after all this work—and I know for the Member and for everyone else this is a bit of a concern. I hope the commission is more efficient, and probably we know it will be better service.

However, you have to remember that what he is talking about is that in this budget, we have not put any monies for that particular new Act because it will not be in place until after the 1st of April.

**Mr. Martindale:** Since I may not get another kick at the can before April 1—well, we do not have next year's Estimates in front of us, I guess I cannot really—I will put that as a question. Can I ask you about budgeting for next year, or is that inappropriate at this time?

**Mr. Ducharme:** We were doing that when we discussed the commission. Without giving you specific numbers, when we did discuss the commission we of course went through that with Treasury and how we were going to produce this new Act and this new commission. We have put funds available for the next budget year.

**Mr. Martindale:** That is it on Landlord and Tenant Affairs.

**Mr. Alcock:** Let us just pursue that one little bit, because presumably when one brings forward a piece of legislation that is as massive as this one, there is an impact statement produced along with it that will project what the costs are or what the

anticipated impact is from the department's side. I wonder if the Minister could table that review.

**Mr. Ducharme:** When it was discussed, I was able to convince my colleagues that we would operate the Bill without any additional staff other than the commission and the commissioners, other than the monies that we have to put aside for the damage, which would be monies we would get back generally anyway through the rents because some of those we will have to finance. However, other than the commissioners and the deputy commissioners, no further monies will be required, will go to operate, because remember that a lot of the questions we are answering now to the staff that we have and the calls that the Member for Burrows (Mr. Martindale) was talking about, we will use some of that staff, or some of the money we are using for that staff, to look after those complaints, et cetera in the commission.

**Mr. Alcock:** If I understand the Minister right, then in all of the work-up that has been done to produce a Bill as massive as Bill 13, with as major a change in that, it is the department's belief that they can fully implement that Bill with no increase in staffing, no increase in operating costs to the department other than some of the trustee arrangements that the Minister has indicated.

**Mr. Ducharme:** What we have done is, first of all, we have improved the automated systems. We have done that in the last year and a half. Also, what we have budgeted for is one full-time commissioner and one part-time commissioner. As you know, there will be others sitting on that commission dealing with the tenants and some dealing with the landlords, on each side. However, as you know, we do have a tenancy-landlord relationship now that hears all the inquiries. Well, we will use some of that funding also. They are quite clear. The only monies would be monies that we would get back, other than those commissioners, and that money is to be obtained from the rents that is applicable under Bill 13.

**Mr. Alcock:** We are in Appropriation 30-2, which is Landlord and Tenant Affairs, at the current time, so I would like to ask quite a number of questions. I suspect the Member for Burrows (Mr. Martindale) has an awful lot of questions in this particular area, as I know he has been an advocate in this area, as have I, for some time. Rather than follow the tradition of now that I have the mike of continuing for some time, I think what I will do is ask a few questions of the Minister, let the Member for Burrows ask a few

questions, then I will come back. We will go like this until January. Let me just—

**An Honourable Member:** I was not part of the deal; we were away somewhere else.

**Mr. Alcock:** That is right. Sometime there are advantages in being at openings.

I would like, though, quite seriously, to preface my remarks in this area. I know how difficult it is when somebody is caught between two competing groups, a landlord who has legitimate concerns about cost increases in his department and tenants who are also feeling tremendous financial pressure given changes in the community. I know that the department takes it in the neck, no matter what decision it makes, all the time. It is a very, very difficult position for staff to be in.

At the same time, as I said in my opening remarks, I have had concerns, growing concerns. I tend to get dragged into these more and more frequently, because I represent better than—I think I have the highest percentage of renters in the province, as well as the highest percentage of seniors, so I am constantly assaulted by little old ladies who are angry at you guys.

I just want to get a better sense of the policies that drive this particular division. I want to first start by noticing that the Rent Appeal Panelists costs have gone up some 50 percent in this year, although it is not a huge amount of money. I am wondering whether that is because there has been a greater demand and a need for more panelists, or what is driving that relatively? The percentage increase is a big increase; in dollars, it is not much.

**Mr. Ducharme:** To the Member, we are doing away with those panelists. They are going to be done away with. You are going to go directly to the commission on those, so there is again part of the costs that we are using when you asked about whether we had to put any increased cost for bringing in Bill 13. That was anticipated when we looked at those.

**Mr. Alcock:** Yes, and we will come back to some of those operating questions when we go through Bill 13. I understand that much of what we will be talking about in this division of the Estimates could be answered by saying, well, that is not an issue because Bill 13 addresses that. At the same time, though, I think there are some concerns that I want to highlight to make sure that, as we move into Bill 13, not only have we addressed these concerns in

the structure of the legislation that governs the program, but we are also addressing them in the operations of the department that is expected to enforce them.

I would like to ask the question again though, because we are talking about existing operating years under the existing legislation and note that there is a substantial increase in the funds that seem to be targeted at rent appeal panelists. Is this because there have been more panels operating because there have been increasing numbers of complaints, or is this because there was a fee increase given to the panelists for the time they sit?

**Mr. Ducharme:** The amount does not reflect necessarily an increase in appeals but the complexity of appeals because remember, they get paid how long they sit. What we are saying is that, and I know we have some stats that show—I do not know whether the Member has seen it—the different areas of where the appeals have come from, what the grants have been to those different areas. We have broken them into areas. For instance, in your particular area we have a list of all those who appealed, all that was received and what percentage they received.

It was mentioned about the high increases. If you take a look at what happened throughout the city, throughout the appeal of last year, the increase was 5.5 percent over the appeals on what was appealed last year. I believe that was the figure. Some areas were larger than others. I can supply you with that information.

**Mr. Alcock:** I would very much appreciate it if the Minister would supply me with that information. Again, one need not rush around and do it at this moment but see that comes forward to my office, and I suspect the Member for Burrows (Mr. Martindale) would also be interested in some of that information.

**Mr. Ducharme:** It gives you a good break. Especially it outlines—you can go through and look in your area and see where all the appeals came from. You do not just hear from those who lost.

\* (1030)

**Mr. Alcock:** I think that will indeed be interesting. I guess the concern, and the Member for Burrows referenced it in his opening statements, is one that the Minister and I have talked about in the past, that under the current policy it is the write-down provisions for capital that are all contained within

regulation that have been the subject of considerable dispute by tenants over the centuries. It is one that we are going to be discussing at some length in Bill 13 to try to effect some changes to that.

I must confess, in the ones that I have sat in on where there is a dispute that is in the order of 3 percent or 4 percent in a relatively large building and when it is targeted to substantial capital improvements, replacement of—where it is capital in a small amount, there is a debate between the legitimate need of the landlord to increase the quality of the building and the needs of the tenants to maintain their operating cost or their personal cost within some sort of reasonable limit.

Now I think there is one issue area that I want to talk about today that has to do with how these decisions are made, because we certainly do get this concern about—and I am sure this is not a new argument. I am sure that the Minister and the staff have heard this one a hundred times. I know that the Minister has received, as has the Premier (Mr. Filmon), correspondence on this out of my area that basically says, why are we allowing people to take such short write-downs on capital? Then when they make the write-off, and that is contained within the base of their rent increases over time, why is that not taken into account in calculating the next year's rental increase so perhaps it would be a zero or a negative increase in order to ensure that all we are allowing people to do is to recover the capital, that we are not artificially inflating the rates for time immemorial as the result of that change? So that is one policy area.

The second one which I will frame for the Minister, and we can come back to this and other questions, is this issue of smaller operators who contract with themselves to do repairs on their own buildings and charge themselves back for those repairs that then get incorporated into the capital cost allowances and then inflate the cost of their building. I have been through one that shall remain forever in my memory, where we went through the costs that were charged back line by line to the point of going out and pricing the same damn screws and came up with an entirely different set of calculations than the department did—entirely different—and went into that in great detail, yet the department ignored all of that work. I was very distressed by that. I want to talk about the policies that drive that, so let us start with the question of this capital allowance in regulation.

**Mr. Ducharme:** First of all, I still believe that it should be looked at and stayed with under the regulations section of the Act. You have to remember that if the Member looks at—I will give an example. Take Beliveau Avenue and Dakota, when I first started to, probably, knock on doors in 1980 when I was city councillor. I noticed the suites themselves really needed a lot of work. I am not disagreeing that some capitals are flowing maybe too quickly, but there has to be a system to give the incentive to repair these buildings. If you do not remember that under capital improvements, we do not consider the return on equity, the financing cost. If we did, I think the period would be much larger.

In regard to the question on how the performance or what the length of time, I would like to explain again, I would like to see it in regulations. I think that markets will change in different apartment buildings, and sometimes the incentive is a requirement to have those buildings improved. I am not saying that there have been some cases where there has been some advantages taken over some landlords over tenants. All in all in the stock that I look at, and when the Member receives his breakdown on what appeals and what the percentage height went to by allowing them to do that, I am not saying that there were some cases where there was not 13 percent and 14 percent increases. However, the average increase was, I think through rent regulation appeals—I am still using the point of 5.5 or something, throughout the whole city is what the average went up.

I can only talk for the stock that I visit, and I knock on doors. I think that, again, and I hate to keep addressing to Bill 13, but I think that through the system that probably this type of neglect that happens, say on Beliveau Road years ago, I do not think it would have gone on as long. I think the people will have a better system now to go in, to go to the commission, complain about the condition of the building and not wait through a year and a half, two years of waiting for a decision by somebody to probably enforce them.

They will have the right on unusual conditions to go in there and will have the right to repair not just from the suite but the common elements that happen. You know, there are lots of repairs to common elements that are neglected over a large period of time. Now we will be able to say, hey, we can now redirect your rents to repair those common elements. You know, you walk into some of these

apartments and they have been neglected, and I think this will be one system of Bill 13 to help with that.

You did talk about sweat equity. I cannot speak on the specific of what you are saying; some people have abused it. If the Member would show me where someone went in there and used and probably highballed their prices, I would want to know about that and so would the department.

**Mr. Alcock:** We will come back to that one in a minute, but I want to keep on this question of regulation and return, because there is a return on equity that may not be calculated. It may not be contained in a regulation, but it is a defacto return that comes in on the averages that the department talks about, if not publicly, but certainly the information is clearly circulating that a profitability level—that is not a net profit, but a gross profit—is considered to be around 45 percent.

Now am I stating fairly a guideline, a rule of thumb, that the department would use?

**Mr. Ducharme:** Fifty-four percent is for operating and the remaining is for repaying back the debt.

**Mr. Alcock:** Fifty-four, so fifty four and change whatever it is, so that 45 percent that I referenced—maybe it is forty-five and change, 46 percent—that really then is for payment of mortgage costs and whatever return on equity that may come out of that unit.

Let me just back up one step because, certainly, when one looks at the economics of the housing stock and one looks at rent control programs, one of the big criticisms that is always given is that landlords cannot get their capital costs out. There is no reward for repairing and maintaining buildings and, therefore, the stock decays over time.

I know that Premier Bob in Ontario now has made the commitment that they are not going to allow any capital cost allowances in their rent control program. I think that is wrong. I think the previous Government that brought in this legislation was correct in allowing a capital cost allowance, because for exactly the reasons the Minister references and exactly the problems that we have seen with the housing stock in the Core Area and some of the slum landlord problems that people do not put it in.

So now we have not only a generous capital allowance provision, but we also have the ability under Bill 13 to enforce capital repairs. I think that is a progressive step, the enforcement. The capital

cost allowance one though is one that I still come back to, because we allow them on these schedules that sit in regulation—and I appreciate the Minister's desire to have some flexibility—but I think anyone who looks at it suggests that they are generous provisions and that once they are enforced or once they are in place, they go on.

\* (1040)

We come to the end of a six-year amortization period, a six-year allowance period, we do not reduce, even though in our regulations we say we are recognizing that this capital is fully paid at the end of six years and the capital improvement may go on in the case of a large appliance or something on forever. We still do not allow a reduction. It is something that I find somewhat alarming, but where it would come out in a macro sense is relative to this 45 percent gross profit.

So the question is if the department sees this gross profit figure growing in a unit where all of a sudden it is advancing to 47 percent, 49 percent, 50 percent, 52 percent, would the department then say, wait a second, there is another factor here? I mean, how does this get factored in? We have something that is a guideline within the minds of the department, but not a guideline in legislation or regulation that is another indicator of what is happening with these capital cost allowances. I can show you detailed tables that lay this out for some of the blocks in my area.

**Mr. Ducharme:** First of all, in theory, it should not happen. However, when that legislation you are speaking of was introduced, I guess the generosity—it is not working. However, I am committed as a Minister to look at a different pass-through, or an amendment to the pass-through method, but I would still like to see it in the regulations. I still am a believer that is where it should be.

Even if you look at what is going on in Ontario, if you take a look at some of the statements made by the Premier of Ontario, because he has now said that he is going to have a two-year rent regulation put in place, and Housing Minister David Cooke stated plans to develop some mechanism to allow landlords to recoup capital costs in his new rent control legislation.

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

The one I guess he has right now has failed to—you know, they are even looking at it in the very large area that they have and the concern they have. It has not been missed by this department or this Minister that there are irregularities and it is not working. We are going to have to readdress it, but I do not think it should be addressed in the Legislature. I believe it should be left in the regulations.

**Mr. Alcock:** Is it a fair statement then that Bill 13 does nothing to change this situation?

**Mr. Ducharme:** In the most part no, but there is a statement in Bill 13 that states that, through neglect, this can be addressed. What I am saying is that capital cost like I was talking about earlier, due to neglect that occurred over a long period of time, can be addressed.

**Mr. Alcock:** Yes, but there is nothing that deals with the change in the cost allowances, either a longer period of amortization, or a decrease or a factoring in of that once the amortization period is over. We are still maintaining this inflationary impact of the capital costs.

I recognize the Member for Burrows (Mr. Martindale) would like to ask a few questions, and I will let him get in. I do want to come back to this. I want to know what some of the policies are that are in place that have to do with staff who are in the rent regulation business.

I would like to get some sense of the conflict of interest guidelines that surround these particular positions, particularly relative to their ownership or involvement in properties. I also want to know a bit about the way in which the information is made accessible to people, because I understand that, for example, when a landlord comes down to the office and makes available all of the financial information, tenants are allowed access to it, but they are not allowed to take photocopies of it. I mean, it is a silly kind of system where they are allowed to go through it and hand write it all out, but they cannot photocopy the damn information. It just seems that it is a rather arcane system, and I am going to want to know about some of these issues.

I also want to come back, and I suspect the Member for Burrows (Mr. Martindale) will want to ask about this because I know the Member for Burrows has already referenced the fact that he is going to bring forward an amendment to Bill 13 that

has to do with this question of how capital is amortized.

We also, the Minister and I, have talked about an amendment that we are going to bring forward. Certainly I have not seen the one from the Member for Burrows, but if it is addressing the same issue, and if it is in acceptable form, I can tell the Minister right now that it will have our support.

We need to find a way. I do not want to take away from the need for landlords to recover capital. All we want to do is push that into some reasonable framework that does not allow a building over a period of five or six years to move from a gross profit of 45 percent, as the department guideline indicates, to a gross profit of 59 or 62 percent, which, I think, is clearly usurious. Yet the department stands by fully aware of that information and does nothing to take that into account. When it alters the rent control guideline, it still allows a 9 percent increase.

I also would like to talk a little bit about another suggestion that has been brought forward by the Landlords Association. That is the possibility of building into rents a one-time increase of some proportional amount that then landlords would have to manage as an accrual amount against capital. Therefore, we would not see these big bumps every so often. They would simply be a pool of capital that is maintained on an ongoing basis. They would have to manage that pool, and they would have to draw on it for capital improvements so that we would not see these rent shocks periodically in various buildings.

There are a number of ways that this could be administered. I am a little disappointed to see in 13 that we carry forward an old and somewhat questionable method.

**Mr. Ducharme:** I have just a comment and I have tried to be fair to the Member. I do not know, he must have been a fly on the wall or something in regard to what he just talked about. These are the types of things we have talked about when we decided to leave it in the regulation and deal with it.

We understand there are certain problems in regard to the way it is being handled now. I guess in some cases it has been overgenerous and some people will always find a way probably to take advantage of the situation. We have other landlords who have been very, very good. I mean, I have to keep stressing some of the landlords in my area

have been excellent. They have not gone back to the poor renter who has been there in the suite for 20 years, and then all of a sudden he gets bumped drastically because he has not been able to catch up. Yet the next block to it, they have gone back to somebody who has been there for 20 years and said, boom, we are going to get you now.

I still say and I guess I will have to keep arguing the fact that I appreciate where you are coming from. The message is loud and clear. It has been loud and clear to our department because, as a matter of fact, that is how most of your appeals have been. I mean, in the last couple of years that I have been Minister, if I look through the list, that is mainly what they are.

I am saying that I would still consider it to be dealt with in regulations, and I guess that is a difference of opinion we are going to share. You keep giving me your information, hoping to convince the Minister and the Government that it be done in Bill 13. I will keep listening.

**Mr. Martindale:** On the same topic, I personally do not have any problem with using regulations. I do not know about my Party. I will find out before Bill 13 comes in, I guess. I guess the reason is that I know that legislation does not change very often. The last time legislation was changed was in July, 1982, because I was here making presentations on The Rent Regulation Act, whereas my understanding is that regulations can be changed anytime.

However, I think there does need to be a change. As I said before, I have dealt with tenants and tried to help tenants, in fact, tenants who were in the former constituency of Seven Oaks and the constituents of the former Minister of Finance, the Member for Seven Oaks, tenants who had a 30 percent, 35 percent rent increase, and they were absolutely legitimate rent increases that were passed through to the tenants and forced some of them to move out.

I actually got quite a surprise during the election campaign. I probably should not put this story on the record, but it illustrates a point, so I guess I will. We were trying to find a run-down, slum apartment building to have a press conference in front of during the election campaign. I went to two or three blocks in Burrows constituency and got quite a surprise.

I was sure that they were terrible places because I had knocked on doors in them several months previous and discovered, when I talked to the tenants, that the landlord was putting in new carpet

and making other improvements and found stacks of drywall in the basement. The landlord was obviously planning to improve them. So we had to have our press conference in Point Douglas, could not find a suitable block in Burrows.

\* (1050)

I think that what landlords discovered was that even though it is called rent control, what we really have is a rent pass-through system. In fact, I think that is why the Premier was able to promise during two election campaigns that his Party would keep rent control. It was an easy promise to make and to keep to landlords because, by that time, landlords had had six years and now eight years of experience with The Rent Regulation Act, and they knew that they could do capital cost improvements and pass the costs on to the tenants. I think that some landlords have used that as a way of bumping up the rents to a higher plateau, and then all future rent increases are based on that higher plateau.

The Minister seems to be aware of the problem and agrees with some of the analysis of the Member for Osborne (Mr. Alcock) and myself, so the question is—I guess there are two. What is reasonable in terms of capital cost pass-throughs and, what is the Minister prepared to do about it? I will ask both questions then. What does the Minister think is reasonable for capital cost pass-throughs and, what is the Minister prepared to do about it? Are you prepared to change the regulations that are part of Bill 13 so that the amortization period is lengthened and thereby tenants have lower rent increases?

**Mr. Ducharme:** You have to remember that when it was brought in they felt that was the incentive that was required. First of all, to the Member for Burrows, and I think he will agree, we do not want to ruin that incentive. There has to be an incentive to those who are improving, or everybody is going to take the rent guideline and not improve. So those ones who are not improving get the benefit of the rent guideline that is in place at the time. There has to be some system to pass it through, to make it to those who are fortunately in this city the majority of the landlords. We have to find some system of doing that.

I mentioned earlier, the Member for Osborne mentioned, a system that we could have a replacement cost system that he talked about. We are looking at that. There has to be a way. Of course,

the natural is for people to say automatically extend the capital period longer like you do in the term of a mortgage. However, we have to probably balance it out and get something that is very fair to both the landlord and the tenant. I think foremost in your mind is to make sure that you do not set the legislation or the regulations that you are hurting a landlord who is performing and who is repairing his place and making it more desirable for people to live in. I think that is the problem that my department has been dealing with the last year, to try to determine, away from the Bill, in the regulations—you mentioned about the change in the Bill, the last major was in '82. I think if something like this comes up then the Government, whether it is this Government or another Government, will not have to open legislation to make changes that all of a sudden you see have occurred and you need to change them. I think that is the flexibility of regulations.

**Mr. Martindale:** I do not think we are talking about hurting landlords. I think we are talking about fairness to tenants in terms of passing on capital costs, passing through capital costs. I think there are a number of ways to change the regulations. In fact I discussed this with legal counsel in the Attorney General's Department.

One possibility would have been to allow the capital costs to be passed through the way they are now and, when the capital expenses have been paid off through the higher rent increases, to drop the rent back down to that previous level, or that previous level plus annual rent increases. But that system would seem to be unworkable because it would be administratively a nightmare. So the other alternative is to increase the amortization period so that, instead of the landlord paying off certain expenses in four years, you increase it to six years. To me, that would seem to be a reasonable way to go.

I do not think the Minister answered my previous questions: (a) what is reasonable; and (b) are you prepared to amend the regulations to change the amortization conditions?

**Mr. Ducharme:** I made it quite clear that I am willing to change the regulations. Remember that you are not going to do this just because my department or you are friends of the tenants, it is also justice to the tenants, as well as to the landlords. I mean, remember that the whole situation is that you have to make it fair to both sides. We are going to be devising an advisory committee that I think would be

very, very helpful in drafting a regulation. If that consoles the Member for Burrows that I would give him that guarantee that my advisory committee would be very, very involved in helping set up the regulation for capital costs, I have no problem committing to that.

**Mr. Martindale:** I look forward to the advisory committee as well, and hope that it is helpful in giving the Minister advice. The Minister has indicated that he is prepared to change the regulations, so I would be interested in knowing what plans there are to change the regulations, and does that include changing the amortization period on capital cost pass-throughs?

**Mr. Ducharme:** At this time, when I say I am changing the regulations, I am committed to that. The Member for Burrows suggested one of the things that we are looking at, but I say that there are some cases where they did receive the capital costs payback too quickly, but I am not going to say how we are going to change the amortization.

**Mr. Martindale:** If I could go on to another part of Landlord and Tenant Affairs under Objectives, one of the objectives is to provide information and education programs to landlords and tenants. I think there is very good information available annually about the rent increase guideline of 3 percent, and the next year, 4 percent. I am wondering if the department would consider providing the same kind of information, including using the same kinds of advertising, including television, to provide other kinds of information. I think one of the problems in the rental market is that tenants do not know what their rights are and, similarly, they do not know what their responsibilities and obligations are.

I have frequently come across people in my work in the last 10 years who did not, for example, give 30 days notice because they did not know that was their legal responsibility and that there were certain penalties. I could not go to bat for them; they did not have a leg to stand on because they had not followed their legal responsibility to give notice. Would the department provide the kind of information and education that they do on rent increases on other topics, especially on tenant rights and responsibilities?

**Mr. Ducharme:** First of all, the Member has to appreciate that over the last couple of years the rent guideline has stayed specifically the same, so we have tried, instead of spending great deals of money

in regard to changing those ads, et cetera—my argument to Treasury and to Cabinet has always been that we are going to be bringing in the new residential tenancies. So the time to do the heavy advertising and the heavy changes would be at that time. This year, for the 4 percent, we are bringing in small changes. We are not probably extending the advertising as much as we would probably like to, but we would sooner have the budget impact on advertising to play in with when the Bill is passed.

There will be, as he knows, the education fund that will be available with the interest payback on some of the unclaimed security deposits, et cetera, and we will use this for the education fund for tenants. I guess when I say tenants, because I appreciate the Member for Burrows, most times those are the ones who do not understand the regulations. They do not have the staff or they are not—no, we have tried to provide information in quite a few different languages. I think we are providing, I do not know how many languages we have tried to provide.

We have tried to provide material, and I guess we have been a little lax, but I think that through this new fund it is a new formation of providing that education that is required. I think that is probably where a great amount of your money will go would be educating the tenants on how to understand when they go to sign a lease, whether they are understanding about conditional reports, understanding that they can go and apply for their damage deposit, and how they do it, and thoroughly try to teach the public, because most people are a tenant at some time, then they move on to be an owner-occupied somewhere else. We are going to try to provide some of that in the education fund.

\* (1100)

**Mr. Martindale:** I feel kind of frustrated because I would like to ask a whole lot of questions about The Residential Tenancies Act, but it is not law yet, and we do not have the Estimates for next year. So I guess I will have to wait until next April to ask those kinds of questions, although we have tried to work some of them in today. I agree that there is going to be a great need for tenant education with the new Bill. It is very long, it is very complicated and I think you are going to get lots of phone calls, lots of inquiries and lots of walk-in inquiries from people who do not understand it and probably do not realize that The Landlord and Tenant Act is not around anymore, and that there has been a major change.



So I hope that the department is adequately prepared in terms of staff and resources to deal with that.

I would be interested in knowing how many languages the department is able to serve people in now, and which languages those are, and whether or not Cree, Saulteaux or Ojibway are amongst those languages?

**Mr. Ducharme:** I do not have that list, but I know we do have information, pamphlets, people addressed in different languages. We can serve people in different languages. I can provide all that for the Member.

**Mr. Martindale:** I would appreciate that information because you know, the people, myself and the staff that I worked with, helped most frequently people whose first language was not English, and whose heritage language, if you will, was Cree or Saulteaux, and they were particularly disadvantaged. It seems to me that it is a better way to serve those groups to have staff who can speak those languages than for those people to have to take a translator, interpreter with them. I think it is also advantageous to have, not only people who can speak those languages in the department, but people who can deal on a one-to-one with those people, so that visible minorities, for example, can be helped by visible minorities. So I would appreciate that information from the Minister.

**Mr. Ducharme:** I have been made aware that we have just hired a Native to deal with those issues. I will also include his name when I send over the list of languages that I told him I would provide him with. We will provide you with the name of the individual whom we have just hired—apparently fluent in Saulteaux and Ojibway.

**Mr. Martindale:** I do not know whether this is going backwards. I guess it is covering some of the ground that the Member for Osborne (Mr. Alcock) covered. Does the Minister anticipate that the allocation for the rent appeal panelists, that this money or a similar amount of money would be used for the residential tenancies commissioners?

**Mr. Ducharme:** The staff, not the commissioners. We have suggested that some money be required for the commissioner and the deputy.

**Mr. Martindale:** My understanding is that the rent appeal panelists at the present time are paid. Is that correct?

**Mr. Ducharme:** Yes, they are paid on a per-hour basis up to a maximum of so many hours.

**Mr. Martindale:** Will the tenant representative and the landlord representative on the Residential Tenancies Commission be paid as well?

**Mr. Ducharme:** Right now we are anticipating the commissioner and the assistant commissioner and definitely the appointees of the landlord and the tenants. Some consideration will have to be made to those, but we do not see the same numbers that we have now.

**Mr. Martindale:** By numbers, do you mean amount of money or the numbers of commissioners?

**Mr. Ducharme:** The number of people appointed to deal with the appeals and that. We feel that the commissioner and the deputy commissioner we are hoping will be the type of person who understands the Act thoroughly, will probably maybe even at some time do it more efficiently, quickly and in less period of time. Remember that the commissioner that we see would probably be someone who has to have a legal background, would have to be someone who understands the Act. I would say, other than a judge, would be somebody who would be as close to being a person who deals in family court, who understands family court and has to deal in that.

I would suspect the one that I interviewed in Boston was a full-time judge, and he had been there for 15 years. I will tell you, he was amazing at what he could deal with. The phone would ring after hours and if he wanted to he could go into the court, put on his cloak and go into the court and deal with it. Unfortunately, we cannot set those powers. That is the type of person we will need as a commissioner.

**Mr. Martindale:** For clarification then, does this mean that the vast majority of disputes will be settled by the commissioner? I have some other questions.

**Mr. Ducharme:** The ruling that you see. They come to the branch first, then they go to the commissioner.

**Mr. Martindale:** I guess what I meant was, will there always be a panel of three arbitrating disputes, or would the commissioner sit alone?

**Mr. Ducharme:** That is what we see it as a panel of three, unless it is something that the commissioner can deal with that is in regulations. He will be able to deal with that himself.

**Mr. Martindale:** The other two panelists will be either in receipt of an honorarium or an hourly rate?

**Mr. Ducharme:** That is correct.

**Mr. Martindale:** Would the Minister be interested in getting names from tenants' organizations as to suitable tenant representatives on the commission? If so, what kind of information would you like to have submitted, biographies or resumes of the individuals as to their qualifications?

**Mr. Ducharme:** I am surprised the Member asked that. No, not only from members who sit as tenants, but also if the Member for Burrows (Mr. Martindale) has some landlords, he must think that I have a heavy stream of landlords. He probably knows landlords better than I do.

**Mr. Martindale:** At least all the bad ones.

**Mr. Ducharme:** I would also like him to supply me with both. It does not have to be a heavy biography, but at least somebody who has tenant concerns and someone with landlord concerns.

**Mr. Alcock:** I would like to go back just to make one comment on this question that seems to be at dispute here and, frankly, I did not realize the Member for Burrows was taking a different position. I do believe that these things can be in legislation, not in regulation. Legislation is changed yearly, while big Bill replacements are not done yearly. There is a Statute Law Amendment Bill, a specific one for taxation and a general one that comes forward every year. So items of significant public policy that are contained within legislation can be changed every year.

(Mr. Deputy Chairman in the Chair)

I think this is a significant enough social issue that certain of these items—I am not suggesting all of them—that are presently contained in regulation could, in fact, be brought forward to legislation and dealt with through the statute law amendment process. So then we might have guidelines that contain more than a less than flattering picture of the Minister. In any event, we will get back into that debate when we get into the Bill.

Can the Minister tell us why we have this little anomaly in the department where a tenant can go in, get access to the file, copy all the information they wish and walk out of the building with that copy, they cannot photocopy it? You could use that to scare children at night.

\* (1110)

**Mr. Ducharme:** There was a legal advice given approximately six years ago not to allow the

photocopying, that when this information does get out they have no control. It is different when someone probably writes down information and someone actually takes a photocopy of this information and spreads it around. That is confidentiality that they could use as a photocopy. That is what the argument and that is what our legal told us six years ago.

**Mr. Alcock:** Unfortunately, I presume this department acts as the Attorney General's Department for legal advice the same way other departments do, and I must confess my experience with that particular process is they give you the most blinkered, the narrowest and the most regressive advice they possibly can generate in order to ensure that you do absolutely nothing at any time.

I would ask the Minister to undertake to revisit that in light of the new Bill, because it just strikes me that if you are saying the information is confidential and therefore not accessible, then it is not accessible. You are not saying that. You are saying, go ahead tenants you can have the information. Tenants go in—and I went in with them, and we sat and went through the file item by item, bill by bill, wrote down all the amounts, checked it out, so you are not saving anything, I suppose, other than the ability that a tenant is then waving one of their handwritten sheets, instead of an actual photocopy. I mean, I think maybe there is a legal nicety there, but it is not a question of confidentiality because you are letting them have access to that information, and you are letting them have hands-on access that file.

I think it is a good practice because I think it does take away an aura of secrecy of it, but it is just a silly kind of administrative anomaly that one might want to hunt for a more enlightened lawyer at the Attorney General's office before you next ask that question.

**Mr. Ducharme:** Maybe what I will get is another legal opinion and then we will really be confused. I will undertake that, then we will ask for an up-to-date opinion on it.

**Mr. Alcock:** There is a problem. I am told that if you ask the Attorney General's department for three other lawyers for legal opinions you get five opinions—some problems.

Now, in the current operation of the division, the Minister made reference to the fact that under the current legislation with the 3 percent guideline, the overall increases on appeal were about, I think he said, 5.5 percent.

I am just looking at the copy for the year ended March 31, 1990, the administration of the Rent Regulation program. They reference 1990 average rent levels in this particular report. Presumably, that is just one-quarter, the first quarter of '90, but it indicates an average increase for applications above the guideline of about 7.4 percent, that is, above a 3 percent guideline.

**Mr. Ducharme:** What page?

**Mr. Alcock:** Page 17 of the Manitoba Housing Landlord and Tenant Affairs.

**Mr. Ducharme:** What I was looking at was page 17. I was looking at where it said the average of all years was 5.9, so maybe that is what I had seen, that figure—of all years, 5.9.

**Mr. Alcock:** That is page 16.

**Mr. Ducharme:** That is all units.

**Mr. Alcock:** Yes, that is page 16, 1989, versus page 17, 1990. It does say that the increase is 5.9 over a 3 percent guideline for all units. It also indicates in 1990 a 7.4 percent increase, an acceleration in the increase which would seem to be reasonable given increased interest rates, operating costs, taxation and all those other kinds of things. Presumably, people are making increase requests.

**Mr. Ducharme:** Just so we are comparing the same figures, you are looking at the bachelor suites with 7.3.

**Mr. Alcock:** No, Mr. Deputy Chairperson, I am looking at the report on the administration of the Rent Regulation program for the fiscal year ended March 31, 1990—nice green cover, buffalo in the upper right. On page 16 and 17 there are charts, but you have to look at them this way. If you go all the way down to the bottom of the column that says, Application Above Guideline Average Rents 1990, Table 8, page 17, the very bottom of that, where it says Total, it says 7.4 percent.

**Mr. Ducharme:** The figure that I am looking at, they have brought the end of '89 book, and that is the one that I had remembered seeing, it was 5.9.

**Mr. Alcock:** It is not unusual for the critic from the third Party to be better organized than the Minister. We have noticed this in a number of departments. I suspect it will always be thus. That is in exchange for all the glowing comments about research and planning.

**Mr. Deputy Chairman:** Item 2.(a) Salaries \$2,168,500—shall the item pass?

**Mr. Alcock:** Thank you, Mr. Deputy Chairman, for the opportunity to continue questioning on this particular item.

On the question of units that are operated by the department or operated through Winnipeg Regional Housing and that, can the Minister comment on the applicability of rent control legislation to those units?

**Mr. Ducharme:** They will abide by Bill 13, other than the rent regulation, of course, because that is geared to income.

**Mr. Alcock:** Is there a process whereby the Rent Regulation department, regularly on some sort of annual or biannual basis, looks at the rental patterns within these buildings, particularly with reference to the issue that the Member for Burrows (Mr. Martindale) raises—because he did get this brought to you—that where a person is a tenant in those buildings and their income changes, they could actually be paying a rent that is considerably above market rent?

**Mr. Ducharme:** That is quite correct. However, that is the idea of the participation of 25 percent of your income. The whole idea is to help those who are out there who are working, or the seniors who are on pensions that are below the affordability of private stock.

Remember, we do not have such a thing as eviction notices for paying too much rent. However, they usually will find themselves in the marketplace to go to private. That is the whole idea of affordable housing, is gearing it to income.

We usually check them approximately once a year, an annual review, and at that time they will be told, you are now in this category. If they recently got a job in the last—if they did not tell the department—two or three months, and they all of the sudden got this new job that provided them with \$10,000 more income, unfortunately that is tough to police.

**Mr. Alcock:** Can I go back to my question then that I referenced earlier about conflict of interest regulations and staff within the rent control division? Are staff within the division allowed to become landlords?

**Mr. Ducharme:** I have been aware that the provincial conflict guidelines are the basis for what we operate in our department. If they are a landlord, they have to declare that they are a landlord in that particular case and what their holdings are of all their properties.

**Mr. Alcock:** How many officers are there who are making these rent decisions?

**Mr. Ducharme:** Making all landlord-tenant decisions, there are 22.

**Mr. Alcock:** Would all those officers be working out of the Winnipeg office, or are there some located in other offices?

**Mr. Ducharme:** One in Brandon, I believe.

**Mr. Alcock:** One in Brandon, 21 in the city of Winnipeg?

\* (1120)

**Mr. Ducharme:** Depending on volume, you can move them out of Winnipeg and do some work. That seems to work out. Eighty percent of the rental stock is in Winnipeg.

**Mr. Alcock:** Yes, I am aware of that. I am not questioning the distribution of staff on this particular issue at this particular point. Of those 22 officers, does the department have a sense of how many of them own rental property?

**Mr. Ducharme:** First of all, as an employer we can check because they must file. To give you an idea today how many would probably—maybe three or four, without having those records in front of us, but they must declare. Of those, there are probably three or four that are landlords, own tenant properties.

**Mr. Alcock:** How would the department handle it then if an appeal came up within a unit that was owned by one of its own staff? What are the procedures that are put in place?

**Mr. Ducharme:** He would not be participating, first of all, and he would not have participated in the file.

**Mr. Alcock:** Why would there not be a general restriction for people in this division?

**Mr. Ducharme:** I am informed it would be a restriction of their rights. You cannot have somebody who cannot participate in another job after hours. Apparently, that is in the provincial guidelines. They are following the provincial conflict guidelines.

**Mr. Alcock:** For appropriate circumstances, we restrict people's right of action for all sorts of reasons. I mean, there would seem to be, and yes, there is the question of actual conflict and appearance of conflict. In a small office, where you have all the staff working in one area, it strikes me

that it does raise the appearance of this sort of problem.

**Mr. Ducharme:** I am informed that during the whole process of discussions with the review committee and everyone else, through the whole discussions from '83-84 that it was discussed about these people being employees, there was not a deep concern at the time it was looked at. They were probably more than cautious about how they handled, when they knew that they might be one property owner, or handle a couple, they were probably more cautious about their involvement with the staff. Most of our staff are very open if they have properties.

**Mr. Alcock:** I am prepared to move on. I have one question. We have the Annual Report for '88-89 for the Department of Housing, Manitoba Housing and Renewal Corporation. The '88-89 Annual Report for the department—or does the department put out a separate annual report, and has it been tabled at the current time? They did not have one in the Clerk's Office.

**Mr. Ducharme:** It is included—they are together.

**Mr. Alcock:** They are together in this particular—

**Mr. Deputy Chairman:** The Honourable Member for Osborne.

**Mr. Alcock:** Thank you, Mr. Chairperson. You probably get more words in the record that way than I do. When can we anticipate the '89-90 report?

**Mr. Ducharme:** As soon as it is signed off by the Provincial Auditor.

**Mr. Alcock:** Has there been a delay this year?

**Mr. Ducharme:** I am advised you will have it early in the new year, probably by February or early March.

**Mr. Alcock:** Is it the tradition in this department to table these reports one year after the annual report?

**Mr. Ducharme:** I am told that is the tradition.

**Mr. Alcock:** I have no further questions on this particular item.

**Mr. Deputy Chairman:** Item 2.(a) Salaries \$2,168,500—pass; (b) Other Expenditures \$229,700—pass.

Resolution 87: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,398,200 for Housing for the financial year ending the 31st day of March, 1991—pass.

Item 3.(a) Administration (1) Salaries \$129,700.00.

**Mr. Martindale:** I have some questions here, quite a few questions actually, on social housing and, in particular, non-profit public housing. Just for clarification, there is more detail on this on page 32 and 33. Property Management comes under this line. I would like to ask a whole lot of questions at the beginning if that is okay.

I am wondering if the Minister has received—

**Mr. Ducharme:** If that is the case, would you do yours, and then if you want to jump, I would suggest that then we go—

**Mr. Alcock:** I had understood when we started this we were going line by line.

**Mr. Deputy Chairman:** Line by line? Okay. If the Honourable Member would please follow line by line, it will make it more simple.

**Mr. Martindale:** Okay, I will hold my questions then until Property Management, if that was the most appropriate place.

**Mr. Alcock:** You have no questions on the Administration?

**An Honourable Member:** Not yet.

**Mr. Alcock:** The administrative arm in this is, I presume, the office of the Assistant Deputy Minister for the Operations Branch of this particular department, and under Activity Identification it has a planning as well as a management function. Is that a fair statement of the operation of this department?

**Mr. Ducharme:** Planning function, yes.

**Mr. Alcock:** Then I would like to talk just a little bit about that particular planning function, because I note in the details under the Operations division it talks about the activities related to the construction of new and renovation of existing housing stock. It is that renovation question, if I understood the Minister correctly in an earlier response, it was that there was still a question as to whether renovation was cost-effective. I am wondering whether this operating division has done a review of that.

**Mr. Ducharme:** We are talking in two separate—we were talking about bachelor suites and whether renovation was within the means of, where do you go, how high a vacancy rate do you go before it makes it profitable for you to renovate those? I think the renovations that we are talking about in this particular case would be the ones that we have

taken over a whole project and completely renovated.

I will give you an example. Marlene Street, \$1 million, we are taking the town houses and we are renovating them all. We are doing one other one. I am trying to give you just two of them. Plessis and Robson, that is what this is referring to. Those are where you go in and you do windows, doors, kitchen cupboards, everything all at once. You are not really changing whether they go from a one-bedroom to a two-bedroom. Where buildings over a period of time were built in maybe the early '70s and they really need extensive renovations, we are doing them all at once.

\* (1130)

**Mr. Alcock:** This is basically renovation and maintenance of the existing stock. If you were to launch a strategy to reconstruct an existing building, that would come under new capital under the next area?

**Mr. Ducharme:** The purpose of this section is plan and renovate projects extensively.

**Mr. Alcock:** I am just wondering then, where does the funding come for such renovations? When I look at the whole division, it seems to be a staff operation and then grants for things like say for tax allowances and all that kind of stuff. Where do the capital funds come from?

**Mr. Ducharme:** 30-4, transfers to MHRC.

**Mr. Alcock:** That is in the next budget division as opposed to in this area?

**Mr. Ducharme:** That is right.

**Mr. Alcock:** That was part of my question here. Another policy item that confronts this division is that relative to SAFER and SAFFR and the availability of those grants to certain categories of recipients. I know the Minister has answered many questions in the House on that. I am wondering if this is a question that remains a policy issue for these departments?

**Mr. Ducharme:** In the section, yes.

**Mr. Alcock:** Perhaps the Minister could just respond to the question. Is this division planning—this is the administrative planning function—any changes to the current policy in response to the concerns?

**Mr. Ducharme:** First of all, this really is a day-to-day type of operation, no extensive planning in what you are pertaining to be—policy planning, yes.

**Mr. Alcock:** Oh, I am sorry. Perhaps I misread what it says here on page 30 when it says, plan and manage. Perhaps I got the copy without the white-out.

**Mr. Ducharme:** In fairness to the Member, the way the plan and manage—really, you could almost—manage the affairs, would be a better word to use.

**Mr. Alcock:** If there was a policy item that comes out of an operating division, an ADM, a senior position, would have presumably some input into the policy. You are saying that research background, discussion on that, for the Minister would be handled by your very efficient planning department.

**Mr. Ducharme:** That is correct.

**Mr. Alcock:** I am prepared to pass the Administration division. We will move on to Property Management, where I believe the Member for Burrows (Mr. Martindale) has some questions.

**Mr. Deputy Chairman:** Item 3.(a) Administration: (1) Salaries \$129,700—pass; (2) Other Expenditures \$8,800—pass.

Item 3.(b) Property Management: (1) Salaries \$1,248,400.00.

**Mr. Martindale:** Well, we were flying along. I am wondering if the Minister has received a copy of this recent CMHC publication "Consultation on the Public Housing Program?"

**Mr. Ducharme:** Yes, I have.

**Mr. Martindale:** I do not know if you have had a chance to read it, but the timing was perfect because it actually has questions in it. I was planning to ask similar questions, so it was ideal for helping me prepare for Estimates. I guess I am not plagiarizing; I am acknowledging the source of some of my questions.

Under regeneration, maybe some general remarks to start off with. I thought this was a good report in that it highlighted a lot of the problems in the older public housing stock. I am familiar with many of those problems, having lived adjacent to Gilbert Park public housing project and having visited many tenants, and tried to help tenants in Lord Selkirk development. I assume that some of the problems that are identified in this report apply to those two developments, which I would consider to be older public housing projects.

The other reason I thought it was a good report was that it suggested a number of solutions. It asks for responses from governments and from individuals, and I plan to make a response to this report. So I would be interested in knowing what the Minister's position and positions are on the numerous questions that are raised in this public housing program consultation.

First of all, on the topic of regeneration, how can these projects—and by these projects, I mean the older public housing projects like the two that I referred to—best be brought up to the modern standards, their sites used to the best advantage, repair decisions optimized, essential amenities be provided, and the objectives of the federal-provincial partners be maintained?

Another summary question would be, what is the objective of the provincial Government? The federal Government has said it is to provide decent, affordable housing. What is the objective of the provincial Government, and what do you think is the best way to regenerate these projects?

**Mr. Ducharme:** First of all, the Member has to be aware that, I guess, what has happened over a lot of years is that the only thing anybody ever was interested in was cutting ribbons. We have a heavy stock of buildings throughout there that have to be redone. We have continued to negotiate with CMHC. I mentioned a couple of projects just a few minutes ago that had been left in deterioration and have to be improved on.

We are going to continue to negotiate with CMHC. I honestly believe that with a vacancy rate—we do have a vacancy rate in our subsidized housing, there are vacancies—that maybe, and I stress that this is a time that we use that opportunity, whether the Member down the road is going to criticize the Government for saying, well, you have done less units, you have repaired buildings. I think that maybe this is the opportunity that we use to repair those units that have been on the stock for the last 20 years. Some of these units, when they were built, were not designed to last more than 20 years without extensive renovations.

**Mr. Martindale:** Perhaps I should have said in my introductory remarks that this certainly is not the sole problem of the current Government. This is a problem that was inherited, and the problems have been accumulating over the last 25 years through successive Governments.

**Mr. Ducharme:** Maybe just a comment, I guess it is not only with housing, it is with city. Remember, right after the war, everybody built new. We did not have to worry about infrastructure. At that time, they could build and build and build and not worry about repairing. Now we have to keep building new but also take into consideration the infrastructure that has happened.

I agree that I am not blaming it on the previous administration, because they were building buildings because there was no social housing. Social housing after the war was very, very dominant. Since 1949, if he reads the report, I think they were addressed since 1949 in the book, and then they go on to other programs. I say that now is the time to probably do those extensive repairs.

**Mr. Martindale:** What do you think are the best means of dealing with outstanding repairs while ensuring that necessary repairs are done promptly and efficiently?

**Mr. Ducharme:** I guess the best example I can use is when we went to the residents and did a survey on one particular project. We did a survey on all the residents involved in that project. We went through and said, what do you feel you want to be done to your particular project? What do you feel are really the vital needs?

We had a survey done, and then we sat down after the survey was reviewed and went back to the residents of that particular project. In this particular project, a lot of people had been in the subsidized housing for quite a while. After we decided what we were going to use our monies for, we held another public meeting with the tenants. We showed them the plans and showed them the process of how it was going to be done, along with a project manager right on site from our department working along with whomever was the successful tender.

You have to remember there are people who are going to have to put up with some inconveniences, and we want to make sure that they are best looked at. Also, we have another thing to explain to them, that the contractor had tendered to a certain idea, and because the tenants said, I want that door repaired, we could not just say because they wanted it. I think that is the process. I know it has been done in a couple of our projects.

**Mr. Martindale:** Are the results of that survey available to me, and would you consider that there

has been some success involving the tenants and improving the quality of housing there?

**Mr. Ducharme:** You have to remember that the projects that I am talking about are done by Winnipeg Regional. We are funding them. I could ask them if they have any objection to providing you with that survey. If they have no objections, I will gladly provide you with that survey.

**Mr. Martindale:** I would be interested in getting that survey. In the consultation, there is a lot of emphasis on improving the social conditions and suggestions that improving the social conditions would be helpful in improving the physical conditions. What do you think are the social opportunities for improving the quality of community in some of these projects or public housing projects? What do you think is the best way of reinforcing the residents' sense of being valued members of society, since there tends to be a problem of ghettoizing some of the residents of these projects?

\* (1140)

**Mr. Ducharme:** To the Member, I guess the interconnection between all the regular departments that are involved in, not only Housing but social aspects of dealing with—I will give you an example. You are right about ghettoizing. The larger projects seem to be the ones that have the most problems. If you take a look at what went on in—I looked at a couple most recently in Vancouver, where they have been able to take other department members. I am talking about social service workers, day care and move them into housing projects. They have one advantage there. They have a single housing authority who works with all the different departments, and they have been able to do that.

I think if you are going to do that to our buildings, and I am sure I am aware of a couple that are very close to you that you have had that problem, they have found that their security problems have lessened. There are people who are managing the block. The janitors that they have hired, they know what type of janitor to hire for that specific large complex. They have brought in offices for people who would normally be working in the area and planted them right in the project. They have done that in Vancouver very successfully.

I am saying that what I envision as the only way that you are probably going to solve the problem of ghettoizing is that you have to make sure that the

people who are working with them are in the same building.

**Mr. Martindale:** It sounds like a good idea, and I would hope that public housing managers and projects would benefit from that experience in Vancouver. I have further suggestions on how improvements can be made.

How do you think public housing tenants can continue to be served and their housing kept up to standard given the multiple needs of the tenants, the physical nature of the housing stock itself—I am referring to older projects, some of which are starting to deteriorate—and the current environment of fiscal restraint, which I suppose suggests less dollars which have to be stretched further? I do not know, maybe that is the CMHC perspective, but I am sure there is a lot of truth to it.

**Mr. Ducharme:** I think we just discussed that. I guess if you are going to be cutting back, I have stressed earlier that we take the opportunity to repair that stock and make it more comfortable for people to live. It has been proven that if you make the environment in that housing that much better, they take a lot of pride. I think if you read that report—of course, that is CMHC's report—they are saying that we cannot continue to provide more and more housing, especially in the areas where we do have some vacancy rates. Vacancies are probably going to be a very close guide to how we are going to handle our housing, and then hope that we utilize—whoever the Governments are—those monies for renovating stock and then also looking at what I mentioned earlier.

We cannot just build the bricks and mortar, there has to be a way to generate the people's lifestyle that are in. A lot of people come into some of our housing not understanding that there is a different lifestyle. They are not used to it. However, if we have someone there who will help them out with that lifestyle, we will benefit in the housing sector over the long run, because our housing will be treated much more as a family type of housing. Down the road, I think we are going to benefit by that.

**Mr. Martindale:** Is the Minister saying that there is a change in direction or a change in policy, so that less money is going to be spent on new construction and more money spent on repairs?

**Mr. Ducharme:** I am not saying that. I am saying that if you read the report, if you read federal cutbacks on what they are doing, you have to look

at new programs, whether it is rent supplements into other vacancy rates. What you save there, you use in repairs. The whole thing has to be looked at. I know my department is constantly looking at ways when you have a federal cutback of—like I mentioned in my opening remarks—of close to 27 percent. You have to find various ways of utilizing your monies for people who need that affordable housing.

**Mr. Martindale:** Has the Minister's department of CMHC identified public housing units in Manitoba which fail to meet minimum standards and, therefore, are in danger of being lost to the public housing portfolio?

**Mr. Ducharme:** We just closed one down out in St. James. On Carriage Road we just closed one. I think if that is the report that I read, in there it mentions that Manitoba is probably one of the better equipped housing in their affordable housing. According to the latest reports, even CBC did something on housing. Their report on our subsidized housing were—I am not saying they are top notch, but we are very high on the list of subsidized housing.

**Mr. Martindale:** If I could have some clarification to help me understand the Minister's answer. The project that was closed was due to the lack of need, or because it did not meet minimum standards?

**Mr. Ducharme:** A combination of a structure that was creating problems in the project. We found the structure was sinking. The walls were cracking. We just could not bring it up to standard by renovation. As a matter of fact, we have an application in now with CMHC. This is the one on Country Club Boulevard and McBey Avenue, Project No. 7588, 170 E&IPH highrise and 23-family townhouse unit. The structural problem concerns the 23 townhouse units where shifting soil conditions led to extensive damage to the townhouse foundations. It was just moving. We did get a technical report supplied by IKOY, and it states that structural deterioration is with respect to movement of concrete basement slabs coupled with downward movement of the perimeter spread footings, which has caused rupturing of party walls and subsequent loss of fire wall conditions.

We might as well brag about it. Apparently, our stock is probably second in Canada in standards of any other one nationally. We might as well take credit and let the previous administration take some credit for that, also.



**Mr. Martindale:** I am glad you added the previous administration, since in the House you are always reminding us that we were Government for 16 of the 20 years. So I am glad you are sharing the accolades here.

**Mr. Ducharme:** I know what it is like to be blamed, when I was not there, for things—

**Mr. Martindale:** That you inherited, right?

**Mr. Ducharme:** That I inherited. I can remember people mentioning, you are the guy who forced me to concrete my street in front of my house when I was in City Hall, and it was done in 1972, and I did not get into City Hall until 1980. You get used to that after a while.

**Mr. Martindale:** I understand we are going to try and finish at twelve o'clock, so I guess I will have to leave these questions until April. I will just go by memory on some of the more important issues. We will come back to these; they will wait.

Once again, on the public housing, my concern about the larger-scale, older public housing projects is that there are physical problems and there are social problems. There are things that can be done about the social problems, and the example at Vancouver has been used. I think there are linkages, as I have indicated, between the social and the physical. One of the key ones for me is tenant involvement.

\* (1150)

Now I know that there are rules for tenants being organized and being recognized in order to get their grant as a tenants' organization. As I said before, the general manager of Winnipeg Regional said to me that if he thought there was a good tenants' organization, he just waived the rules and recognized them.

By contrast, in Winnipeg Housing Authority, we have tenants who have been trying to organize for years. The general manager has forced them to go through all the hoops in the steps to be recognized.

Recently, they had a vote—and I believe the vote was supervised by an auditing company—in order to elect tenant representatives to the board. In spite of that, they were unsuccessful at the most recent meeting in getting the tenants' organization recognized. There are things happening at the board that I think are quite distressing.

I do not think the board sees itself there as a group to set policy. One of the board members said, we

are not a working board; we are here to support management. I do not think that is a very good philosophy for any board of directors. I think that, within the constraints of the housing manager's manual, boards should be working boards. They should be there to make improvements, to serve the tenants, to keep the cost down, to review the financial statements, et cetera.

I would like to know if the Minister or his department is willing to advocate for the tenants' organization and encourage the manager to recognize the tenants' organization, because I think there are benefits to having a recognized tenants' organization.

I think there needs to be a co-operative relationship whereby the tenants say to the board of directors and the manager, we have some concerns about this project and here are our suggestions for improvements, and they listen to the management's and the board's suggestions for improvements, especially at Gilbert Park and Lord Selkirk, so that they co-operate and they work together to solve some of the serious social and physical problems there.

Instead of banging their heads against a brick wall in getting organized and getting recognized, they are spinning their wheels. They are putting all their energy into getting recognized as a tenants' organization instead of working co-operatively and solving the problems.

I would like to know if the Minister is willing to talk to the general housing manager and persuade him to get on with co-operating with the tenants' organization.

**Mr. Ducharme:** First of all, I am glad the Member brought this to light simply because we were accused, Manitoba Housing, of stalling in the appointment of a new board, which I would like to clear the record that we were not. It was this Government that cleared up the situation of the previous—and I have to go after the previous administration. They established the only group that did not have the tenants on there.

I mean, I will take your information as notice, however, you have to remember that our department, of the one, two, three, four, five, six, seven, eight, nine people, appoints two provincial reps. There are three tenant nominees; there are two City of Winnipeg and two federal. So the appropriate action for us to do is to ask our provincial

nominees. I will bring them in, and I will discuss this with my provincial nominees, because those are my two representatives that I have on it.

I will bring them in and discuss it with them. I can assure him of that, but I cannot speak because, remember, this is the type of setup that was agreed to, that the tenants would now have their three reps on there. They have their three, the federal Government and everyone who participated, and I will bring in my nominees to speak to both. That is Olga Fuga, and a new nominee is Joe McMullan. I will speak to both of them.

**Mr. Martindale:** Another question which, I think, has to do with policy, and that is: Would the Minister be willing to have his staff read and review the Housing manager's manual, specifically the sections regarding the requirements for a tenants' organization to be recognized by the board or boards?

My reading of the manual is that the requirements are too strenuous. The quorums for meetings and the initial organization meeting are way too high, and that is unrealistic for single parents and other people to meet these quorum requirements. In fact, Gilbert Park tenants told me that they were reluctant to go to the meeting because if they did, the neighbours knew that they were at the meeting as there were notices of meeting that they dropped in everybody's mailbox. So there are things that inhibit people even going to organizational meetings and ongoing meetings.

I would like to see the requirements reviewed and preferably changed to make it easier for a tenants' organization to get organized and get recognized. Would the Minister undertake to do that?

**Mr. Ducharme:** I am informed that my department is now looking in regard to the manual. I am informed also that we will be more flexible because of the problems that we have had with the particular project that he is talking about.

**Mr. Martindale:** Mr. Deputy Chairman, I have lots more questions, but I have promised my colleague for Osborne to give him the last five minutes. You can be sure that the next time we will make sure we get 10 or 15—who knows, maybe we will go for 20 hours next time on Housing Estimates. It is a shame not to have time to ask all the questions that one wants, but I will yield the floor to the Member for Osborne (Mr. Alcock).

**Mr. Ducharme:** I know the individual from Burrows has been involved in the Housing for quite a period of time and he is very interested. I am sure he has lots of questions. I say to him again that you know I have been quite open and my staff has been quite open for you to ask them their questions. On specific concerns, I as Minister will get back to him. Feel free to call my staff.

**Mr. Alcock:** I can certainly reinforce that the Minister has been particularly willing to respond to concerns all around the year. Although I do concur with the Minister, the Member for Burrows (Mr. Martindale)—the minister for Burrows also, I suppose, in this particular case—it does distress me that we do not have more time.

I am told that we are going to draw to a close at twelve o'clock, and this item may not become before us again, which is unfortunate in this year because this is an exceptionally important issue area, particularly given the times that we are going into. I will be asking that it be first on the Estimates in the next Session so that we can have the kind of discussion that I think both the Minister and I will find enlightening and invigorating.

I do have to close on one item that I just feel must be discussed before we do wrap up, and that is the Ronda Lauzon case. If there is any tragedy that has confronted this particular department in the last while and anything, whether it was through administrative error or policy decision, that highlights an insensitive and uncaring bureaucracy, it is what happened to Ronda Lauzon.

I know the Minister shares some of the concerns and I know he has indicated that a study is under way, but I would like to know: How does something as inhuman as this occur?

**Mr. Ducharme:** I think I would answer that personally I agree with the Member and I agree with what had been said by his questions from Mr. Edwards also. I have to say one thing also that in this particular case it is a single parent, and a single parent usually has enough problems trying to make those decisions because they have not anybody to share them with. Most times, single parents in this city do not have someone to share their concerns with.

However, just this week again, as a matter of fact, Mr. Edwards was in the room when I phoned again for my report from Winnipeg Regional Housing. There seems to be a contradiction on what was said

somewhere else and whether the individual had made the request. There was also the indication on different concerns that it was a case of—normally when we have a problem in one of our Winnipeg Regional Housing, when they have a problem in one of their housing units, if the police are involved, we are advised and we are brought in before and to clean up. I am talking about a death of a senior, or a mysterious death, or a homicide, we are asked to come in. I have asked them what happened in this particular case, and I do not know whether my staff has any more update. I will just check.

The latest indication, and I could just leave it at that but I do not want to, that I have from Winnipeg Regional is they were not contacted. However, that is why I have asked for that report because I want to see everything I can. I want to see it in a report so that I can give it to the Member for St. James (Mr. Edwards) and the critic for Housing.

**Mr. Deputy Chairman:** Is there an intention to pass all these before we rise? There is none.

**Mr. Alcock:** No, I understand that we will not, from the negotiations that have taken place, that we may not use up the entire 240 hours that are available in the Estimates process in this Session of the Legislature, but if other departments close between now and six o'clock on Friday, this division could come back, that there will be a cycling through all of the divisions. I think it is an important enough issue area that we should leave ourselves that option should some time be available at the end of the Estimates cycle. Are you about to shut us down?

**Mr. Deputy Chairman:** The hour now being 12 noon, committee rise.

## SUPPLY—DECENTRALIZATION

\* (0900)

**Madam Chairman (Louise Dacquay):** Order, please. The Committee of Supply, please come to order. Today this section of the Committee of Supply will be considering the Estimates for Decentralization. Does the Honourable Minister have an opening statement?

**Hon. James Downey (Minister responsible for Decentralization):** Madam Chair, I will make a brief comment, because I know there will be some questions as it relates to this. Let me just say that it was an initiative set out by Government, which was to basically accomplish two things at the outset. One was to bring Government closer to the people and

to provide some economic opportunities and stimulus by Government leadership in some of the regions outside of the city of Winnipeg.

Madam Chair, let me report that it was very well received by the communities of rural and northern Manitoba. Initially, there was some concern by the employees of Government; however, following on the experiences of how the individuals have been handled by the Decentralization Committee and by the different Government departments, I can report that in general it is going relatively well. As I have indicated, as well, there are situations that develop that may cause for some small change or rethinking in certain areas, but in general—I say in general—the thrust of decentralization is going well, and I am quite prepared to respond to questions.

**Madam Chairman:** Thank you, Mr. Minister. Does the official Opposition Critic, the Honourable Member for Swan River (Ms. Wowchuk), have an opening statement?

**Ms. Rosann Wowchuk (Swan River):** Just a few words, Madam Chairperson. I would just like to say that, as a rural person and as a New Democrat, we have never been opposed to decentralization. It is a move that helps the rural community. However, we do have some concerns as to the way this decentralization was handled, in particular, why particular departments were moved and why certain areas did not get any jobs. As we get into the questions, I will ask more specific questions to those particular jobs.

**Mrs. Sharon Carstairs (Leader of the Second Opposition):** Madam Chairperson, I have a few comments I want to put on the record as well. First and foremost, the Government has botched this particular initiative from the very beginning. Instead of announcing at the convention in November of last year that this would be a voluntary program in which all new hirings would take place in rural Manitoba and that the choices would be made, not on a political patronage basis as it has occurred, but on the basis of the identified need in a community and of the facilities available in that community, then we could have made a success of decentralization from the very beginning. As it stands, department after department after department has admitted in Estimates that it is not a success.

Education: no one will go from Records and Certification; no one will go from Independent Study. No one will go, unfortunately, in Vital Statistics.

The Agricultural Department has been successful in the areas in which new hiring have taken place, which is exactly the place that we recommended. Tripartite has moved to Brandon, all new positions. They were bulletined as new positions and bulletined as positions that would be located in Portage. That is the mark of a successful decentralization initiative, and that is the way the initiative should have begun from the very beginning.

Instead, we have this farcical approach where the Minister came along several months later and said, oh, by the way, we forgot to tell the media and we forgot to tell the civil servants that it was a voluntary program. The Minister did his best to bring his way through that particular press conference, because there was a lot of smirking going on in the media, smirking that—you know, they then came up to my office and said, ah, ha, ha, you know what the Minister said today? It is going to be voluntary after all.

Well, I congratulate the Minister in trying to turn a sow's ear into a silk purse, but had he had the support from the very beginning for this most worthwhile initiative. If he had established it in the right sense of direction from the very beginning, we would now have far more people relocated in rural Manitoba.

I also want to say to him that I want to discuss with him today, how many real estate firms have had to be hired to find office buildings throughout rural Manitoba in order to house these new civil servants? I want to know what kind of contracts these real estate firms were given, and what kind of leasing arrangements have to be made, all the kinds of things that should have been done up front and before the program was announced, not everyone trying to play catch-up because the Premier (Mr. Filmon) wanted to grandstand at a convention in Brandon.

**Madam Chair:** I would like to thank the critic from the Second Opposition Party for those remarks.

**Mr. Downey:** I cannot help but respond, Madam Chair, and I think it is only fair that I do. I am usually a fairly positive person, but I am somewhat disappointed in the comments of the Leader of the Second Opposition Party and really what she has said as it relates to this initiative, because if one would recall the approach that she put forward in the

press of The Pas of several months ago, that it was her approach to decentralization that she would virtually grab and throw the bureaucrats from Winnipeg into the northern areas of the province. That was her—and I can get the press clipping for her if she would like so that I can do a direct comparison.

**Mrs. Carstairs:** By all means.

**Mr. Downey:** Sure, she said, by all means, and I will. I will make sure that is available for the House. It will not be the first time that I have used it, but I will use it again to make sure that everyone knows precisely how in fact she would have done it, grabbing civil servants, tearing them out of Winnipeg physically, the bodies, and throw them into the North. That is what she said in The Pas, not realizing of course that The Pas is part of Manitoba, and I will bring the quote so that she can get it precisely.

I think we can turn this into a positive initiative if she would approach it in a non—and then she refers to it as a political decision. Madam Chair, again, the departments were asked for departments that could in fact be decentralized. Now, the North was in fact considered and we just opened—I was unable to get there yesterday—the opening of the new CEDF office in Thompson, yesterday. I was unable to go because I was unable to get a pair to go to that important event. Now the business of this House is important and I did not travel to Thompson, but it was a major event, a major initiative. Has she heard one complaint that we are putting them in the northern communities, because certainly she is blaming us for doing it on a political basis. We are doing it on a fair and equitable basis as it was identified by the departments, facilities available.

Well, there may or there may not be facilities available in some of the communities but, after all, there is an opportunity in some of those communities, and there is a system in place where proposal calls go out from Government Services for anyone to bid on proposed space, not necessarily a real estate company of any one choice; any individual who is in the development business can put a proposal call forward on space that will be required.

The Member refers to tripartite going to Brandon. I wish she would get her facts straight. Tripartite I believe is going to Portage la Prairie.

\* (0910)

**Mrs. Carstairs:** I think I did say Portage.

**Mr. Downey:** You said Brandon, initially, and then you said Portage la Prairie, so you have got to be consistent, but I just wanted to make the record clear on that.

She makes reference to the volunteers. Well, let me say, Madam Chair, there is an agreement between the Government and the Government employees. How can one offer volunteers to fill positions that are already filled with people who may want to take on those opportunities. It would have been not proper for us to say, everyone in the Civil Service should volunteer to be decentralized, and then the people, when they find out that their job may be moving to a certain community, say, well, there is a volunteer going to fill my position, I do not even have the chance.

So the first opportunity, Madam Chair, was for the individuals who fill the positions that are being transferred, and remember they are positions. Then there was the call for volunteers. I will get into the numbers in a few minutes as it relates to the volunteers and what is actually happening to date. I think the Member is unfair in her criticism. I think she has tried to make a lot of politics out of this, and I think it is unfair.

I guess, Madam Chair, one refers back to the September 11 election when the people of Manitoba spoke and gave a mandate to the Government that are in office, to Premier Filmon. How many times was the issue of decentralization raised during the election campaign? I did not hear it talked about once, either in the city of Winnipeg or in rural or in northern Manitoba. I did not hear it come from the Member of the Liberal Party. Why did she not run her campaign against decentralization if she was so upset about it?

I am extremely surprised that she now wants to make a lot of politics, or try to. She had a golden opportunity for 35 days during the election campaign and did not raise it once.

So I am extremely disappointed. I think that she, the other day in Question Period, raised some concerns about individuals having to move to Nova Scotia. My goodness, Madam Chair, Nova Scotia is considerably further away than any of our rural communities, or northern communities, that we have asked the employees to move to. I mean, to relocate to Nova Scotia and not want to go to Portage or Brandon, or some smaller community, I

am surprised. What is the largest city in Nova Scotia? I mean, Halifax is not the biggest city in the world and most of the communities there are relatively small, plus I think it is several thousands of miles away from here.

So I think the case that she has made has been without substance. I think it has been certainly politically motivated, and I am surprised she did not use it when she had the greatest opportunity during the election campaign and ask for the people of Manitoba to give her a mandate to make changes in decentralization, but she did not raise it.

So, thank you, and I am prepared to get into specific questions and I have some staff available if that would be all right with the Members.

**Madam Chairman:** Mr. Minister, did you wish to have your staff enter the Chamber?

**Mr. Downey:** Yes, I would at this time.

**Madam Chairman:** At this time we would invite the Minister's staff to join us at the table.

**Mr. Downey:** Madam Chair, I will introduce the staff who are here at this time. Mr. Jack Russell, who is the Assistant Co-ordinator on Decentralization; Mr. Don McIntosh, who is working with the employee side of Decentralization who has traditionally worked with the Department of Highways.

**Madam Chairman:** The Estimate that is on page 171, Decentralization \$1 million.

**Ms. Wowchuk:** We have only got one line in the Estimates, so I guess we have to ask all our questions quickly under that one or else they are gone.

My question is to the Minister. The original announcement of the plan was for approximately 560 people to be moved, and then there was a press release that came out later that said there would be 700 civil servants jobs moved outside of Winnipeg. How many jobs have actually been relocated?

**Mr. Downey:** Madam Chair, excluding Manitoba Telephone and Manitoba Hydro, the number of positions that we are talking about are 621. Of those, at this particular time the positions that have been relocated are 152. One hundred and sixty-six positions are vacant. Of that total, 29 have indicated that they will be retiring. Of the total, 197 have indicated that they will not be relocating, but to date out of that number, 68 of those employees have been redeployed and situated in positions within

Government. At this point, 77 have not declared as to what their intentions are.

Let me further add that in the numbers of people who have requested consideration who were not part of the initial decentralization, I believe there are some 150 who have indicated a desire to be part of the decentralization program.

**Ms. Wowchuk:** When I look at those numbers, out of 621 to have 152 filled at this time seems like a very low number, and I wonder what the Minister's expectations were when he started this. Did you, at this point, expect to have those jobs filled? Are you happy with the program? When you look at the numbers right now, it looks like a disappointment. I would like your opinion on that.

**Mr. Downey:** No, I am not disappointed because we indicated, when we introduced the program, that this would be carried out over, basically, a two-year period of time, and that we were sensitive to those people who may want to move, who had families in school. So the announcement was made last fall.

Under the agreement, there had to be proper numbers of days, months in which we had to give notification. As well as that, we tried to co-ordinate some of the moves with summer holidays, so that a lot of the moves did not take place till the 1st of September of this year. I would say, with 152 filled and moved at this point; that is a very good success ratio for the time of which the actual program has been working.

**Ms. Wowchuk:** You have indicated that 197 will not be relocating and 68 have taken jobs within other departments and 77 have not decided what they are going to do. Are those 77 then looking at leaving their jobs, or are they going to be given a severance package—and there are also a few other in there—how are those people being dealt with?

\* (0920)

**Mr. Downey:** Let me say foremost, Madam Chair, that some of the identified program moves may not be able to be done within the time span which was initially identified. So there is not probably the need for people to clearly state one way or the other at this point as to whether or not they want to move. Let me say as well that we are very flexible when it is dealing with the lives of people and making sure that all options are followed.

For example, let me use this situation. If for certain reasons part of the program were delayed, that gives those individuals who were initially identified

other opportunities to find equal employment or employment opportunity in another area of the Civil Service. For example, the 150 who have offered to be a part of the decentralization program, if a co-ordinated effort can be carried out, that virtually opens up enough spaces for those people who said they do not particularly want to relocate. So it is working out very well.

Admittedly, the positions which people are volunteering out of may not be equivalent to the people who may want to stay and not relocate. So what we have done as well is that there are training programs within this system which in fact can retrain people to fit jobs that would be to the satisfaction hopefully of both. It is a matter of not getting irrational; it is a matter of continuing on the slow, steady pace, working with the people who are involved to make sure that the program does work.

For example, I can say this, I put it on the record that one particular area, there is a lease which the Government has on one facility. I make reference to the Textbook Bureau, which was identified to move to Souris. Because of a lease and an agreement with I believe it was FIAT, which an arrangement with FIAT and Government have, that facility, the lease will run to something like 1993.

Now, that was not known at the time. The information that we had was that that lease did not have to be carried out for that period of time, that there would be other uses for the building. So I am being open, I am being open with the people of Souris, I am being open with the people in this Legislature as to that particular situation.

So the Textbook Bureau has to move. It was identified as a move and still is, but it is a matter of the time. Again, let me make it very clear on the record, we are not, and I say this, we are not going to do it in an inefficient manner. It is not proper that we should do this anything but maximizing the use of the taxpayers' money to the best advantage. All these things have to be taken into consideration. That is a part of the program and the process.

**Ms. Wowchuk:** Can the Minister tell us, there is a million dollars in this budget, when you look at the costs of relocating and renting new facilities, does he feel that that money is going to be sufficient for all the costs that will incur in this year?

**Mr. Downey:** As we have just started basically into the program, it is indicated that that amount of money should cover this section, this particular part

of it. As well, we have made sure—ask every department—in this move that the first cost related to this should be found from within if possible, and in a lot of cases it cannot be, but that is the first call.

Second, the monies which have been identified here are to carry out this particular portion of it for the first—the heavier expenses as it relates to decentralization will come in next year's Estimates.

**Ms. Wowchuk:** I did not quite understand that. Did the Minister say that the majority of the costs will not show up in this \$1 million, it will show up in the cost of departments, so it will be much more expensive than the \$1 million?

**Mr. Downey:** No, Madam Chair, I did not say precisely that. I said the first costs of decentralization are asked to be covered if departments can cover. As it relates to decentralization, when it cannot be covered within a department, then this amount of money was put in place to assist in decentralization, because in this particular year that we are debating, this \$1 million, it was considered adequate to cover any additional costs as it related to decentralization. The additional cost to Government will be shown in next year's Estimates as it relates to the additional decentralization costs.

**Ms. Wowchuk:** So the costs of severance packages or any cost that would show up in the departments, not here?

**Mr. Downey:** That is correct.

**Ms. Wowchuk:** Can the Minister tell us which departments are having the most difficulties with relocation of staff, people who do not want to leave their departments to move to new locations?

**Mr. Downey:** I have not got that specific information; however, I can refer back to the numbers which I have provided for the individual where I have indicated 197 who said they will not be relocating. However, 68 of those have been accommodated within other Government Services, and I have also indicated the 150 volunteers who have said they are prepared to move to other regions of the province and would open up a co-ordination of that I am sure.

As far as departments, the Member for River Heights (Mrs. Carstairs) has put some departments on the record, I cannot specifically say that there—you know, let me put the position forward as I feel about it. It is certainly probably not the most pleasant situation when the employer of an employee says that they want them to relocate. So

I am sure the initial reaction was that there was no way that they were going to participate in this program, and of course it was expressed on the front steps of the Legislature, which I fully have no difficulty with because that is their option to do so. We had to be sensitive and have to be sensitive to those people.

After the process has started, I think the manner in which individuals have been handled has been, certainly to me, an expression of handled properly, because individuals who were initially extremely concerned and upset about the changing of their living location, when they see some of the positive sides and the way that they have been handled, have commented very openly and fairly to me that they are extremely pleased at the way in which the program is going.

So I do not think it is a matter of trying to say there are certain blocks or groups of people, even at this point that are still saying, under no condition am I prepared to move with my position to any community outside. Given the next few months as we continue to develop, given options of what the job opportunity is in the Civil Service in the city compared to what it may be there when you consider the cost of housing, when you consider the amenities of living in some of these communities, they certainly have lots of hockey arenas, curling rinks, golf courses, and I do not have to tell the Member who is asking the question some of the benefits of living in some of the communities.

As I say, I fully appreciated the initial, call it shock, but as we go through this, then I expect that there will be very few that will be as reluctant as they were to start with. So it is hard for me to break down in specifics because everyone has a different reason for doing certain things and opposing, so I do not like to categorize particularly in this manner.

**Ms. Wowchuk:** I would like to go back to the original announcement of the decentralization if I might. When the announcement was made there was a large number of jobs to southern Manitoba and the central part of Manitoba, the Parkland area which I am most concerned about got very few jobs. I would like to ask the Minister how this decision was made when the unemployment rate is much higher in the Parkland, Swan River area, in particular, than it is in many of the areas in southern Manitoba where the jobs were moved, and if this was a move to help revitalize rural communities, I certainly do not appreciate that part of the province being left out.

\* (0930)

**Mr. Downey:** That is a fair question. One could base it on certain unemployment criteria or whatever else, but what we tried to do was to take into consideration a balance. Certain regions of the province, to be quite honest, had a fairly substantial current component of Government services being delivered out of those communities. That was part of the decision, as well as the departments themselves that identified areas of which could be decentralized to certain areas.

Let me say this, that this Government is sensitive to common sense and certainly tries to work on that basis. If the Member or the Member for River Heights (Mrs. Carstairs) has a suggestion, a positive recommendation or suggestion as to something that may not appear to be fit in a particular location, I can say to the Member for Swan River, make your recommendations because that is what the process is all about.

It was not based on political decisions, it was based on what was currently in certain locations, what would fit in certain locations without adding a considerable amount of cost in the exercise, and I feel it has worked fairly well, contrary to what the Leader of the Second Opposition Party (Mrs. Carstairs) is trying to indicate, and I would hope to try to convince her otherwise. I say it was to some degree based on what current services, remembering the reason for the decision was to take Government closer to people, and also some economic stimulus in certain areas, based on the numbers that were in certain regions, and what would fit in other areas was the basis for those decisions.

**Ms. Wowchuk:** Well, we will be coming forward with suggestions on that because I really feel that this was a move where we could have stimulated the economy or created a few more jobs in an area that has a very high unemployment rate and provided services for the people. When you look at southern Manitoba, they are quite close to services in comparison to the people in the Parkland area.

Now I do not know if the Minister is prepared to answer specific jobs, but I would like to ask a question related to one particular position, and that position is an assistant water resource manager position for Dauphin. That position had been talked about a couple of years ago, and there is a need for an assistant water resource manager in the Dauphin

area. That area serves Swan River, The Pas, the whole area, and when decentralization came about that position was moved to Roblin or Russell, and I would like to ask the Minister why that decision was made when the real work is in Swan River and The Pas.

The office space that is really available is in Dauphin. There is no office space in Roblin, and if this is to be cost efficient, there are a lot of extra costs that are going to be incurred with having that position in Roblin with the additional travel. I just do not understand the move to move that position.

**Mr. Downey:** That is a departmental decision, not a decision of decentralization. Let me try to just help in another area as it relates to what I have said initially. The Parkland area and the basis on which we were starting had current existing staff, and I am talking Parkland region, for some 1,454 positions. That compares to—and she makes reference to southern Manitoba, that refers to 946 in rural western, excluding Brandon. That is rural western, that is a considerable amount less. Pembina Valley, of which again is a major part of southern Manitoba, 669; eastern region 2,684. I am trying to bring it into context.

The other point has to be made, Madam Chair. I say this again, and I have said it to the people of Swan River, and I will say it to her. The concern was Swan River, they were not being treated as fairly as what they thought they should be. Remembering that Repap development out of The Pas had indicated—well, this is information that was public. We had it the same as they did. We are indicating major employment opportunities in that north-west region.

You can be critical of that if you like, but again we are talking economic stimulus and employment opportunities. So when you are talking the kind of numbers that Repap were indicating and are indicating and have indicated following the work that has to be done on environment, I would say in the mind of the figures that we are talking about that I have just given, plus the work that Repap are doing, then I say I think we were fair in the way in which the Government have handled that. Specifically it is a departmental decision as it relates to her other point.

**Ms. Wowchuk:** I would just like to let the Minister know that I think that Swan River has been let down the tubes as far as the jobs from Repap go and the jobs from decentralization, because those Repap



jobs are not coming to Swan River, and there are no jobs there. That should not have been used as an excuse for decentralization. I think the people are very disappointed in that because there could have been some jobs from decentralization. There were jobs that would have been coming to Swan River had the other deal not been put on the back burner, but that is another whole issue that should be discussed in Natural Resources.

I would like to ask the Minister on this particular job that I have asked about, he says that it was a departmental decision that the assistant water resource manager be placed in the Roblin area, yet I am told when I talked to the people in Dauphin that they had no part of that decision. They still feel that position should come to Dauphin or Swan River where the real work is. If it does not come under this Minister's jurisdiction, can he tell me where I can get the answers on that?

**Mr. Downey:** I was just trying to do two things at once, get some additional information for Swan River for the Member as well as what she was asking. Maybe she would repeat that question if she would, please.

**Ms. Wowchuk:** Madam Chair, on that particular position of the Assistant Water Resource Manager, the people that I have talked to in the department indicate that position should be in Swan River or Dauphin, because that is where the majority of the work is. They do not understand why it is going to Roblin-Russell. If it is not under Decentralization, can the Minister advise me where I can get some specific information about this position, because I have tried other routes?

**Mr. Downey:** Yes, Madam Chair, I believe the Natural Resource Department is currently before Estimates, the Department of Natural Resources. So I would recommend that she ask the Minister either in the committee or in other areas.

Can I say as well, you know, the New Democratic Party I am having an extremely difficult time with. The Member for Swan River criticizes the Government for not proceeding with the jobs, for not proceeding with the jobs in Repap in Swan River. She is critical of us not seeing that is pushed ahead. The next time we turn around her Leader who is saying, well, we do not even want Repap to start with basically is what he is saying. Secondly, they are wanting us to do all the environmental work which we are certainly prepared and are doing.

So, Madam Chair, you have to do the environmental work. There has been a clear indication that we are seeing some job activities. Repap have opened an office and have made a start. After all, the Member is, I am sure, old enough to know that it takes time to develop certain things, that you cannot snap your fingers. After all, we have only been in Government two and a half years.

\* (0940)

I say, Madam Chair, we look at the record of Manfor and what they were doing both environmentally with the forests and with employment. Their record was terrible, absolutely terrible. I am pretty proud of our record, No. 1, of being able to encourage the investment of Repap into that region. The environment work that they are doing has cleaned up the act of Manfor which was operating outside an environmental licence. We now have a reforestation program that will in fact replant a lot of the forests that were ignored and neglected by the Party in which she sits with. Employment opportunities are going to be there after the work and during the work of the environmental study.

I can say, as well—and you know, again, everybody likes to move in great numbers. We have added another service to Swan River out of Northern Affairs. We have opened a branch or a contact person for the community's Economic Development Fund, which the Member never said thank you for. Nobody has ever stood up and acknowledged that that is an important component. It may not be a lot of jobs, but it is an important component as it relates to lending money to some of the northern and remote communities right in Swan River, a service where people can come to.

Under her administration, Madam Chair, do you know where they had to come to? They had to come to the 14th floor of 155 Carlton, and you thought you were walking into the Bank of Canada building. I do not know who would feel comfortable. In fact, it would cost you probably more to come to that office than you were looking for in a loan by the time you travelled in and took a hotel room for a week or whatever to get a decision.

So I am disappointed in the Member. I thought, I really thought, her approach would be somewhat different than some of the criticisms that came from some of the previous people from the New Democratic Party. So I think our record is pretty

good. We initially started—this, again, is based on the numbers that were already there and the fact that Repap were major developments in that area. Some additional jobs have been identified for Swan River, so their numbers are going up. This is not a matter of just saying these are the numbers to date. New developments and initiatives in northern Manitoba are taking place.

My goodness, the people of southern Manitoba I am sure would like to have some of the difficulties that they are having in some of the northern communities where the massive investments are taking place: Inco, with almost \$300 million invested; Conawapa, with the five and a half to \$6 billion invested in the North; and The Pas with the kind of activity that is flowing down into the Swan River area.

I have to say, Madam Chair, my constituents would like to see that kind of economic problem upon their shoulders, as they are pretty well dependent upon the agricultural industry to sustain their livelihood. They do not have the option of some forestry activity. They do not have the option of some fur-bearing and trapping activity. It is all depressed, I know that, but the options are there for some types of employment. In fact, during the economic difficulties of the depression years, a lot of my families, friends and people went north to find employment. Although the pay was not very great, at least they found a livelihood and activities which would sustain them during that period of time.

The more diverse economic base you have with our resources, the better opportunities. In fact, I am sure the Member must know of some people who came out of the dried out depression area of southwestern Manitoba who went into the communities of Benito and the Swan River valley, because at least they had the ability to produce something with the moisture and the resources that were there. Now, I am just a little too young to have participated in that, but I certainly have participated in hearing of many stories about it. You will never know those tough times.

**Ms. Wowchuk:** Madam Chair, I would like to put on the record that I would like to thank the Minister for that position in Swan River. It is, I hope, a service that will provide a better service. However, the Minister is a little sensitive about Repap jobs. What I was saying about the jobs was that it should not have been used as an excuse that the Repap jobs were going to be there so they did not have to

decentralize to that area. That is exactly what the people of Swan River were told: You are going to get Repap jobs, so you do not need decentralization. That is what I was talking about. I am all in favour of the environmental hearings. They have to go on. I am not opposed to that.

The other point I was making was that there would have been jobs in Swan River in the forestry industry had the Government not expanded the cutting area and Penn-Co could have stayed in and created all the jobs. If that move had not been made, Swan River would have a lot more jobs.

I would like to just move on to another area if I could and that is again in a specific department. I would like to ask a few questions about the Manitoba Agricultural Credit Corporation. Where are the moves in that department? How many moves have been made? What is happening in that department?

**Mr. Downey:** Basically, Madam Chair, the Manitoba Agricultural Credit Corporation, the bulk of that move is planned for this ensuing year, which will be moved to Brandon basically as the head office of that corporation. However, there are some regional offices which are further being decentralized as part of their program. As I understand it, there have currently been two positions moved to Morris, but the main move of MACC has not taken place. Space has to be provided and, for the Member for River Heights (Mrs. Carstairs) again, the proposal calls I believe are now out for space that is to be identified in Brandon. Anyone can participate, not necessarily any one real estate company, but proposal calls have gone out for anyone to provide or offer space for the Manitoba Agriculture Credit Corporation in Brandon. The move is to take place over the next several months.

**Ms. Wowchuk:** Can the Minister tell this House if there are, and it is not his department, but I am concerned about the position of the chairman of the board or the head person in MACC. Do you know who is the head in charge of MACC and whether or not that person is moving, or has he left the department?

**Mr. Downey:** Madam Chair, it is my understanding that the individual has left the head of the corporation. The man's name is Mr. Potter, but he is no longer the general manager of MACC. However, the information I have, I do not believe the reason for his leaving is because of the move to Brandon. For further information on that, she could

ask the Minister of Agriculture (Mr. Findlay) a question, but the individual who was hired during our term of office, Mr. Neil Potter—I was the Minister at that time—has decided to leave. For details of that, the Member would have to ask the Minister of Agriculture.

**Ms. Wowchuk:** Can the Minister tell me, do I also have to go to the Minister of Agriculture to find out how this position is going to be filled? Will it be bulletined out or what will happen with it?

**Mr. Downey:** Madam Chair, it would be my expectation she could ask the Minister of Agriculture, but it would be my understanding that it will be bulletined out.

**Mrs. Carstairs:** I would like to put a couple of corrections on the record. First of all, decentralization was raised on a number of occasions during the election campaign, not the least of which was the province-wide debate. It was also raised in a number of speeches which I gave throughout rural Manitoba. It was also raised at the debate among the Manitoba Chamber of Commerce, which were certainly forums in which there was a recognition that the policy was a good one, something I have always supported, but the implementation was less than satisfactory.

Madam Chairperson, I would like to ask the Minister specifically about the Department of Agriculture in light of the figures that he gave us. He told us that there were to be 621 positions. He then indicated a whole list which, by the way, comes to 723, so there is some inconsistency there. I would like to see a publication of the numbers, because if you take 167 vacant and 197 not relocating and 77 not declared and 150 indicating they will be a part, it is far more than 621.

\* (0950)

If the Minister could give clarification in written form on that, it would be appreciated. As I went through the Department of Agriculture, of which there are to be, according to the Minister, 102.45 positions that will be moved, which is some 20 percent of the entire operation, he further indicated that not a single civil servant presently employed by the department had been moved, that the only moves that had taken place had been in the area of new positions. Five new positions in Soils, brand new civil servants, seven new tripartite positions had been moved, and that was the extent of any movement that had taken place. Of these 152 that

he talks about having been relocated, can the Minister tell us how many of those are brand new employees?

**Mr. Downey:** First of all, I want to clarify the numbers which I gave the Member that do add up to 621. I am not sure whether it is her addition or whether it is my staff's addition. Maybe I could just go over them again. I said 166 vacant positions; 152 who have elected to relocate; number who indicated they will be retiring, 29; number who have indicated they would not be relocating were 197; number of employees who have not declared, 77—which comes to, in my figures, 621. I did add, however, that there were 68 people who have already found redeployment within the system; that is of the 197 who said they will not be relocating. I hope those numbers—that is cleared up in the Member's mind.

The numbers which the Minister of Agriculture (Mr. Findlay) has given are accurate as far as I am concerned. The question was, how many of the 152 positions that have moved have new employees in them? Is that what the question was? I believe approximately half who have moved have been currently in their positions.

**Mrs. Carstairs:** If I am to extrapolate from that, of the original 593 positions in the Civil Service, not the Crown corporations, but originally the press release said 593 civil servants, the Minister is now telling me approximately 76 have actually relocated.

**Mr. Downey:** I want to be clear again, Madam Chair. What I said, the numbers that I am providing here are excluding Manitoba Telephone System and Manitoba Hydro. These are all other departments.

Yes, to date, she is correct. Approximately 76 or 75 people who have relocated have been currently in those positions, but remembering again, the numbers which I am giving are for the current position. As well, remember that there are 150 people who have volunteered to move in the decentralization program.

If she is trying to do some kind of a criticism on the numbers, then she is quite free to do so. I think you have to take the total picture into context and remember that 68 have already been re-employed within the system, who said they were not going to move.

**Mrs. Carstairs:** Madam Chairperson, there are twice as many of those civil servants who have identified they will not move, plus an additional 77

who have not declared their intentions, that have not been given satisfactory deployment arrangements.

I would like to get into a broader issue. Shortly after the announcement of the Government, March 12, there were a number of positions bulletined. One in particular—well, two I am going to make note of. One was a library consultant, and the duties it said were: This position is responsible for the promotion and development of public library services in rural Manitoba. The second position was to the Assistant Deputy Minister of the PACE division of the Provincial Literacy Directorate. Both of these positions were bulletined as being located in the city of Winnipeg. Both of these positions, by their very nature, serve rural Manitobans.

Can the Minister tell me what kind of co-ordination is going on with his department section of decentralization to ensure that positions, that could easily be located in rural Manitoba, are being located in rural Manitoba and not being located in the city of Winnipeg so that, you know, 50 years from now, we will be looking at another decentralization initiative when we should be decentralizing on an ongoing basis with positions like this as they become vacant?

**Mr. Downey:** Well, Madam Chair, let me first of all say, I hope I am here 50 years from now and still able to—

**An Honourable Member:** You will not be.

**Mr. Downey:** Well, I am put at rest very quickly. She said, I will not be. Well, at least I hope I am around to at least see what someone else is doing.

**An Honourable Member:** We hope so, too.

**Mr. Downey:** Yes. I may be decentralized, but I am not sure whether it will be up or down. I will not be in the middle; I will not be in the middle; I will not be in the middle.

The Member raises a good point, and I do not in any way want to come back and say that—any vicious way attack her for raising the point. Remember, the whole of the Civil Service is a big organization, and you can never have enough co-ordination, co-operation. If there have been jobs identified or bulletined for that should have been bulletined for a position outside of Winnipeg as part of this program, then I am disappointed that they were not.

We have been, as I say, building a team of people to try and make sure that these kinds of things are

co-ordinated. I would think that managers within each department, without having been told, after having identified what they said could be decentralized, after being part of the decision to decentralize, would automatically say, with the kinds of bulletins the Member refers to, yes, this is an automatic that would be bulletined for Brandon or wherever the position may be. I think in most cases that is being done.

However, I stand to accept criticism if it is not done; then I am disappointed that it has not been and will try to ensure that message does get to every manager. It is important that kind of positive comment goes through the system.

**Mrs. Carstairs:** Madam Chairperson, let me give you another horror story. The provincial audiologist decided to retire. That happens. There were a number of qualified audiologists stationed around the province, but the chief, for reasons known only to the department, was located in Winnipeg. They offered the position to the audiologist in Dauphin. Guess what the condition was? The condition was that he had to move to Winnipeg.

Now, since there were only two audiologists located in Winnipeg, one located in any case in Dauphin, and the co-ordination effort could have taken place just as well in Dauphin as some place else, then the question again is: When a position could logically be located in Dauphin, and with fax machines and computers there is absolutely no reason why it cannot be done, why is there not that sensitivity in all of the Government departments that should be there in order to ensure that we have reasoned decentralization, particularly in a case where a person wants to remain in a rural community?

Let me give you what I think is the reason, and then the Minister can respond. The reason is that quite frankly the departments were not involved in deciding the decentralization proposal. I have letter after letter and phone call after phone call indicating exactly that. The managers of department after department were as shocked as the employees when they learned that kind of decentralization was going to affect their department.

The Minister himself raised the perfect example when he raised the Textbook Bureau, because if the managers had been involved, the managers could have told them from Day One that they had a lease for 1993, and that there was not going to be an easily

transferable warehouse to Souris. Forget the reasons which also exist that 60 to 70 percent of the textbooks are used in the city of Winnipeg. The basic building, the storehouse, the selling distribution point had fiscal and financial arrangements that quite frankly should have been known but were not known because there was not enough consultation with management.

**Mr. Downey:** Again, Madam Chair, I am not going to get into the detail of specific management decisions within departments as to why certain bulletins have or have not taken place. I have noted it and I do not disagree.

As far as identification, again, those departments that were part of decentralization identified areas of their departments that could be decentralized. It may not have gone to the level, and of course one would not want to have 15,000 or 17,000 civil servants upset and feel as if they were all going to be in the position of having to be moved.

\* (1000)

Let me again talk about that particular Textbook Bureau. It was clearly indicated—and I say this openly—that it could serve Manitoba anywhere, if it was going to be outside of the city of Winnipeg, as well as it does out of the city of Winnipeg. The transportation of this province—in fact let us again take a look at it as I would look at it from a practical approach.

The first cost of moving of any product is the actual lifting, loading and short distance. That is a known fact in common sense approach. The first lifting and loading of any commodity and the first 20 or 30 miles is the cost. The additional longer haul of heavy freight comes pretty reasonable. That was clearly stated by the Friesen book people at Altona.

It was my understanding that it was not known at the time the decision was made that they could not get out of the lease because of certain other arrangements that were taking place with FIAT at that time. However, it is now known, and I have no difficulty in expressing that.

We all can have the perfect mind and know everything, but when you start on an initiative which I think was important, basically supported by the communities, they are pretty understanding and understand that we are entrusted to do the best we can with the taxpayers' money.

I am quite open to debate any of these issues at any time, as we are doing right here. Let it not be

said that the Member is saying that some decision was made by a department that it took everybody by surprise. Yes, I am sure some people were, but the way it was handled I think was done the only way it could have been done, other than by, as the Member said, when a position becomes vacant in rural or northern Manitoba we would fill it. I suppose in 50 years we might have some 600 jobs relocated, or positions relocated. That was not acceptable to carry out the objectives that the Government wanted.

Criticize she may, there has to be some positive initiative that she can support in this regard. I have no more comment.

**Mrs. Carstairs:** Let us take another particular department because the Minister raised this one—Teacher Records and Certification. This is one in which the entire department has agreed they will not move. Every single one of them has indicated they will not move. The individual actually resigned as the head to take a job in Nova Scotia. Now, just to put it on the record, why he moved to Nova Scotia and to a city of 250,000 people that happens to have four universities in it, it is because he happens to have four university-age children. That is the reason he moved. The situation was, however, that he, at no time, had consultation about this movement.

So you are moving his department of which he is the head, but nobody has ever talked to him about it. Nobody has ever said, does this make logical sense? Do you think your staff would go? What do you think would be the manner in which we could function? What additional new equipment might we need in order to transfer the information from one location to the other location, because the majority of teachers looking to the Department of Teacher Record and Certification, of course, live in Winnipeg? Can it be transmitted with as much ease and facility located in Russell, Manitoba as located in Winnipeg?

I do not understand how you can move a department like that without any consultation with the head of that department prior to announcing publicly that they are going to move.

**Mr. Downey:** Well, I do not know what dialogue the Member had with the Minister of Education (Mr. Derkach) during the Estimates or whether they have even been in the House yet. Has Education been up? So, I would refer to what the Minister would have

answered. I am sure she asked that question of him as well. So dealing with specific departments in that regard, Madam Chair, I cannot answer specifically as it relates to that department. I can try to get further information if that is the case, but I cannot answer specifically as it relates to that specific departmental decision.

**Mrs. Carstairs:** You know, it leads to the whole issue of how decisions were made. That is really why I asked it, not specifically that department, but the philosophy behind how decisions were made. In this case, the Minister of Education moves a branch of his department to his home town; nobody is prepared to go. I mean, there had to be some philosophical, one hoped, planning reason for this particular move, but there were no discussions. There was no debate. There was no dialogue.

How many other departments had this same kind of scenario where there were no discussions with individuals at the top of these departments, who would be the best suited to provide the essential information necessary? Can the Minister tell us what kind of dialogue took place?

**Mr. Downey:** I will just repeat what I said earlier, Madam Chair. The departments were asked to put forward portions of their departments or sections of their department that could be part of decentralization. That is how the decision was made. Again, I make reference to the numbers of which were currently in some of the communities that had Government services.

Madam Chair, again, I say this, and I say it very honestly and openly, the decisions to move positions have to make common sense. You know, there are certainly questions there. Ministers have the option of going back and looking at the decisions. If they do, then I am sure they will have to make the answer or give the answer to the Member.

As far as I am concerned, in general—and I say in general, because when you make this kind of a policy decision and move, you do not always do it a hundred percent right. I do not know any human being yet that does. I am sure the Member for Thompson (Mr. Ashton), who is here, would not have wanted me to move the Community Economic Development any place but Thompson. I am pleased that they opened it yesterday. I am just sorry I was not able to be paired off to go. - (interjection) - Well, I apologize to the Member for

River Heights. I could have taken her as well, and she could have further explained what she said the last time she was in the North.

I do have a copy of the press clipping, which I have for her, plus I have some other information which I will table, which might be helpful to her in debate at some point. We are having, hopefully, a positive discussion on this initiative, and I do not want to get into a real political scrap at this particular point. Again, it is the departments that were asked to make the decisions on what sections were to be decentralized.

**Mrs. Carstairs:** Can the Minister tell us today what difficulties the department has been encountering with respect to the leasing or building or constructing, or whatever they have had to do, of space in a variety of communities? Certainly we have been given information that seems to be one of the major obstacles that the Minister is facing as there does not appear to be adequate space in many of the communities. There does not seem to be a great willingness on the part of local business people to build the buildings unless of course they are going to be given very long-term leases.

**Mr. Downey:** Let me say contrary to that, Madam Chair, it is contrary to that, and there has been a lot of interest shown by local businesses. I want to make it very clear that we have had numerous interest shown, particularly in—well, I do not know a community where there has not been either identified space and/or people prepared to develop space for Government programs.

Let me say this though that we are doing it, and again remembering it, we are doing it to, yes, assist with some of the economic activities and show leadership in this area in rural and northern communities, but we are not going to do it in an inefficient manner. We are making the best attempt to carry it out minimizing the expense as it relates to it.

\* (1010)

I do not have any trouble in saying that if we do not get a reasonable proposal, then I have to be honest and straightforward and say we would have to reconsider the decision to make that move. We are not going to, in times of what we call basically trying to maximize the limited resources of the public, we are not going to accept something that is out of reason as far as the relocation of positions are concerned and Government activity. I do not think

the Member of the Opposition would want that, and I do not think the public would want that. We are doing it and carrying it out in as fair and efficient manner as possible. We do not have any trouble in getting people interested in providing space.

**Mrs. Carstairs:** No, I am sure he does not have difficulty finding people interested in finding him space. Would the Minister like to tell us what realtors he is using throughout the province on a consultative basis to find space and how much space has actually been rented or purchased since the decentralization proposal was initiated?

**Mr. Downey:** I believe, Madam Chair, that the Decentralization Committee have the availability to use real estate agents, and the three that have been decided upon, however, McKeag, Aronovitch & Leipsic and Flanders, are three that have been used.

**Mrs. Carstairs:** Madam Chairperson, can the Minister tell me if all realtors were invited to participate in this or whether the decision was made by the department that these three would be used as the principal negotiators for the Government?

**Mr. Downey:** Madam Chair, part of it was done by Government Services.

**Mrs. Carstairs:** Can the Minister answer the other part of the question, which is: How much space has in fact been leased or purchased since the decentralization proposal began?

**Mr. Downey:** Yes, Madam Chair, there are two points I want to make here. We can get that information for her, but as we are into the proposal calls at this particular point, I want to make it clear that I can get that information.

There is something else I want to put on the record and make very clear. I do not want to make it anything but absolutely clear. We are trying to maximize the use of the taxpayers' dollars in what we are doing. I do not want anybody to have any idea that we are not. We are working on the proposal calls and to my knowledge taking the best offer put forward. That is the direction; that is the policy. As I have said, to reiterate that, if reasonable proposals are not there, then I can assure you that it would not be proceeded with.

**Ms. Wowchuk:** There is one other point that I would like to raise with the Minister. That is the difficulties; you talk about difficulties filling positions. People do not want to leave departments. The Member from the Liberal Party has raised that. There is going to

be more difficulty filling positions in northern Manitoba and in particular in the Swan River area now that the Northern Living Allowance has been cancelled. What incentive is there going to be for these people to go up there when they do not have this incentive to live up there? That tax credit has been taken away.

As the Minister of Northern—from his other portfolio, I would wonder how the Minister feels about this, whether this is going to affect decentralization, that there is no more Northern Living Allowance. Well, there is some in the North, but in the Swan River area up to Dauphin where there was, there will not be any more.

**Mr. Downey:** I would take it the Member is referring to the Northern Tax Allowance, which was reinstated to 50 percent in the Thompson-Wabowden area. The Pas, as I understand it, also is part of that. -(interjection)- Yes, it is cut down to 50 percent.

I guess the good news is that there is still some there. The bad news is that they have lost 50 percent in those communities. That was not a decision that we could change, make. We have certainly worked, as the Member for Thompson (Mr. Ashton) has worked, in a committee to try and get what was there. I do not think the Member for Thompson would be overly critical of at least getting some response to -(interjection)- That is what he has just put on the record. -(interjection)- What was that?

**An Honourable Member:** Something is better than nothing.

**Mr. Downey:** Something is better than nothing, so that has to be somewhat of a positive response. The Member asked me if I thought that would influence individuals. No, I think that a good-paying job, Civil Service job—and she knows the price ranges, the range in which civil servants are paid. I would not think that people would not want to move because of that. I think that they do not have the benefit here. Again, as I have said to her previously, there are benefits in Swan River when it comes to certain other costs of living that may offset that cost of living in an urban setting. So one has to as an individual, and I am sure they will on balance, decide where their best advantage is. Again, I do not think it would deter people from moving into that community.

**Ms. Wowchuk:** I guess that I think that it will be a deterrent, when you can be a little farther away and have a tax incentive. I think that will create more

difficulties for people to come to the area to fill those positions.

I would just like to ask an additional question of the Minister. When I look at specific departments, you know, the Department of Rural Development, Department of Natural Resources, Department of Highways, those departments relate completely to, or just about everything, the rural area.

Are there any plans through decentralization to make further moves of these departments, or are you at the stage now where these positions are going to go and then it is going to be re-evaluated? What plans can we see of moving larger departments, more people out into the rural area? I as a New Democrat feel that it is very important. That is a position the NDP has always taken, that we should be looking at decentralization of departments, but always thinking about the people who are involved and doing it in a planned fashion rather than on a political basis. I wonder what the plans are to move further down the road for further decentralization.

**Mr. Downey:** Well, Madam Chair, again there was some concern when that kind of talk was raised during our first announcements of this particular program, that there would be additionally some 20-some hundred people who would be identified for decentralization. Let me make it clear that as far as I am concerned, we want to see this activity of decentralization carried out successfully. Again, at the time of that program's completion, I am sure it will be assessed.

Ongoing programming, and I say this, new program activity I think should be in the development of it programmed for some areas outside of the city of Winnipeg so that when it is initially set up and started that the activities of a program are decentralized to start with. So I want to make that clear. There are not at this point major plans for great numbers of other departmental—I know that her colleague from Dauphin suggested that whole departments be moved.

\* (1020)

I think this is a good place to openly and publicly debate that. I am not sure whether the Member will raise that when the Minister of Natural Resources (Mr. Enns) comes back into the Legislature for his Estimates, that entire departments, including the Minister and Deputy Minister, would be relocated—this is under the NDP policy—to central

centres, including Brandon, Dauphin, Beausejour, Portage and Thompson. So he is saying, even the Minister should move out to one of those communities.

I think that is what this place does. As Members of the Legislature, we are from those communities. That is really how we try to represent those communities. I do think we have to maintain the ministerial presence here in the Legislature so that we can respond to people who come from those communities. To move a Minister's office there I think is able to be done. We have done it through regional Cabinet office in Brandon, regional Cabinet office in Thompson. So I think that is as close as you are going to get to the decentralization of Cabinet Minister's offices as a contact like that. I am pleased that he supported it, but I do not know whether it would be accomplishable in the magnitude of which he has talked.

Again, I think it is easier to do Crown corporations like MACC. Again, there is no secret to it. Governments have done it before. I was a Minister when we decentralized Water Services Board to Brandon. I think her Government was there when they did Crop Insurance to Portage la Prairie. Again, it is an initiative that I am pleased that all Governments recognize that it is important to do. Thank you.

**Ms. Wowchuk:** Madam Chair, I have no further questions. I would just like in closing say that I am a little bit disappointed in some of the answers that we got today in that I was led to believe that we would be able to get specific answers about decentralization. I expected that the Minister responsible for Decentralization could give us a little more detail, but we will have to go back to the other departments. Unfortunately, most of those Estimates are finished. We will not get a chance to raise them, but I will try to get my answers somewhere else.

I hope that the decentralization process will continue and that it be done in consultation with the employees, so that they can make plans, that there be more long-range planning when other decentralizations, efforts are being made and that they not be made on the spur of the moment as was done in this one which looked like very much a political move.

With that, I will close. Thank you.



**Mrs. Carstairs:** Madam Chairperson, I am just going to put a few closing remarks on the record, too.

The comments made by the Member for Swan River (Ms. Wowchuk) are quite true. This was done, quite frankly, out of a political motivation, but just because things are done out of political motivation does not necessarily make them wrong.

The purpose, the thought behind decentralization has always been a good one. There are, however, still flaws in the system. I tried to point out some of those flaws today. I hope that the Minister will take that message back to his colleagues that if we are going to make decentralization truly effective, then there has to be a sensitivity in every single department and in every single managerial position, that when we are looking at new people to hire, when we are looking at the location of new offices, that Winnipeg must not always be considered the highlight of where a workplace situation in Manitoba will be.

In the Department of Rural Development, I teased the Minister, for example, by using the word with regard to publications, because he talked about the need to centralize the publications. I said to him as the Minister of Rural Development that it was not a particularly positive use of the word. With desktop publishing today, there is no reason why centralization of publications have to take place in Winnipeg. Centralization of that publication could take place just as easily in Portage, as easily in Brandon, or Thompson, or Swan River, or any other community that has access to telephone lines and modem to hook onto a computer.

So if the Minister will take that message back to his colleagues, that decentralization is a positive initiative, it has to consider first and foremost the people involved in the relocation. At the same time, as we open new jobs, and we are always doing it. It does not take many walks down the corridor downstairs to see the constant new bulletining of positions to realize that we have to think in a forward thinking way, and where it is possible to relocate in rural Manitoba with a level of service comparable to what they would get elsewhere, then we must do so.

**Mr. Downey:** I thank the Members, Madam Chair. There is something else I want to put on the record and make it clear, because I think that it would be fair to do so, that as a member of a community with the activity and before any proposal calls went

out—I do have listed in my conflict of interest papers, I do own property in a community—lots—which I withdrew from the market prior to any of this activity. I want that clear on the record so that no one comes and says I have a conflict.

The property which I am referring to is listed, and it has been withdrawn from the market because of certain activities created. I do not need to have that kind of thing come at me as if I am dealing with something I should not be. I want that to be clear to the Members here. I am declaring it, but it is off the market. It is not available or being sold for any of this purpose.

I do thank the Members for their positive approach to today's discussions. I am open, we are open to comments and criticisms. I say that I think it can be a positive initiative and want it to continue to be so.

**Madam Chairman:** Resolution 146: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,000,000 for Decentralization for the fiscal year ending the 31st day of March, 1991—pass.

\* \* \*

The House took recess at 10:27 a.m.

### After Recess

The House resumed at 10:43 a.m.

### SUPPLY—CIVIL SERVICE

**Madam Chairman (Louise Dacquay):** Order, please. Will the Committee of Supply please come to order. Today this section of the Committee of Supply will be dealing with the Estimates of the Department of Civil Service. Does the Honourable Minister responsible for Civil Service have an opening statement?

**Hon. Darren Praznik (Minister responsible for The Civil Service Act):** I do, Madam Chairperson. I will try to keep this as brief as possible, but I think what it does do is serve to put on the record of the House, and for the information of my colleagues, the critics of each official Opposition and Opposition Parties, a number of the initiatives and a brief overview of the operations of the Civil Service Commission in the preceding year.

As Members of the Opposition are aware, I have only had responsibilities for this department since this fall in my appointment as Minister. Much of the

work carried on throughout the year to date has been carried on under my predecessor, the Honourable Gerrie Hammond.

In introducing, Madam Chairperson, the 1990-91 budget Estimates for the Civil Service, I would draw attention to the Supplementary Estimates information which was tabled November 15 in this House and contains a good deal of background, organizational, program and financial detail designed to assist the Members with the Estimates review now before us.

The budget Estimates for the Civil Service Commission are comprised of three main components. These include the salary and operating expenses as set out in item 1, the Government contribution to the various Civil Service benefit plans as listed under item 2 and the provincial payroll tax as set forth in item 3.

The largest area of expenditure within the Civil Service Commission, 75.4 percent, is associated with the employer's share of funding for the various Government benefit plans. The majority of these are non-discretionary in nature as they are fixed through statute or collective agreement.

The second largest expenditure, 18.3 percent, and also non-discretionary, involves the Government's contribution as an employer to the provincial payroll tax. As a result, the salary and operating expenditures associated with the program activities within the Civil Service Commission account for only 6.3 percent of the total expenditures appropriated for the Civil Service.

Overall, the Civil Service is requesting approval to spend \$75,727,300 in 1991, as compared with the 1989-90 Adjusted Vote of \$69,935,900, an increase of 8.2 percent. These increases are wholly attributed to the increased funding for the Civil Service benefit plans and the payroll tax levy.

With regard to item 1, the salaries and operating expenditures for the Civil Service Commission, Members will note an actual reduction in expenditure from the 1989-90 adjusted vote from \$4,939,500 down to \$4,749,400 in 1990-91, for a decrease of 3.8 percent. The department has also budgeted for a reduction of 6.5 staff years, from 100.36 staff years to 94.1 staff years, a reduction of 6.5 percent.

These reductions are the result of program and administrative changes within the Commission which are designed to reduce internal costs with a

minimum of impact on services to client departments. The internal administrative and management support services in the Civil Service Commission—accounting, financial, payroll, personnel services, et cetera—have been transferred to the Department of Finance, thereby achieving economies of scale and resulting in the reduction of 2.5 staff years and \$116,500 in salary and operating dollars.

In addition, changes have been made to the mandate of the Development and Training Branch. The branch will be moving toward the elimination of centrally provided training activities except where those courses relate to specific Government policy mandates, or the training is in support of internal Government processes. In effect, the Development and Training Branch will discontinue those course offerings where the subject matter is available from various external vendors.

The branch will retain and expand its central advisory and consulting role and will assist departments in contracting with external vendors by acting as a central broker for purchasing departmental development and educational requirements. This revised mandate will result in a reduction of five staff years and a saving of \$197,500 in salaries and operating expenditures. Both of these measures, Madam Chairperson, are designed to reduce costs, while at the same time result in minimal impact on course services.

While I intend to keep my opening remarks very brief, there are a couple of areas I would like to touch on with respect to priority activities being undertaken within the Civil Service Commission. During the past several months of this budget year, various staff of the Commission have been heavily involved in providing services and advice in support of the Government's decentralization initiative.

In particular, the Civil Service Commission has been co-ordinating the redeployment and placement of employees who have elected not to relocate. In addition, staff have provided liaison with the union and departments regarding various labour relations issues. As the Members will be aware, the decentralization initiative is being implemented through transfers of positions, some of which were targeted for September 1990 and the remainder for September of 1991.

From the perspective of the Civil Service Commission, I am pleased to advise that the

September 1990 moves have been highly successful, both from the standpoint of employees choosing to relocate and in our ability to accommodate those who have elected not to relocate. As at November 1990, the staff impacted by 1990 moves who have chosen not to relocate have all been accommodated to suitable alternative positions elsewhere in the Government.

Throughout the remainder of the fiscal year and into 1991-92, staff of the Civil Service Commission will remain committed toward building up the knowledge and success gained from this year's experience for application toward the remaining moves scheduled within 1991.

A second major effort within the Civil Service Commission, Madam Chairperson, during this fiscal year is being directed toward the collective bargaining process. All major collective agreements within the Civil Service are currently up for renewal and indeed the majority of collective agreements across the broader public sector are, or will be, under renegotiation over the next several months.

The Civil Service, as the largest employer within the province, plays an important role within this process, particularly considering current economic conditions. Given the significance of the impact of this process over the next several months, collective bargaining is expected to be a major priority for the Civil Service Commission throughout the remainder of the fiscal year currently under review.

Madam Chairperson, with these brief introductory remarks, I would now welcome questions from committee Members on the material now before us.

**Madam Chairman:** I would like to thank the Minister for those comments. We will now hear from the official Opposition Critic, the Honourable Member for Thompson.

\* (1050)

**Mr. Steve Ashton (Thompson):** Thank you, Madam Chairperson. I appreciate the opening comments from the Minister. I want to indicate that if it is agreeable to the Minister, we would like to be able to ask questions generally from the first line item, and then following those questions, be willing to pass the remainder of the Estimates, given the shortage of time available for consideration of this section of Government.

What I want to reference in terms of the Civil Service are some of the issues that we will be raising during these Estimates. The Minister at the tail end

of his opening remarks made reference to negotiations that are currently in the process of essentially beginning in the public sector with the MGEA, and of course, our broader public sector negotiations being conducted involving other public sector workers.

We want to raise the question about what the Government is looking at, what its current plans are in terms of the Civil Service. Without getting into the bargaining per se, obviously the current collective agreement which expires next year does have in it provisions for job security for Government workers. There is a great deal of concern out there that is being expressed by civil servants about the plans of the Government.

I am not going to discuss rumours, but there are rumours of hundreds, if not thousands, of potential layoffs with the expiry of that agreement. We have already seen the Member for Swan River (Ms. Wowchuk) bring forward an example in the Department of Agriculture, a 27-year employee given a layoff notice by the Government.

We are picking up reports of hiring freezes in various sections of Government. I will be asking questions to determine exactly what the current status of the Government's plans are in regard to both hiring freezes and in regard to the job security of public servants, whether indeed they are looking at potential major layoffs.

I want to raise that because there is a great deal of concern that the Minister should be aware of, and I want to bring that to his attention, about the current plans of the Government in the public service at the current time.

We all recognize the Government is going through difficult times financially. I believe every Member of this House recognizes that fact, but the obvious question we are going to be asking under this section is what impact that is going to have on the public servants of this province.

There are a number of other issues we will be raising as well. We will be speaking out in terms of the activities of the Government over the last year in terms of pay equity within the public sector. We will be looking for some updates on that, of course recognizing, going back to our discussion and debate in the Department of Labour, that the real question is increasingly becoming pay equity in the extended public sector and in the private sector, and

that in many ways pay equity is being fully implemented in the main Civil Service itself.

We will also be raising questions about affirmative action, and pulling up from some of the questions I raised last year, determine what progress, if any, there has been because I note last year there was some progress with some target groups, although in terms of other target groups, visible minorities in particular, there had not been much progress whatsoever over the previous year's period. We will be looking forward to some information in that regard.

I will also be asking the Minister directly about what role he is playing in terms of decentralization. I sat in on part of the Estimates previously with the so-called Minister responsible for Decentralization. I want to say that, because from the answers that were given by the Minister, I suspect the Minister was probably more involved with deciding who got what jobs rather than having a functional ongoing role in terms of co-ordinating decentralization within Government.

I expressed my concern last year with the previous Minister in terms of her apparent lack of involvement and participation in the decentralization process. I am looking forward to some indications from the Minister as to whether in fact this Minister is being more involved in the process. Obviously the Minister responsible for the Civil Service, to my mind, should play a key role in determining what is done, ensuring that proper procedures are followed, ensuring the interests of both the communities involved who will be receiving the positions, and the civil servants themselves, the long-term civil servants who are involved in this process, ensuring that they are protected as well, because I think that is what makes decentralization work. It is a combination of something that works for the communities themselves and also is fair to the employees.

I do note in that regard that the Government did undergo a number of changes in its approach over the initial number of months where decentralization was announced and did finally recognize that, at least to some extent, it had to respect the rights of the employees involved. That, as I say, was in the best interest of the communities.

I, by the way, am a strong supporter of decentralization. I always have been. It goes back many years in Manitoba to the Schreyer period, and

I really believe that it is positive for the communities involved. It has certainly been positive in Thompson where, in the case of our community, there are many people now who work for Government-funded agencies as work at Inco. That provides a significant degree of diversification, something that is very positive, and it is particularly important in rural communities. I recognize that in terms of the need for an economic base.

Those are some of the basic issues we will be raising. As I said, we appreciate the opportunity to ask them generally on the first line, and then we will be prepared to pass through the remaining items quite quickly after that.

**Madam Chairman:** We thank the critic from the official Opposition for those remarks. We will now hear from the critic for the Second Opposition Party, the Honourable Member for The Maples.

**Mr. Gulzar Cheema (The Maples):** Madam Chairperson, because of the shortage of time—I think we just have probably half an hour or so—I would like to proceed with direct questioning if the Minister would not mind. I think there are a number of issues that were raised last year and continued even in the first part of this year, in January of 1990, because of the prolonged Estimates debate.

I just wanted to proceed with my first question to the Minister. What is his basic philosophy in terms of affirmative action?

**Mr. Praznik:** Yes, I believe the Member for the Maples would like to begin right into the questioning. I believe it is a consensus of committee Members that we would proceed on item 1, general Minister's Salary. I would certainly agree to that if Members would do me the privilege of having my staff in for that particular period. Would that be agreeable?

**Mr. Cheema:** Yes, that would be fine.

**Madam Chairman:** At this time, we would invite the Minister's staff to join us in the Chamber.

**Mr. Praznik:** I certainly appreciate the co-operation of my two colleagues from the Opposition Parties in trying to expedite the Estimates process.

May I introduce to them now the Civil Service Commissioner, Paul Hart. Next is the Deputy Minister of the department, Mr. Terry Edgeworth, who is the Human Resource Management Services head, and of course, head of our Labour Relations Services, Mr. Gerry Irving.

I am now prepared to proceed as my colleagues in the Opposition would so deem appropriate.

**Madam Chairman:** As there is no provision for a Minister's Salary, it is my understanding that we will be proceeding line by line commencing with item 1 on page 22. Is that the will of the committee, that we will commence on page 22 with item 1, line by line?

Item 1. Civil Service Commission (a) Executive Office: (1) Salaries \$259,900.00.

**Mr. Ashton:** I know the Member for The Maples (Mr. Cheema) did have some questions on a number of items. I just want to ask some general questions first if the Member does not mind, and then if he wishes to start off on affirmative action, I will still have some questions.

I want to ask the Minister first of all, following from my opening comments, what the current policy of the Government is in terms of hirings. Does the Government currently have a general hiring freeze, a selective hiring freeze? Is there any freeze on hiring taking place at the present time?

\* (1100)

**Mr. Praznik:** As the Member for Thompson may be aware as it is public information, the Government currently is requesting departments to maintain approximately a 5 percent freeze on staffing in their departments subject always, of course, to need for particular positions.

That staffing vacancy rate varies from department to department within Government. What it does is, of course, ensure that positions that are vacant and require replacement are indeed truly needed at that particular time. To date there still has been a fair amount of hiring, et cetera, maintaining that 5 percent general average across the Civil Service.

**Mr. Ashton:** Has there been any change in the 5 percent vacancy target?

**Mr. Praznik:** To answer that question, no, there has been no change to date during our mandate on this side of the House on that 5 percent freeze. I would point out to the Member for Thompson that that does vary from department to department depending on the need and the priority of positions.

**Mr. Ashton:** In other words, positions that are not filled are not filled as part of that process of maintaining the 5 percent rather than an overall hiring freeze. It is really part of that process.

**Mr. Praznik:** All positions, just to clarify a little further for the Member for Thompson, are subject, of

course, to that 5 percent rate in a review internally within the department as to whether or not those positions need to be filled at that particular time that they become vacant. So it very much is a rolling freeze that as positions remain vacant for a period of time and the need for that position to be filled becomes important that it be filled, then of course it is filled and other positions that become vacant are left vacant. So it is a rolling freeze type of situation.

**Mr. Ashton:** As I indicated previously, there is concern in terms of the potential for significant layoffs. I would like to ask the Minister as the Minister responsible for the Civil Service Commission whether the Government has any plans at the current time for layoffs in the Civil Service? Currently many positions are protected by the collective agreement, but are there any plans currently under way, any budget planning processes that could lead to significant numbers of layoffs if that job security provision is no longer in place?

**Mr. Praznik:** Yes, Madam Chairperson. As I am sure our colleague the Member for Thompson appreciates, one can always disagree on "significant" and the choice of words in how one describes it. Obviously we are into the bargaining position with our public service, as the Member can appreciate; obviously the revenues available to Government are limited revenues and the amount of staff that the Province of Manitoba can employ is something that will have to be determined after that whole process is completed and we know the type of financial situation for the province.

Within this fiscal year we are asking the Legislature to vote us certain amounts of money with certain amounts of staffing years and we will continue to operate on that current basis. Next year our Estimates have to come before this House and be approved again. Certainly I cannot commit this Legislature to any staffing levels or any expenditures until they have been approved by in fact this Legislature.

I would indicate to the Member as well that as a Government we have responsibilities to maintain certain services to the Province of Manitoba and those require staff to do and we will have to provide those services.

**Mr. Ashton:** I understand the budgetary process, but we are less than four months away from the new fiscal year. We will be into Estimates, under the

agreement that was reached by all Parties, probably by April. I am asking on behalf of the many long-term public servants who are very concerned, quite apart from the bargaining itself, about some of the statements that have been coming from the Government in terms of its fiscal position.

I would like to ask the Minister directly: Is the Government looking at Civil Service layoffs? Is it currently developing contingency plans that would open up that possibility with the expiry of the collective agreement next year? As I said, there are provisions for some job security in the agreement. I am asking if the Government is considering layoffs in the Civil Service, because I am picking up many reports from civil servants, long-term civil servants, who are receiving reports from departments that significant reductions in staffing and, I might add, services are under active consideration at the present time?

**Mr. Praznik:** Yes, Madam Chairperson, I can assure the Member that at this particular time no contingency plans are being developed by Government for layoffs within the public service, significant layoffs, et cetera. We are just completing now the Estimates process for this fiscal year. Once this House adjourns, and I do appreciate the efforts of Opposition Members in allowing the Government to end this Session in a timely manner to allow for us as Ministers and Treasury Board and Cabinet to sit down over the next number of months and be doing the preparatory work for next year's budget, that obviously has to take place in the next number of months to be able to bring a budget to this House in the spring and get back onto a regular schedule.

I certainly at this time am not in a position, as I am sure my colleagues can appreciate, to indicate to this House at this time, this committee, what decisions are being made and what choices are available to the Government as they prepare for next year's budget. Certainly it is too early to do that. Those decisions and choices have not been prepared and not been made at this time, as I am sure both Members can appreciate.

**Mr. Ashton:** Could the Minister give an update on the current status of negotiations with the MGEA, the main contract, and what he anticipates will be the scheduled negotiations in the upcoming months?

**Mr. Praznik:** Yes, Madam Chairperson, as I am sure my colleagues will appreciate fully,

negotiations are currently under way. They are proceeding slowly. We are proceeding after the expiry of a contract, nothing unusual from what has taken place in the past, negotiating with a large bargaining unit like the Manitoba Government Employees' Association. I believe there are a number of tables, 10 different tables, where there are individual negotiations within certain areas taking place. They are very complex negotiations and they take a fair bit of time. I would expect that they would continue over the next number of months.

**Mr. Ashton:** I have some questions in regard to a number of areas. I would like to ask the Minister if he could give a brief update in regard to activities of his department related to the implementation of pay equity within the public sector, within the Civil Service, the direct public sector, and if he can indicate the degree to which pay equity has currently been implemented?

\* (1110)

**Mr. Praznik:** I would like to thank the Member for Thompson for that question. I am pleased to report to the House that the pay equity process has been fully implemented now within the Civil Service. The next issue related to pay equity of course are those inequities that were created by pay equity in terms of various pay scales that were not affected by it. Adjusting those is one of the items currently under negotiation as part of the regular bargaining process with our bargaining unit.

**Mr. Ashton:** As I have indicated previously when we discussed pay equity in the Department of Labour, it is certainly our opinion that it has been implemented successfully in the public sector and that, incidentally, is one of the reasons why I argue it should be extended more broadly in the publicly funded sector and also the private sector.

I also have a number of questions in regard to affirmative action. I would like to ask the Minister if he can indicate the current level of employment with target groups within the Civil Service, the number of hirings that have taken place over the past year within target groups and what percentage that is of the total number of hirings. So I am looking essentially at where we started, what took place over the year in terms of hirings both within the target groups and generally where we are currently.

**Mr. Praznik:** Madam Chairperson, first of all I would like to thank the Member for Thompson for this



question. I know the Member for The Maples (Mr. Cheema) began on this question.

If I may just take a few moments about my philosophy as Minister responsible for affirmative action, I have always been a believer in affirmative action.

As the Member for The Maples may be aware, on my family background I come from not a visible minority in terms of Canada, but certainly a visible minority in terms of our globe. I come from a family that came from eastern Europe at the turn of the century and suffered a fair bit of discrimination at that particular time.

I fully appreciate from the discussions within our family the restrictions placed upon new immigrant communities in particular, of which my family was a part in the early part of this century, the Premier's family was a part. It gives us perhaps a little bit different understanding.

I have always been a believer in it, and I believe Government has a role to lead the way to give people opportunities as a public employer and to give people the experience that allows them to participate fully within the community. Government, in responding to communities, should be representative of the community that it is serving.

I am pleased to indicate, and I would preface these remarks in answering the question from the Member for Thompson (Mr. Ashton), that I think all Governments, in this decade at least and going back into the '70s, have recognized the need for affirmative action steps. The process, as I am sure he can appreciate, does take some time because you are working with vacancies. You are not firing people. You are not moving people out to create vacancies. You are dealing with vacancies as they become available, and of course you always need people who are qualified for the position. So those two factors put a time restraint that has been there for all Governments, and I think all of us, whoever occupies these benches, will continue to work toward bringing up those numbers.

The specifics of the question, and I may—if the House will indulge me with the time necessary, I would like to go through the comparisons for a number of target groups from '89 to 1990. In the case of female employees, we had working for the Province of Manitoba in '89, 8,984; we now have 9,191, or 47.98 percent of our total employed force; Native community, 750 aboriginal employees in '89,

819 today, representing a move from 3.96 percent to 4.28 percent of our employees; disabled Manitobans, 428, now 445; and visible minorities, 459 in 1989, now 501, representing an increase from 2.42 percent to 2.62 percent.

I will undertake to have the Civil Service Commission provide to both of my colleagues a more detailed paper on these particular numbers. I would attach one caveat to these numbers. This is based on the self-declaration of employees, so there may be additional employees. This is sort of a bare minimum. There may be employees who do not self-declare whether they are a visible minority, disabled, Native or female, and if they so choose to do that, they would not appear in these numbers.

**Mr. Ashton:** In terms of the target process, I have asked this of previous Ministers. There is an overall target within target groups of the percentage of employment that should be in place to reflect the population as a whole. What I want to get is some sort of indication of how our hiring compares in terms of that overall target as well.

The Minister has talked about percentages in each year, and I want to indicate, I know, in some cases there has been improvement in the numbers, although in the case of Native employment a significant part of that was the takeover of the Limestone Training authority, which had very significant Native employment, by KCC, bringing those employees under direct Civil Service jurisdiction in the Department of Education.

Certainly, I welcome that, although I hope that this Minister will not fall into the trap of the Education Minister (Mr. Derkach) of using those figures too broadly and suggesting they are completely new hiring. I want to get some indication, in terms of visible minorities, in terms of Native people, in terms of physically disabled and in terms of women, how do we compare relative to the targets?

**Mr. Praznik:** Yes, Madam Chairperson, in further expounding on the issue raised by the Member for Thompson and the Member for The Maples (Mr. Cheema), I will just give you a quick rundown of targets, labour force available and where we are today. I think it is important to recognize that there is a difference in many cases between the target, which is the percentage of population, versus the labour force available.

In the case of the Native population, for example, our aboriginal community, our target is 10 percent,

representative of the community. Statistics Canada tells us that in the aboriginal community, 10 percent of the population accounts for only 5.1 percent of the labour force, the reason being the large number of younger people in the aboriginal community versus the number who are in the adult age period.

Those numbers, of course, may be a little out of date because they are based on 1986 figures, but with those caveats I just want to put that in context. In the case of the aboriginal community, the target of course is 10 percent. Our most current data indicate a percentage of labour force of 5.1 percent, and we in the public service are at 4.28 percent.

Of disabled Manitobans, they account for about 7 percent of the overall population, about 5.1 percent of the work force, and regrettably, only about 2.32 percent of the public service.

The visible minority community in Manitoba accounts for about 6 percent of the population, 5.5 percent of the labour force, and again regrettably, only 2.62 percent of the Civil Service.

Of female Manitobans, they account, of course, for about 50 percent of the population, they occupy about 43.2 percent of the labour force, and we in Manitoba in the public service are employing about 47.98 percent. So in both the case of aboriginal Manitobans and female Manitobans, we have a much greater success rate, to date, than we do in the case of disabled and visible minority Manitobans, and something that I certainly noticed when I became Minister and hope that we will be able to address as vacancies become available.

**Mr. Ashton:** Just to finish off, I know the Member for The Maples (Mr. Cheema) has a number of questions and I will defer to him. It is obvious from the figures that we saw we have a long way to go. In terms of women, I think we also have to look at the placement of women in the Civil Service, particularly management level positions. It is very clear to my mind that there is a considerable way to go in terms visible minorities and the disabled, and also I think Native Manitobans as well. Indeed the Minister is correct, there is an element of this that is demographic, but there is also the problem that many aboriginal people in northern communities are not registered as being part of the work force because they have given up. There just is not the employment available to them. That I think is very much a factor in the case of the disabled, as well. People become very discouraged very easily. Also,

I would say, to some extent in terms of the visible minority community, as well, because people after year, after year, after year of systemic discrimination have given up.

\* (1120)

I would suggest to the Minister that the real target, the long-term target, should be in terms of the population as a whole. I also believe, despite the fact there has been some progress, and I am not trying to turn this into a partisan political issue per se because we brought in the Affirmative Action Program under the New Democratic Party.

I might add, to the Minister, that while Governments generate support, not everyone has. I have had Conservative candidates, one Conservative candidate accused the NDP of creating racism because of affirmative action. I know the Minister does not subscribe to those views, but the bottom line, Madam Chairperson, is the fact that there is some considerable opposition, I would say from within departments. I remember, in terms of Hydro, when the visible minority affirmative action was developed, there were a lot of people who said, well, there is no discrimination, until they checked the numbers and they found it was the case.

Despite the fact there are some people who do not self-declare, the vast majority of people do self-declare. When you are talking about underrepresentation, in the case of visible minorities, they are less than 50 percent of the population numbers, in terms of the number of percentage in the work force, in the case of the disabled one-third, in the case of Native people less than one-half. That does not explain it, the bottom line is we still have a long way to go in terms of encouraging affirmative action.

With those comments I defer to the Member for The Maples who I know has a number of questions, and I have completed my questions on the Civil Service Department. I thank the Minister for his answers.

**Mr. Cheema:** Madam Chairperson, I appreciate the Member for Thompson because I gave up my time for even an opening statement to go directly with my questions. Can the Minister tell us the last year they took the position of the Affirmative Action Co-ordinator and the past Minister said that the ADM was supposed to be in charge, how much time the ADM is spending on affirmative action?



**Mr. Praznik:** Madam Chairperson, I certainly appreciate the question and the concern of the Member for The Maples and it is certainly a very valid one. I am advised internally, within our department, the approach that we have taken in transferring those responsibilities to the Assistant Deputy Minister was to, in essence, move from having a separate single person with that responsibility, to incorporating the process of affirmative action fully into the hiring and recruitment process. I am advised by the Assistant Deputy Minister that, just a quick calculation, he would probably spend about half of his working time on these issues.

More importantly, I think, is that function is now integrated into all of the staff that come under the Assistant Deputy Minister. The approach really was to make affirmative action thoroughly a part of our recruitment and processing and hiring operations, as opposed to having it as a separate entity standing by on the side and watching the other process take place. There is certainly concern that I appreciate, and perhaps time will only tell which system is effective. Something that we are watching.

**Mr. Cheema:** I think that, in any department or anything that you do, when there is such a disparity and you had a co-ordinator, when you took the co-ordinator away, even though the ADM is giving enough time, still the head of the department is the head of the department for the particular section. How can he justify, with your statement that the ADM is still doing that job with the best of his or her capacity? That is just not possible. Once you have one single position given to a particular job, you are supposed to do that job.

The Minister had made a comment that they are co-ordinating with other departments. They are teaching their own staff. That co-ordinator could have done the same thing. What you are missing are a major symbol and major action. I would like the Minister to justify and see that what they have achieved for the last year, at least, by changing that position, how much improvement they have made. With the answer he has given to the Member for Thompson (Mr. Ashton), it does not look like it.

I think the basic question here is that this Government has to clarify, and make sure that the public knows where they stand on the affirmative action plan. By taking a position away which was supposed to do a job for the affirmative action, they are not sending the right signals. They may be

sending signals from their own particular point of view, but not to the public at large. There are a lot of controversies about the affirmative action. Some of their own people have told us, even in the campaigns, we do not like this, you are promoting people who are not qualified for the job. We are talking here about equal opportunity. Equal opportunity will come if you have somebody you can go and approach, if that person is in charge of a specific program.

I would like the Minister to tell us how can they justify this particular position when it was taken away and given to an Assistant Deputy Minister?

**Mr. Praznik:** I would agree with the Member for The Maples that there is a symbolism to it, there is no doubt about that. The issue, of course, that I think we all agree on is what happens at the end of the day. I know the Member for The Maples well, and I know that he is a Member who is after action, success and results, and not just symbolism. I say that as a compliment to the Member. I know he is very much concerned on these issues, and I share that concern with him. It is also a great concern to his constituents, and he represents them well in bringing these questions to the House.

Madam Chairperson, the thrust of the change, and I think one has to observe how Government works and the process, of course, is the Assistant Deputy Minister has between 40 and 50 staff people working under him in developing all of the human resource needs of the Civil Service Commission. By making it a priority and giving the responsibility to the Assistant Deputy Minister, it takes that function, of course, and incorporates it thoroughly into the planning processes of Government. By just having a co-ordinator off to the side, it is symbolic, and I appreciate that. What in essence happens is you have someone there, often beating at the door, without necessarily the authority to make the little changes that are so important.

I guess the analogy I would make is that it is far better to have the Premier of the province supply his thoughts and time to an issue for a few minutes than it may be to have a clerk in the department. I just suspect that the power, authority and position of the Assistant Deputy Minister allows—I think it is the opinion of the Civil Service Commissioner, I have not been here long enough to judge—that it would be a far more effective means.

I just want to share with him very briefly, in answer to this question, that as Civil Service Commissioner, one issue that has come up to me where we have taken an initiative through that process, is with respect to aboriginal employees and developing a process with internal supports, et cetera, and a committee where we are trying to make sure we retain those that we have hired. I know similar initiatives are being looked at in other areas.

That happens, not because there is an external person or a person on the outside demanding it, but the people who are planning the regular programming of Government, it is part of their mandate in a thoroughly integrated way. Again, whether that works or not, only time will tell. I would remind the Member for The Maples (Mr. Cheema) that one difficulty that we have in Government is that we cannot let people go to make positions for people. Our success rate has a large dependency on vacancy rates and hiring.

In the case I know of Native aboriginal Manitobans, they have a success rate of something like 12 percent to 13 percent, compared to a regular success rate for the population of 5.5. In other words, for every 100 aboriginal applicants to the Civil Service, we are hiring 12 to 13 of them, as compared to a general success rate of about 5 percent to 6 percent. That is helping our numbers move upwards. It is going to take some time and I appreciate his concerns.

\* (1130)

**Mr. Cheema:** I just want to make it very clear to the Minister that we are not asking to move the existing positions, because these people, they are qualified, they are working for a long time. It is unfortunate, you do not want to do it because they are doing their job.

At the same time, you have a specific person given a specific job, as you were given a job as the Minister responsible for the Civil Service Commission. You were not given a job for the 20 ministries. You were given a specific task. I think if you can devote your attention for a specific task, you can achieve more.

Specifically, this department and this co-ordinator, the Assistant Deputy Minister is supposed to not only do the job of the department, he is supposed to co-ordinate with all of the departments. With 50 percent of the time, how can they justify it? How can he justify immediate initiative

with 50 percent of time co-ordinating with the rest of the 26 departments and still come up and say that we are doing our best. That is not enough.

**Mr. Praznik:** Madam Chairperson, again I appreciate fully the concerns of the Member for The Maples. I think we share the same interest, achieving those objectives.

I would just point out as a matter of course that the prime role of an Assistant Deputy Minister is to provide leadership to the staff and senior staff under that Deputy Minister. What of course happens when you have two people giving direction on issues, you sometimes have no direction at all. A management style I think that is somewhat different perhaps than what the Member would do dictates that we have made it a priority with senior people to incorporate and provide that leadership as opposed to having leadership coming from, in essence, another party on the side coming and giving instruction to staff at one level. An Assistant Deputy Minister may be not in tune with that. We have to incorporate it into the process. It is going to take some time to judge that success and that program against the vacancies that are available.

I would just say to the Member for The Maples, I am not saying the Liberal Party would fire people or anything in any way, but our ability, our success rates, really have to be judged against the number of vacancies for which people are filling in. I just put that qualification so our numbers have some meaning. In a few months we will have a chance to assess it again.

**Mr. Cheema:** Madam Chairperson, can the Minister tell us how many times the Assistant Deputy Minister has met with the community groups on this particular issue?

**Mr. Praznik:** Madam Chairperson, the question the Member for The Maples asks, I am going to expand upon it a little bit in my answer. What is important of course is not necessarily how many times this Deputy Minister meets, but how many times that our staff, through our Employment Counselling Branch, for example, meets. The Assistant Deputy Minister advises me that on at least a half a dozen occasions he has been involved in conferences and meetings where he has been invited; probably well over 30, in the range of 30-plus meetings, conferences, et cetera, staff from the branch have attended. That is numbers, I am advised, and of course we may not have a record of that, so that is a best guess.

Because the system is integrated, we are there. We are invited with groups who are interested in pursuing this matter. If there are groups in the Member's constituency or in the communities that he is in contact with, we will certainly provide the staff—I make that invitation to him—to discuss how we can work with those groups to improve their eligibility for Civil Service positions. I make that commitment to him today.

**Mr. Cheema:** Madam Chairperson, I think it is extremely important to meet their gap. The gap is going to be met probably in another year or two or five or ten. It is going to take a long time, but for the department to approach the community group is very important as sometimes the hesitancy is there, the barriers are there. There are a lot of things which come into play and people are having difficulty to come and either meet with the Minister or the rest of the department.

My next question is: Can the Minister tell us what efforts they have made for the last year or two to meet with the various groups on their own to explain what the affirmative action is, what is being done, what is available?

**Mr. Praznik:** Yes, Madam Chairperson, I am advised that the staff continue to liaise with agencies and organizations serving groups designated for affirmative action to foster awareness of the branch's services. The staff have made some 30 presentations about the branch's programs in services to Outreach agencies. In addition, 25 presentations were made to Government departments. I think that is important—as the Member touched upon—to build up awareness within Government departments. The branches also participated in career symposia and presented informational displays at several conferences and events.

In listening to the Member for The Maples (Mr. Cheema), I certainly appreciate there is a need to reach out to various groups. As a Minister, again, I would indicate if there are organizations that he would like to arrange us to meet with, we would certainly be more than accommodating with that. What I have a little bit of fear in doing, if one goes out without invitation and some advance work, you create an expectation, an immediate expectation, that may be a little bit difficult to fill.

So it is much better, of course, where we have invitation and some preliminary work. As a Member

of the Legislature, I know he works with many of those community groups and organizations. We would be more than delighted—more than delighted—to work with him in facilitating those kind of meetings and interaction and building that awareness.

**Mr. Cheema:** Madam Chairperson, the Minister is so positive, I am having a difficult time to criticize him.

Can the Minister tell us how many senior positions are being occupied or being held by the affirmative action group in all the departments?

\* (1140)

**Mr. Praznik:** Yes, could I ask the Member for The Maples if he could provide a little more clarification as to what he means by seniors, so that we could get the information he is looking for.

**Mr. Cheema:** Madam Chairperson, can the Minister tell us how many ADMs, Assistant Deputy Ministers and Deputy Ministers are from the affirmative action group?

**Mr. Praznik:** Madam Chairperson, we do not have an exact number available. I know of one Deputy Minister from the visible minority community. We have quite a number of women who hold positions of Deputy Ministers and Assistant Deputy Ministers. Those numbers change regularly, et cetera—I would think a critical number with respect to visible minorities.

In the package that we will provide to the Member for The Maples, there is a particular graph on salary distribution. I think this is the most encouraging in that area. Although this does not reflect numbers, what it indicates is that there is a large number of people from the visible minority community.

Madam Chairperson, I must admit I have a hard time using that term because it is so relevant. I may not be a member of the visible minority community in this province, or maybe this country, but I certainly am in terms of the world. It all depends on what way that you look at it.

I would indicate that there is a grouping, a fairly significant grouping, of people from the visible minority community in the higher salary range of Government, which reflects a large number of professionals who have come to the province, who are employed by the province. What that would suggest to me is you have a number of people in positions ready, over the next decade or so, to

assume more senior positions at the ADM and DM level. That is certainly being built and under way, and I think that is a positive sign.

**Mr. Cheema:** Madam Chairperson, one of the ways to bring the affirmative action to a real front is to retrain and re-educate some of the skills that people bring and make sure that they come up to par so that they can at least compete at the level. I know that is not the responsibility of this Minister, but what is his department doing in co-operation with the Department of Education and Training to make sure that some of the programs are being made available to upgrade retraining skills?

**Mr. Praznik:** Madam Chairperson, I am pleased to advise the Member—I certainly take no credit for it as Minister because I have not been here long enough—but the Civil Service Commission operates two programs he may be interested in. One of them involves bringing people from external targeted groups such as visible minorities, into Government at perhaps somewhat lower levels, but providing a very structured training program to bring them in to meet the standards, et cetera, which gives them a career path and a fast track in essence to getting on track and having those qualifications with the province.

The other thing we do, which is the flip side of the coin on affirmative action, is we do a fair bit of work, cross-cultural work within departments to make an awareness of our other employees, which is so important in working people that we are bringing in.

I am sure the Member for The Maples would agree, recruitment to vacancies is one part of it, but retention of those people is another, and the third leg, of course, is a career path and opportunities for promotion. That all involves people feeling welcome and productive in our Civil Service and it is important that other employees are aware of issues that people face who are brought in that they may not view because of their cultural background. If there is an awareness and an appreciation it makes the workplace a much more effective and nicer place to be and that serves our retention and, of course, our promotion objectives.

**Mr. Cheema:** Madam Chairperson, the Minister has answered my last question anyway. That was close to my last question on this particular subject, and I do not have any further questions on this particular issue.

As the Member for Thompson (Mr. Ashton) raised the question of pay equity, and the Minister has explained some of the things and we have gone through the Department of Labour and through the Department of Health and certainly some of the crucial negotiations which are coming next year, it is going to be quite an important task for the Minister. I would hope that with the Minister's positive attitude, a lot of problems could be solved. I think he is moving in the right direction. He has learned his department quite quickly, but it is going to be a very crucial time because of the financial restraints this Session and how to keep the jobs which are already there. With that, I will end my remarks so that we can go to another committee. Thank you.

\* (1150)

**Madam Chairman:** Item 1. Civil Service Commission (a) Executive Office: (1) Salaries \$259,900—pass; 1.(a)(2) Other Expenditures \$84,500—pass.

Item 1.(b) Administrative Services: (1) Salaries \$792,500—pass; 1.(b)(2) Other Expenditures \$417,300—pass.

Item 1.(c) Human Resource Management Services: (1) Salaries \$1,996,300—pass; 1.(c)(2) Other Expenditures \$766,700—pass; 1.(c)(3) Less: Recoverable from Other Appropriations \$368,200—pass.

Item 1.(d) Labour Relations Services: (1) Salaries \$657,900—pass; 1.(d)(2) Other Expenditures \$142,500—pass.

Resolution 17: RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,749,400 for Civil Service Commission for the fiscal year ending the 31st day of March, 1991—pass.

Item 2. Civil Service Benefits \$57,114,300 (a) Civil Service Superannuation Act \$20,773,000—pass.

Item 2.(b) Canada Pension Plan \$10,773,700—pass.

Item 2.(c) Civil Service Group Life Insurance \$2,041,800—pass.

Item 2.(d) Workers' Compensation Board: (1) Assessments re: Accidents to Government Employees \$3,675,000—pass; 2.(d)(2) Less: Recoverable from Other Appropriations \$3,250,000—pass.

Item 2.(e) Unemployment Insurance Plan: Government's Share of Premiums for Government Employees \$16,665,800—pass.

Item 2.(f) Dental Plan \$4,725,000—pass.

Item 2.(g) Long Term Disability Plan \$1,320,000—pass.

Item 2.(h) Ambulance and Hospital Semi-Private Plan \$390,000—pass.

Resolution 18: RESOLVED that there be granted to Her Majesty a sum not exceeding \$57,114,300 for Civil Service, Civil Service Benefit Plans for the fiscal year ending the 31st day of March, 1991—pass.

Item 3 Levy for Health and Post-Secondary Education \$13,863,600—pass.

Resolution 19: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,863,600 for Civil Service, Levy for Health and Post-Secondary Education for the fiscal year ending the 31st day of March, 1991—pass.

**Mr. Praznik:** I would like to thank the critics of both Opposition Parties for their co-operation in this process, and I look forward to working with them in the years ahead to achieve some of the goals we outlined today. Thank you.

**Madam Chairman:** Thank you. The hour being 12 p.m., committee rise and call in the Speaker.

### IN SESSION

**Madam Deputy Speaker:** As previously agreed, this House is adjourned and stands adjourned until 1:30 p.m.

# Legislative Assembly of Manitoba

Tuesday, December 11, 1990

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